

RIBBLE VALLEY BOROUGH COUNCIL

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date: 11 March 2015

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Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 24 MARCH 2015** in the **TOWN HALL, CHURCH STREET, CLITHEROE**.

I do hope you can be there.

Yours sincerely

CHIEF EXECUTIVE

To: Committee Members (copy for information to all other members of the Council)
Directors
Press

AGENDA

Part 1 – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2. Minutes of the meetings held 27 January 2015 and 10 February 2015 – copy enclosed.
3. Declarations of Interest (if any).
4. Public Participation (if any).

DECISION ITEMS

- ✓ 5. Draft Cycle of Committee Meetings – report of Chief Executive – copy enclosed.
- ✓ 6. Amendments to Standing Orders (Part 4 of the Council's Constitution) – report of Chief Executive – copy enclosed.
- ✓ 7. Members' Allowance Scheme – Update – report of Director of Resources – copy enclosed.
- ✓ 8. Voluntary Grants Application 2015-2016 – report of Director of Resources – copy enclosed.

- ✓ 9. Returning Officer's Scale of Fees 2015/2016 Borough and Parish Elections – report of Chief Executive – copy enclosed.
- ✓ 10. Treasury Management Strategy – report of Director of Resources – copy enclosed.
- ✓ 11. Treasury Management Policy and Practices 2015/2016 – report of Director of Resources – copy enclosed.
- ✓ 12. Local Taxation Write-offs – report of Director of Resources – copy enclosed.
- ✓ 13. Village Amenity Grants – QEII Playing Fields, Whalley – report of Chief Executive – copy enclosed.
- 14. References from Committee (if any).

INFORMATION ITEMS

- 15. Tour of Britain – verbal report by Head of Cultural and Leisure Services.
- ✓ 16. Community Strategy Update – report of Chief Executive – copy enclosed.
- ✓ 17. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 18. Luncheon Clubs Update – report of Chief Executive – copy enclosed.
- ✓ 19. Budget Working Group Minutes – copy enclosed.
- 20. Reports from Representatives on Outside Bodies – report from Councillor I Sayers re Little Green Bus – copy enclosed.

Part II - items of business **not** to be discussed in public

- ✓ 21. Development Updates – report of Chief Executive – copy enclosed.
- ✓ 22. Ribble Valley Homes – Proposal re: Taylor Street, Clitheroe – report of Chief Executive – copy enclosed.
- ✓ 23. Complaints Review 2014/15 – report of Chief Executive – copy enclosed.
- ✓ 24. Local Taxation Write-offs – report of Director of Resources – copy enclosed.
- ✓ 25. Land at Riddings Lane, Whalley – report of Chief Executive – copy enclosed.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY 24 MARCH 2015
title: DRAFT CYCLE OF COMMITTEE MEETINGS
submitted by: CHIEF EXECUTIVE
principal author: OLWEN HEAP

1 PURPOSE

1.1 To request Committee's consideration of the proposed meeting cycle for committees for the municipal year 2015/16.

1.2 Relevance to the Council's ambitions and priorities:

One of the stated aims of the Council is to be a well-run Council. Meetings of the Council and its' committees are arranged to be as accessible as possible in order to enhance the transparency of the Council's work.

2 BACKGROUND

2.1 The meeting cycle is drawn up at the time of year for the forthcoming municipal year.

2.2 It is subject to final approval at the Annual meeting on 19 May 2015.

2.3 Some meetings have to fit into other timetables, eg approval of the Statement of Accounts, setting the Council Tax .

3 ISSUES

3.1 The draft meeting cycle at Appendix A is similar to the cycle in 2014/15 (dates around Easter have moved).

3.2 Consideration has been given to various issues that have resulted in

- The 'summer' cycle being condensed as far as possible to avoid July and August;
- The first cycle of meetings being put back a week to accommodate the Parliamentary and Borough Elections on 7 May 2015

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – the estimated costs of administering the committee arrangements is included in the approved budget for 2015/16.
- Technical, Environmental and Legal – none arising as a direct result of this report.

- Political – none arising as a direct result of this report.
- Reputation – none arising as a direct result of this report.
- Equality & Diversity – none arising as a direct result of this report.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve the draft meeting cycle at Appendix A for ratification at the Annual meeting on 19 May 2015.

OLWEN HEAP
ADMINISTRATION OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

Meeting Cycle 2014/15

For further information please ask for Olwen Heap, extension 4408

REF: OMH/P&F240315

Ribble Valley Borough Council
Meeting Cycle 2015/16
 (19 May 2015 – 10 May 2016)

MEETINGS	Day	TIME	1ST CYCLE 2015	2ND CYCLE 2015	3RDCYCLE 2015	4TH CYCLE 2016	5TH CYCLE 2016
Community Services	Tues	6.30pm	2 June	1 Sept	13 Oct	12 Jan	15 March
Planning and Development	Thurs	6.30pm	4 June	30 July & 20 Aug	15 Oct	14 Jan	17 March
Personnel	Wed	6.30pm	10 June	2 Sept	21 Oct	20 Jan	23 March
Health & Housing	Thurs	6.30pm	11 June	3 Sept	22 Oct	21 Jan	31 March
Policy & Finance	Tues	6.30pm	16 June	8 Sept	27 Oct	26Jan & 9 Feb	5 April
Parish Liaison	Thurs	6.30pm	18 June	10 Sept	29 Oct	28 Jan	7 April
Licensing	Tues	6.30pm	23 June	15 Sept	3 Nov		12 April
Planning & Development	Thurs	6.30pm	2 July	17 Sept	12 Nov & 17 Dec	11 Feb	14 April
Accounts & Audit	Wed	6.30pm	24 June	26 Aug	18 Nov		30 March
Full Council	Tues	6.30pm	14 July	6 Oct	15 Dec	1 Mar	26 April

2015

Offices Closed

Spring Bank : 25 May 2015
 August Bank : 31 August 2015
 Christmas : 25 - 31 December 2015

2016

Offices Closed

New Year : 1 January 2016
 Good Friday : 25 March 2016
 Easter Monday : 28 March 2016
 May Day : 2 May 2016

Annual Council : 19 May 2015
 Parliamentary & Borough Elections : 7 May 2015

PCC Elections : May 2016
 Annual Council : 10 May 2016

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: TUESDAY, 24 MARCH 2015
title: AMENDMENTS TO STANDING ORDERS (PART 4 OF THE COUNCIL'S CONSTITUTION)
submitted by: CHIEF EXECUTIVE
principal author: SOLICITOR

Agenda Item No.

1 PURPOSE

- 1.1 To amend the Council's Standing Orders (Part 4 of the Council's Constitution) to reflect guidance received from central government, the consequential changes adopted to the Council's procedures, and to ensure that they remain up to date.
- 1.2 Relevance to the Council's ambitions and priorities:
- Council's Ambitions – N/A
 - Community Objectives - N/A
 - Corporate Priorities – To be a well-managed Council. The Council's standing orders contain the necessary provisions to allow for matters to be discussed and voted upon in an orderly and proper manner
 - Other considerations – It is important that our constitution is kept up-to-date, to ensure that all legislative requirements are reflected within them.

2 BACKGROUND

- 2.1 The Local Government Act 2000 provides that every Local Authority is required to prepare and keep up to date a constitution containing:
- A copy of its Standing Orders
 - A copy of its Code of Conduct
 - Any information directed by the Secretary of State
 - Any other information considered appropriate by the Local Authority; and
 - Where a Local Authority operates a Committee system the constitution must also contain a statement as to whether it has an Overview and Scrutiny Committee.
- 2.2 The Council's constitution is very much a living document. It has been divided into parts and these parts are accessible on the Council's website at: http://www.ribblevalley.gov.uk/info/200213/conduct_and_the_constitution/1062/constitution_and_code_of_conduct_etc.
- 2.3 The Council's Head of Legal and Democratic Services, in her role as Monitoring Officer, requested that the Council's Solicitor carry out a review of the Council's Standing Orders which are contained in Part 4 of the Constitution.

3 ISSUES

- 3.1 The Council's Standing Orders are the rules, which govern the conduct and proceedings of the Council's meetings (including those of its committees and sub-committees). This Council approved the last amendments to the Council's Standing Orders on 29 April 2014.
- 3.2 Since the Council's Standing Orders were last amended, the Department for Communities and Local Government has published guidance entitled "*Open and Accountable Local Government – A Guide for the press and public on attending and reporting meetings of local government.*" A report was brought to this Committee on 27 January 2015, explaining in detail the content of this guidance and Committee approved a protocol for public participation at Council and Committee meetings and a protocol for filming and recording at Council meetings.
- 3.3 In light of this, the Monitoring Officer considered that the Council's Standing Orders should be amended to reflect the guidance and the content of the protocols. The proposed Standing Orders are appended as Appendix 1 to this Report. The amendments are at paragraph 6, 20, 22, and 27 and have been underlined for ease of reference.

4. LEGAL REQUIREMENTS

- 4.1 Article 11.3 of the Council's Constitution provides that the Council will only approve changes to the Constitution after consideration of the proposal by the Monitoring Officer.
- 4.2 The Council's Head of Legal and Democratic Services, in her role as Monitoring Officer, has considered the proposed changes set out in the appendices to this report, and supports them.
- 4.3 Committee should note that the Articles of the Constitution are to be considered by Accounts and Audit Committee on 1 April 2015, and that the whole constitution will be considered at the Annual Council meeting in May this year.

5. RISK ASSESSMENT

- 5.1 The approval of this report may have the following implications:
- Resources – The Council's Solicitor will make any necessary changes and put new documents onto the website. New paper booklets containing the Standing Orders will need to be produced for Members and Officers.
 - Technical, Environment and Legal – The amendments will ensure the Council can deal with legal and technical matters more effectively.
 - Political – No implications identified.
 - Reputation – No implications identified.
 - Equality & Diversity – No implications identified.

6. **RECOMMENDED THAT COMMITTEE**

- 6.1 Approve the changes outlined in the report above and shown in **Appendix 1** to this report.
- 6.2 Refer the suggested changes to the Council with a recommendation for their approval.



MAIR HILL
SOLICITOR



MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

- 1. Report of the Chief Executive to Policy and Finance Committee dated 27 January 2015.

For further information please ask for Mair Hill on extension 3216.



Ribble Valley
Borough Council

www.ribblevalley.gov.uk

**Ribble Valley Borough Council
General Standing Orders**

March 2015

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Part 4 of the Constitution, 2015

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1. MEETINGS OF THE COUNCIL

Annual Meeting

- 1.1 The Council will hold its Annual Meeting at a place, time and date in May, which it will decide at or before its last meeting prior to the Annual Meeting. In the absence of a decision or statutory provision to the contrary, the date will be the second Tuesday in May, or, in an election year, the second Tuesday after the council elections.

Ordinary Meetings

- 1.2 Ordinary Meetings will be held at eight week intervals or such other intervals as the Council shall, at its Annual Meeting, determine and at such place and time as the Council may determine.

Extraordinary Meetings

- 1.3 The Mayor may call an Extraordinary Meeting of the Council at any time. If the Mayor refuses to call an Extraordinary Meeting of the Council after receiving a requisition for that purpose signed by five members of the Council, or if, without so refusing, the Mayor does not call an Extraordinary meeting within seven days after receiving the requisition, then any five members of the Council, on that refusal or on the expiration of those seven days, as the case may be, may forthwith call an Extraordinary Meeting of the Council.

(Local Government Act 1972 Schedule 12 para. 3)

Notice of Meetings

- 1.4 The Chief Executive shall at least **five clear days** before a meeting:
- 1.4.1 give public notice of the time and place of the meeting by posting it at the offices of the Council and placing it on the Council website or if the meeting is convened on shorter notice, then at the time it is convened;
 - 1.4.2 send to or leave at the usual place of residence of every member of the Council or such other address as the member has requested, a signed summons to attend the meeting, specifying the business proposed to be transacted at the meeting.

N.B 'Clear Days' has been interpreted as five periods of 24 hours running from midnight to midnight and not including Saturday and Sunday unless the Council Offices are open for the inspection of agenda and reports on those days.

(Local Government Act 1972 Section 100A, 100B and Schedule 12 para. 4)

2. MAYOR AND DEPUTY MAYOR

- 2.1 The Election of the Mayor shall be the first item of business at the Annual Meeting, and shall be followed by the appointment of a Deputy Mayor. In the absence of both the Mayor and Deputy Mayor, those members present will choose one of their number to preside at the meeting, and that person shall have the powers of the Mayor in relation to the conduct of the meeting.

3. APPOINTMENT OF COMMITTEE AND CHAIRMAN

Appointment of Chairmen and Vice-Chairmen

- 3.1 The council at its Annual Meeting shall appoint the chairmen and vice-chairmen of all standing committees. If a casual vacancy arises in the office of chairman or vice-chairman of a committee, the council shall appoint a replacement at its next meeting.
- 3.2 In the absence of the chairman of a committee, the vice-chairman shall preside and in the absence of both, the committee from among its members shall appoint a chairman for that particular meeting.

Continuance of Committees

- 3.3 Committees shall be appointed at the Annual Meeting of the council and remain in office until the next Annual Meeting unless sooner determined.

4. QUORUM

- 4.1 The quorum at a meeting of the Council is twenty members. If the meeting lacks a quorum its business shall be adjourned to a fixed date and time, or to the next Ordinary Meeting.

5. ORDER OF BUSINESS

- 5.1 Subject to paragraph 5.2 of this Standing Order, the order of business at every meeting of the Council will be:
 - 5.1.1 to choose a person to preside if the Mayor and Deputy Mayor are absent;
 - 5.1.2 to deal with any item required by statute to be done before any other item;
 - 5.1.3 to approve as a correct record and sign the minutes of the last meeting of the Council;
 - 5.1.4 to receive public questions submitted in accordance with Standing Order 6;
 - 5.1.5 Mayor's communications;
 - 5.1.6 to dispose of business (if any) remaining from a previous meeting;
 - 5.1.7 Leader's Report and Question Time;
 - 5.1.8 to receive and consider all other reports, minutes and recommendations of committees in date order of meeting;
 - 5.1.9 to answer questions asked under Standing Order 10;
 - 5.1.10 to consider Motions under Standing Order 9 in the order received; and
 - 5.1.11 other business, if any, specified in the summons.
- 5.2 With the exception of items 5.1.1, 5.1.2, 5.1.3 and 5.1.4, the Mayor may alter the order of business, or by a resolution following a Motion moved, seconded and put to the meeting without debate.

6. PUBLIC PARTICIPATION

- 6.1 Public participation in meetings of the Council will be allowed, in accordance with the Council's Protocol for Public Participation at Council and Committee meetings, subject to the following:
 - 6.1.1 a question or comment may be refused if they relate to exempt or confidential information within the meaning of the Council's Rules or if in the opinion of the Council's Head of Legal and Democratic Services they contain defamatory material;
 - 6.1.2 only residents of the Ribble Valley may ask questions or make comments.
 - 6.1.3 no person shall speak for more than 3 minutes;

- 6.1.4 a maximum of 15 minutes shall be allocated to public participation. Question(s) and/or comment(s) will be dealt with in the order in which they are received. Any questions not dealt with at the meeting shall be given answers in writing. Answers will not be given to any comments made. The public participation session shall form part of the formal proceedings of Council and shall be recorded in the minutes.
- 6.1.5 Members of the public wishing to ask questions or make comments must give notice in writing to the Chief Executive by not later than noon on the Friday before the Council meeting. The notice must specify the question in sufficient detail to enable a reply to be prepared. The Leader or the Chairman of the appropriate committee will give answers and a copy of the answer in writing will be given to the questioner.
- 6.1.6 Questioners shall have the right to ask one supplementary question when they have received the chairman's reply.
- 6.1.7 A question or comment on the same topic shall not be made at two consecutive meetings of the Council.
- 6.1.8 If the Council elects to, a special annual public meeting shall be held to deal solely with matters raised by electors. The venue will be such place as the Council decides. The same rules as set out in paragraph 6.1.5 of this Standing Order will apply to the written submission of questions at any special annual public meeting.
- 6.1.9 appropriate publicity shall be given to the right of the public to participate in meetings of the Council.

7. PETITIONS

- 7.1 Petitions may be presented to the Council in accordance with the Council's Petition Scheme.
- 7.2 The Council's Petition Scheme will not apply to letters of representation in respect of any matter relating to:
- 7.2.1 a specific planning decision (including a development plan document or the community infrastructure levy),
- 7.2.2 an alcohol, gambling or sex establishment licensing decision;
- 7.2.3 an individual or entity, which has a right to a review or appeal, conferred by or under any enactment.

8. MOTIONS AND AMENDMENTS WITHOUT NOTICE

- 8.1 A member may move without notice any of the following Motions and amendments:
- 8.1.1 to appoint a chairman for that meeting or the remainder of the meeting;
- 8.1.2 motions relating to the accuracy of the minutes;
- 8.1.3 to vary the order of the agenda;
- 8.1.4 subject to paragraph 8.1.7 of this Standing Order, move a Motion arising out of consideration of an item on the agenda, provided it is relevant to that item and does not introduce any new subject matter,
- 8.1.5 refer a matter back to a committee; and/or

Part 4 of the Constitution, 2015

- 8.1.6 that a body be appointed, or a person appointed to a body;
- 8.1.7 to adopt reports and recommendations of committees and/or officers. A member cannot however move a Motion or amendment, which amends a decision made under powers delegated to a Committee and/or Officer by the Council.
- 8.1.8 to give leave to withdraw a Motion;
- 8.1.9 to extend the time limit for speeches;
- 8.1.10 to make an amendment to a Motion;
- 8.1.11 to move on to the next item on the agenda;
- 8.1.12 to put the question immediately to the vote;
- 8.1.13 to adjourn the debate;
- 8.1.14 to adjourn the meeting;
- 8.1.15 to suspend one or more Standing Orders;
- 8.1.16 to exclude the public from the meeting under Section 100A(4) of the Local Government Act 1972;
- 8.1.17 under Standing Order 13.30 not to hear a member further.
- 8.1.18 under Standing Order 13.31 by the chairman to require a member to leave the meeting; and/or
- 8.1.19 to give any consent required by these Standing Orders.

9. NOTICES OF MOTION

- 9.1 A Notice of Motion not listed in Standing Order 8 must be given in writing to the Chief Executive **AT LEAST 7 CLEAR DAYS** (as defined above) before the relevant meeting, and be signed by the member(s) giving the notice. An email to the Chief Executive will be accepted as giving notice.
- 9.2 The Chief Executive shall set out in the summons for the Council meeting all Motions which comply with the requirements of paragraph 9.1 of this Standing Order in the order they have been received, unless the member has either withdrawn it in writing or requested to move it at a later meeting.
- 9.3 Motions must relate to matters where the Council has powers or duties or which affect the borough.
- 9.4 The Council will treat as withdrawn any Motion not moved at the meeting at which it appears upon the summons, unless the Mayor agrees its postponement.
- 9.5 Any Motion which falls within the terms of reference of a committee(s) may:
 - 9.5.1 be referred without discussion to such committee(s);
 - 9.5.2 be referred without discussion to such other committee(s) as the Council may decide; or
 - 9.5.3 be dealt with at the meeting at which it is moved if the Mayor considers it is appropriate and convenient to do so.

- 9.6 If a Motion is referred in accordance with Standing Order 9.5 the Chief Executive must notify the relevant member:
- 9.6.1 of the meeting(s) of the committee(s) to which it has been referred;
 - 9.6.2 that they have the right to attend the meeting(s); and
 - 9.6.3 that they may explain the Motion at any such meeting(s).

10. QUESTIONS AT COUNCIL MEETINGS

- 10.1 A member may ask the Mayor or the chairman of any committee any question on any matter which relates to a power or duty of the Council or which affects the borough.
- 10.2 A question must either:
- 10.2.1 be received by the Chief Executive by noon on the Friday before the meeting; or
 - 10.2.2 relate to urgent business, have the agreement of the Mayor to the question being put and, where possible, a copy of the question will be given to the Chief Executive before 10.00am on the day of the meeting.
- 10.3 The question shall be put and answered without discussion, but the person to whom the question is addressed may decline to answer. Where the question has been submitted in writing in advance of the meeting, the questioner shall have the right to ask one supplementary question, or to make a relevant comment, when they have received the Chairman's reply.
- 10.4 The answer to a member's question may be given: orally and directly; by reference to published material of the Council provided it is readily available to members; or in writing circulated to all members.
- 10.5 There shall be no question on the same topic at two consecutive meetings of the Council.
- 11. LEADER'S REPORT AND QUESTION TIME**
- 11.1 The Leader of the Council will present a report on the ongoing work of the Council and on any topical issues relating thereto. Notwithstanding the provisions of Standing Order 13.11, the Leader in presenting his report may speak for up to ten minutes.
- 11.2 At the conclusion of the Leader's report, the Leader of the Opposition or in his absence, the Deputy Leader of the Opposition may ask up to three questions of the Leader, provided that notice of these has been received in writing by the Chief Executive by not later than noon on the day before the Council meeting. The questions shall relate to the general work of the Council. There will be no requirement for any answers to be in writing and the leader of the opposition shall be entitled to ask one supplementary question or make one comment in relation to each answer given by the Leader.
- 11.3 When any questions from the Leader of the Opposition or in his absence, the Deputy Leader of the Opposition have been answered by the Leader, Councillors may ask a question of the Leader on matters relating to the general work of the Council, which do not fall within the remit of a committee.
- 11.4 Only residents of the Ribble Valley may ask questions of the Leader.
- 11.5 Subject to paragraph 11.2 of this Standing Order, Councillors wishing to ask questions must give notice in writing to the Chief Executive by not later than noon on the Friday before the council meeting. The notice must specify the nature of the question in sufficient detail to enable a reply to be prepared. A copy of the Leader's answer in writing will be given to the questioner.
- 11.6 Councillors shall have the right to ask one supplementary question when they have received the Leader's reply.

11.7 There shall be no question on the same topic at two consecutive meetings of the Council.

12. MINUTES OF COUNCIL MEETINGS

12.1 The Mayor will move that the minutes be approved as a correct record.

12.2 Only the accuracy of the minutes may be discussed and then only by Motion. As soon as any Motion has been disposed of (or if no Motion is moved) the Mayor will sign the minutes subject to any amendment set out in any Motion approved by the Council.

12.3 Minutes shall be submitted to and signed at the next meeting of the Council unless that meeting is an Extraordinary Meeting.

13. RULES OF DEBATE FOR COUNCIL MEETINGS

Respect for Mayor

13.1 When the Mayor rises during a debate, any member standing must immediately stop speaking and sit down and the Council must be silent.

Standing when Speaking

13.2 A member, when speaking, must stand and address the Mayor.

Mayor to decide order of speaking

13.3 If two or more members rise or indicate their wish to speak, the Mayor will call on one to speak and the other (or others) must then sit.

Only one Member to Stand

13.4 While a member is speaking, all other members must remain seated and silent UNLESS rising to indicate that they wish to make a point of order or to provide personal explanation.

Motion for reception of Minutes – Procedure

13.5 A Motion for the reception of the minutes of a committee, sub-committee or joint Committee (save for any minute marked with ***):

13.5.1 must be proposed and seconded before it is discussed;

13.5.2 must not include any amendment of those minutes; but

13.5.3 may provide for a particular minute to be withdrawn for further consideration by the appropriate committee; and upon being seconded, that particular minute will be withdrawn subject to the agreement of the Council.

13.6 When a Motion to receive the minutes of a committee has been seconded, the Mayor will invite questions or comments upon such minutes. Any member may ask a question or make a comment on any minute before the Council, provided that he or she does not speak for more than five minutes in total on the minutes of a particular committee.

13.7 Any minute with *** must be considered by a separate motion following the procedure set out in paragraphs 13.5 and 13.6 above.

Questions/Comments on Minutes

- 13.8 The chairman of the committee or other member moving the reception of the committee minutes will respond to any questions/comments relating to those minutes. Questions on a particular minute will not be answered until they have all been asked. The chairman or other member moving the reception of the committee minutes may decline to respond unless written notice has been given to the Chief Executive by noon on the Friday before the meeting. Where a question has been submitted in writing in advance of the meeting the questioner shall have the right to ask one supplementary question when they have received the chairman's response.

Content of Amendment

- 13.9 An amendment must relate to the Motion and either:
- 13.9.1 refer a matter to a committee, or refer back to the appropriate committee a matter recommended to the Council;
 - 13.9.2 leave out words;
 - 13.9.3 add or insert words; or
 - 13.9.4 leave out words and add or insert words.

Content of Speech

- 13.10 A member's speech must be directed solely to the matter under discussion.

Length of Speech

- 13.11 A member may not speak for more than five minutes, except by consent of the Council.

When a member may speak again on a Motion

- 13.12 A member who has spoken on any Motion (and for this purpose each separate minute of a particular committee, sub-committee or joint committee, or any group of minutes being taken together will be regarded as a separate Motion) must not speak again until the debate on the Motion has finished EXCEPT:
- 13.12.1 to speak once on an amendment moved by another member;
 - 13.12.2 if the Motion has been amended since the member last spoke, to move a further amendment;
 - 13.12.3 if the member's first speech was on an amendment moved by another member, to speak on the main issue, whether or not that amendment was carried;
 - 13.12.4 in exercise of a right of reply given by paragraphs 13.26 or 13.27 of this Standing Order;
 - 13.12.5 on a point of order or by way of personal explanation (in accordance with paragraph 13.28 and 13.29 of this Standing Order);

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- 13.12.6 to move or speak on a procedural Motion set out in sub-paragraph 13.19.2, 13.19.7 or 13.19.8 of paragraph 13.19 of this Standing Order.

Debate on Amendment

- 13.13 Only one amendment may be moved and discussed at a time. No further amendment may be moved until the first amendment has been disposed of.
- 13.14 The Mayor may permit two or more amendments to be discussed together if this is likely to help the proper conduct of the Council's business BUT each amendment must be voted upon separately.
- 13.15 If an amendment is lost a further, different, amendment may be moved.
- 13.16 The Mayor should read the entire Motion as amended prior to a vote being taken.
- 13.17 If an amendment is carried, the Motion as amended takes the place of the original Motion and becomes the Motion upon which any further amendments may be moved.

Seconding of Motions and Amendments

- 13.18 Any member may second a motion or amendment and reserve his or her speech for a later period of the debate.

Motions which may be moved during debate

- 13.19 When a Motion is being debated, the only other Motions that may be moved (either singly or combined) are:
- 13.19.1 to amend the Motion;
 - 13.19.2 to adjourn the meeting;
 - 13.19.3 to adjourn the debate;
 - 13.19.4 to move on to the next business;
 - 13.19.5 to put the question immediately to the vote;
 - 13.19.6 not to hear a member further;
 - 13.19.7 by the Mayor to require a member to leave the meeting;
 - 13.19.8 to exclude the public from the meeting under section 100A(4) of the Local Government Act 1972 ;
 - 13.19.9 to suspend one or more Standing Orders;
 - 13.19.10 to extend the time limit for speeches;
 - 13.19.11 to give any consent required by these Standing Orders.

Closure Motions

- 13.20 At the conclusion of a speech of another member, a member may move without comment that:
- 13.20.1 the debate be adjourned;
 - 13.20.2 the meeting be adjourned;

13.20.3 the Council proceed to the next business; or

13.20.4 the question be put.

13.21 If the Motion is seconded the Mayor shall proceed as follows, if in his opinion the question before the meeting has been sufficiently discussed:

13.21.1 in the case of a Motion under 13.20.1, 13.20.2 or 13.20.3, invite the mover of the original Motion to reply and then put the closure Motion to the vote; or

13.21.2 in the case of a Motion under 13.20.4, put the closure Motion to the vote.

13.22 If the Motion is carried, the question before the meeting shall (subject to the rights of speech or reply) be put to the vote or be deemed to be disposed of or the meeting or debate shall stand adjourned as the case may be.

Amendment of Motion by Proposer

13.23 The proposer of a Motion may with the consent of the Council:

13.23.1 alter a Motion of which the proposer has given notice; or

13.23.2 with the further consent of the seconder alter a Motion, which the proposer has moved if (in either case) the alteration is one, which could be made as an amendment to the Motion.

Withdrawal of Motion by Proposer

13.24 A Motion or amendment may be withdrawn by the proposer with the consent of the seconder and of the council.

13.25 No member may speak on a Motion or amendment after the proposer has asked to withdraw it **UNLESS** permission has been refused.

Right of Reply – Proposer of Motion Only

13.26 The proposer of a Motion has the right to reply at the close of the debate on the Motion immediately before it is put to the vote.

13.27 At the close of a debate on an amendment:

13.27.1 the proposer of the original Motion has the right to reply; and

13.27.2 the proposer of the amendment has the right to reply, such right to be exercised immediately before the proposer of the original motion replies.

Explanation and Points of Order

13.28 An explanation shall be confined to a material part of an earlier speech by the member during the meeting and on which a misunderstanding has occurred.

13.29 A point of order is a request by a member to the Mayor to rule on an alleged irregularity in the constitution of, or procedure in the meeting.

13.30 A member may rise on a personal explanation or a point of order at any time and is entitled immediately to address the Mayor on the matter; but:

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- 13.30.1 the member who raises a point of order must specify immediately a Standing Order or statutory provision, and say how it has been broken or infringed;
- 13.30.2 in either case the member's speech must be confined to the personal explanation or point of order.
- 13.30.3 the ruling of the Mayor on an explanation or point of order is not open to discussion and is final.

Disorderly Conduct

- 13.31 If the Mayor considers a member's conduct disorderly and so states to the Council, then the Mayor or any other member may move "not to hear a particular member further" and if seconded, the Motion shall be put to the vote without discussion. Disregarding the ruling of the Mayor, wilfully obstructing proceedings, or behaving improperly, offensively or irregularly shall, for these purposes, be considered disorderly.
- 13.32 If the member's disorderly conduct continues after the Motion has been carried, the Mayor shall:

EITHER

- 13.32.1 move to require the member to leave the meeting in which case the Motion shall be put to the vote without seconding or discussion

OR

- 13.32.2 adjourn the meeting of the council to an appropriate time.

- 13.33 The Mayor may, in the event of general disturbance disruptive of the proceedings, adjourn the meeting for an appropriate length of time. Such action may be taken irrespective of other available powers and without putting the matter to the meeting.

Voting

- 13.34 Save for the requirements relating to Budget Decision Meetings, set out in paragraphs 13.38 – 13.39 of the Standing Order, Members shall vote by a show of hands unless before the Mayor begins to take the vote a member requests that a recorded vote is taken, and that request is supported by six other Members (who will show their support by raising their hands).
- 13.35 Where a recorded vote takes place pursuant to paragraph 13.34 of this Standing Order, the minutes must record each Members vote for, against or abstaining.
- 13.36 In the event that a recorded vote takes place,:
 - 13.36.1 the Head of Legal and Democratic Services or Chief Executive will call the name of each member;
 - 13.36.2 the member will respond, for or against the Motion or abstaining; and
 - 13.36.3 the Head of Legal and Democratic Services, a Director or Head of Service will record each member's response in the minute.
- 13.37 In the case of an equality of votes the Mayor or the person presiding shall have a second or casting vote.

(Local Government Act 1972 Schedule 12 para.39.)

Voting in Budget Decision Meetings

13.38 Immediately after any vote is taken at a Budget Decision Meeting (as defined in the Local Authorities (Standing Orders) (England) Regulations 2001/3384 (as amended)), there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

13.39 The votes shall be recorded as set out in paragraph 13.36 of this Standing Order.

14. DISTURBANCE BY MEMBERS OF THE PUBLIC

14.1 If a member of the public interrupts the proceedings at any meeting the Mayor will issue a warning and if the interruption continues the Mayor shall order the removal of that person from the premises where the meeting is taking place. In case of general disturbance in any part of the premises open to the public, the Mayor shall order that part to be cleared.

15. TIME LIMIT ON MEETINGS

15.1 All meetings must end at or before 3 hours after the time at which the meeting commenced. The council or a committee will only suspend this Standing Order on rare occasions when circumstances justify doing so. The Motion to suspend this Standing Order must be seconded and then put to the vote without discussion.

16. MOTIONS AFFECTING EMPLOYEES

16.1 If any question arises on the appointment, promotion, dismissal, salary, superannuation, conditions of service or conduct of any council employee, the Council must not discuss it until it has considered whether to exclude the public under section 100A(4) of the Local Government Act 1972 as amended.

17. MOTIONS NOT TO BE REVIVED

17.1 No member may move a Motion or amendment, which would have the same effect as one, which has been rejected within the previous six months unless notice has been given as required by Standing Order 9 and such notice is signed by at least nine other members.

18. VOTING ON APPOINTMENTS

18.1 Where three or more persons are nominated for any position to be filled by the Council but there is no majority of the votes cast in favour of one candidate, then the candidate who received the least votes must be eliminated from the voting and a fresh vote taken and so on until a majority of votes is given in favour of one person. Voting under this Standing Order may be conducted by ballot paper.

19. RECORD OF ATTENDANCES

19.1 The names of the members present at a meeting of the council or any of its committees shall be recorded by the Chief Executive in an attendance book provided for that purpose.

20. FILMING OR RECORDING MEETINGS

20. The filming, photographing or audio recordings or use of social media at Council meetings is permitted subject to the provisions set out in the Council's Protocol for filming and recording meetings.

21. MEETINGS OF COMMITTEES

21.1 Meetings of Committees will be held at such intervals as the Council shall, at its Annual Meeting, determine and at such place and time as the Council shall determine.

Sub-Committees/Working Groups

21.2 At the first meeting of each Committee within each municipal year, the Committees shall establish such sub-committees and working groups as it deems necessary and the Members who shall sit on them.

21.3 The membership of any Sub-Committee shall be subject to the principles of political balance, but this will not apply to working groups.

21.4 Sub-Committees shall have the power to make decisions, but working groups may only consider an issue and then refer the matter back to Committee for a decision to be made.

Notice of Committee Meetings

21.5 The Chief Executive shall at least **five clear days** before a meeting:

21.5.1 give the public notice of the time and place of the meeting by posting it at the offices of the council and placing it on the Council website or if the meeting is convened on shorter notice, then at the time it is convened;

21.5.2 send or leave at the usual place of residence of every member of the Council or such other address as the member has requested, a signed summons to attend the meeting, specifying the business proposed to be transacted at the meeting.

N.B Clear days shall have the meaning set out above.

Quorum

21.6 The quorum at meetings of committees shall be not less than half the members of the committee.

21.7 If a meeting lacks a quorum its business shall be adjourned to a fixed date and time or to the next meeting.

Order of Business

21.8 Subject to paragraph 21.6 of this Standing Order, the order of business at every Committee meeting will be:

21.8.1 to receive apologies for absence;

21.8.2 to approve as a correct record and sign the minutes of the last meeting of the Committee;

21.8.3 to receive any declarations of interest;

21.8.4 Public participation;

21.8.5 to receive and consider all reports submitted to the Committee in the order they appear on the agenda; and

21.8.6 other business if any specified on the agenda

21.9 With the exception of items 21.8.1 –21.8.3 and 21.8.5-21.8.6 the order of business may be altered by the chairman.

22 PUBLIC PARTICIPATION IN COMMITTEES

- 22.1 The provisions of this standing order relate to all committees save for Planning Committee.
- 22.2 Public participation in committee meetings will be allowed, in accordance with the Council's Protocol for Public Participation at Council and Committee Meetings, save that:
- 22.2.1 A question or comment may be refused if it relates to exempt or confidential information within the meaning of the Council's rules or if in the opinion of the Head of Legal and Democratic Services they contain defamatory material.
 - 22.2.2 Any person wishing to speak must register with the Council by noon on the day of the meeting.
 - 22.2.3 Contributions are limited to one per person and no person may speak for more than three minutes except in exceptional circumstances.
 - 22.2.4 A maximum of 15 minutes will be allocated for public participation in each Committee.
 - 22.2.5 Contributions will be limited to comments on decision items listed in Part I of the Agenda.
 - 22.2.6 Comments and contributions will be taken in the order in which they are received. Speakers on different agenda items will be dealt with in Agenda item order.
 - 22.2.7 No person may speak on the same topic at two consecutive meetings.

Public Participation in Planning Committee

- 22.3 Public participation in Planning Committee meetings will be allowed save that:
- 22.3.1 a question or comment may be refused if it relates to exempt or confidential information within the meaning of the Council's rules or if in the opinion of the Head of Legal and Democratic Services they contain defamatory material;
 - 22.3.2 contributions will be limited to comments on decision items listed in Part I of the Agenda;
 - 22.3.3 a maximum of two speakers will be allowed on each planning application. One will be the applicant or agent, the other an objector. If the parish council is the objector they will have first refusal of the right to speak;
 - 22.3.4 if the parish council do not wish to speak, the Council will accept the first person to register his or her name as the objector;
 - 22.3.5 each speaker may speak for a maximum of three minutes. The applicant/agent will speak first and the objector second;
 - 22.3.6 Officers and members other than the Chairman cannot question the speaker. In exceptional circumstances the Chairman may ask an applicant and/or objector to clarify a matter of fact. If this happens, the applicant and/or objector must confine himself or herself to giving a direct answer to the question; and/or
 - 22.3.7 Officers will not be required to answer questions raised, but will do so if a Member of Committee so requests.

23 PETITIONS

- 23.1 Petitions may be presented to a committee in accordance with the Council's Petition Scheme.
- 23.2 The Council's Petition Scheme will not apply to letters of representation in respect of any matter relating to:
- 23.2.1 a specific planning decision (including a development plan document or the community infrastructure levy);
 - 23.2.2 an alcohol, gambling or sex establishment licensing decision;
 - 23.2.3 an individual or entity which has a right to a review or appeal conferred by or under any enactment.

24 MOTIONS AND AMENDMENTS WITHOUT NOTICE AT COMMITTEE MEETINGS

- 24.1 A member may move without notice any of the following Motions and amendments:
- 24.1.1 to appoint a chairman for that meeting or the remainder of the meeting;
 - 24.1.2 motions relating to the accuracy of the minutes;
 - 24.1.3 to vary the order of the agenda;
 - 24.1.4 subject to paragraph 24.1.7 of this Standing Order, move a Motion arising out of consideration of an item on the agenda, provided it is relevant to that item and does not introduce any new subject matter, and/or that a body be appointed, or a person appointed to a body;
 - 24.1.5 to adopt reports and recommendations of officers. A member cannot however move a Motion or amendment, which amends a decision made under powers delegated to a Committee and/or Officer by the Council.
 - 24.1.6 to give leave to withdraw a Motion;
 - 24.1.7 to extend the time limit for speeches;
 - 24.1.8 to make an amendment to a Motion;
 - 24.1.9 to move on to the next item on the agenda;
 - 24.1.10 to put the question immediately to the vote;
 - 24.1.11 to adjourn the debate;
 - 24.1.12 to adjourn the meeting;
 - 24.1.13 to suspend one or more Standing Orders;
 - 24.1.14 to exclude the public from the meeting under Section 100A(4) of the Local Government Act 1972;
 - 24.1.15 under Standing Order 26.10 not to hear a member further.
 - 24.1.16 under Standing Order 26.11 by the chairman to require a member to leave the meeting; and/or
 - 24.1.17 to give any consent required by these Standing Orders.

25. NOTICES OF MOTION AT COMMITTEE

- 25.1 A Notice of Motion not listed in Standing Order 24 must be given in writing to the Chief Executive **AT LEAST 5 CLEAR DAYS** (before the relevant meeting, and be signed by the member(s) giving the notice. (see definition of clear days set out above). An email to the Chief Executive will be accepted as giving notice.
- 25.2 The Chief Executive shall set out in the agenda for the Committee meeting all Motions which comply with the requirements of paragraph 25.1 of this Standing Order in the order they have been received, unless the member has either withdrawn it in writing or requested to move it at a later meeting.
- 25.3 Motions must relate to matters where the Council has powers or duties or which affect the borough.
- 25.4 The Council will treat as withdrawn any Motion not moved at the meeting at which it appears upon the summons, unless Committee agrees its postponement.

26 RULES OF DEBATE AT COMMITTEE MEETINGS

Debate on Amendment

- 26.1. Only one amendment may be moved and discussed at a time. No further amendment may be moved until the first amendment has been disposed of.
- 26.2 The Chairman may permit two or more amendments to be discussed together if this is likely to help the proper conduct of the Committee's business BUT each amendment must be voted upon separately.
- 26.3 If an amendment is lost a further, different, amendment may be moved.
- 26.4 The Chairman must read the entire Motion as amended prior to a vote being taken.
- 26.5 If an amendment is carried, the Motion as amended takes the place of the original Motion and becomes the Motion upon which any further amendments may be moved.

Seconding Amendments

- 26.6 Any member may second a motion or amendment and reserve his or her speech for a later period of the debate.

Explanation of points of order

- 26.7 An explanation shall be confined to a material part of an earlier speech by the member during the meeting and on which a misunderstanding has occurred.
- 26.8 A point of order is a request by a member to the chairman to rule on an alleged irregularity in the constitution of or procedure in the meeting.
- 26.9 A member may rise on a personal explanation or a point of order at any time and is entitled immediately to address the chairman on the matter; but:
- 26.9.1 the member who raises a point of order must specify immediately a Standing Order or statutory provision, and say how it has been broken or infringed;
- 26.9.2 in either case the member's speech must be confined to the personal explanation or point of order.

- 26.9.3 the ruling of the Chairman on an explanation or point of order is not open to discussion and is final.

Disorderly conduct

- 26.10 If the Chairman considers a member's conduct disorderly and so states to the Committee, then the Chairman or any other member may move "not to hear a particular member further" and if seconded, the Motion shall be put to the vote without discussion. Disregarding the ruling of the Chairman, wilfully obstructing proceedings, or behaving improperly, offensively or irregularly shall, for these purposes, be considered disorderly.
- 26.11 If the member's disorderly conduct continues after the Motion has been carried, the Chairman shall
- 26.11.1 move to require the member to leave the meeting in which case the Motion shall be put to the vote without seconding or discussion; or
 - 26.11.2 adjourn the meeting of the Committee to an appropriate time.
- 26.12 The Chairman may, in the event of general disturbance disruptive of the proceedings, adjourn the meeting for an appropriate length of time. Such action may be taken irrespective of other available powers and without putting the matter to Committee.

Disturbance by the public

- 26.13 If a member of the public interrupts the proceedings at any meeting the Chairman will issue a warning and if the interruption continues the Chairman shall order the removal of that person from the premises where the Committee meeting is taking place. In case of general disturbance in any part of the premises open to the public, the Chairman shall order that part to be cleared.

Time limits

- 26.14 All meetings must end at or before 3 hours after the time at which the meeting commenced. A committee will only suspend this Standing Order on rare occasions when circumstances justify doing so. The Motion to suspend this Standing Order must be seconded and then put to the vote without discussion.

Motions affecting employees

- 26.15 If any question arises on the appointment, promotion, dismissal, salary, superannuation, conditions of service or conduct of any council employee, a Committee must not discuss it until it has considered whether to exclude the public under section 100A(4) of the Local Government Act 1972 as amended.

Record of attendance

- 26.16 The names of the members present at a Committee meeting shall be recorded by the Chief Executive in an attendance book provided for that purpose.

Voting on appointments

- 26.17 Where three or more persons are nominated for any position to be filled by the Council but there is no majority of the votes cast in favour of one candidate, then the candidate who received the least votes must be eliminated from the voting and a fresh vote taken

and so on until a majority of votes is given in favour of one person. Voting under this Standing Order may be conducted by ballot paper.

Voting

26.18 Save for the requirements relating to Budget Decision Meetings, set out in paragraphs 26.21 – 26.22 of this Standing Order, Members shall vote by a show of hands unless before the Chair begins to take the vote a member requests that a recorded vote is taken, and that request is supported by three other Members (who will show their support by raising their hands).

Where a recorded vote takes place pursuant to this Standing Order, the minutes must record each Members vote for, against or abstaining.

26.19 In the event that a recorded vote takes place,:

26.19.1 the Head of Legal and Democratic Services, a Director or Head of Service will call the name of each member;

25.19.2 the member will respond, for or against the Motion or abstaining; and

25.19.3 the Head of Legal and Democratic Services, a Director or Head of Service will record each member's response and these will be recorded in the minute.

26.20 in the case of an equality of votes the Chairman or the person presiding shall have a second or casting vote.

(Local Government Act 1972 Schedule 12 para.39.)

Voting in Budget Decision Meetings

26.21 Immediately after any vote is taken at a Budget Decision Meeting (as defined in the Local Authorities (Standing Orders) (England) Regulations 2001/3384 (as amended)), there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

26.22 The votes shall be recorded as set out in paragraph 26.18 of this Standing Order.

Minutes of Committee Meetings

26.23 The Chairman or Vice Chairman will move that the minutes be approved as a correct record.

26.24 Only the accuracy of the minutes may be discussed and then only by Motion. As soon as any Motion has been disposed of (or if no Motion is moved) the Chairman will sign the minutes subject to any amendment set out in any Motion approved by Committee.

26.25 Minutes shall be submitted to and signed at the next meeting of Committee.

Members entitled to attend all Committees and Sub-Committees

26.26 Members are entitled to attend meetings of committees or sub-committees of which they are not members and may speak with the permission of the committee or sub-committee.

27. FILMING AND RECORDING MEETINGS

27.1 The filming, photographing or audio recording or use of social media at Council meetings is permitted subject to the Council's protocol on filming or recordings meetings.

28. URGENT BUSINESS BETWEEN COMMITTEES (EMERGENCY COMMITTEE)

28.1 Where the terms of reference of the Emergency Committee apply and the matter is so urgent that the decision cannot wait for a scheduled meeting of the Council or one of its committees, the Chief Executive or a deputy appointed by him/her for these purposes will convene a meeting of the Emergency Committee for the purpose of reaching a decision on that matter. The Emergency Committee shall have power to exercise any of the functions of the Council for the purposes of deciding the matter referred to it.

28.2 Membership of the Emergency Committee will be determined each year at the Annual Meeting of the Council in accordance with the provisions relating to political balance and, except where other arrangements are approved by the Annual Meeting, the committee will comprise of the Leader, the Deputy Leader, the Shadow Leader or their authorised representatives and one other councillor.

28.3 Members of the Corporate Management Team and, wherever possible, other appropriate officers, should also attend meetings of the Emergency Committee.

28.4 The committee clerk will arrange the meeting and produce an agenda. This and any reports prepared for the meeting will be circulated to members of the Emergency Committee.

28.5 The agenda will be posted on the Council's website together with any Part I reports.

28.6 The decision made by the Emergency Committee will be reported to the next meeting of the most appropriate committee or to full Council, as applicable.

29. CALL-IN PROCEDURE FOR DECISIONS MADE BY POLICY COMMITTEES

29.1 All decisions made by committees should be sent to members within two working days of the committee having met.

29.2 A decision can be called-in within 5 working days of the decision being published.

29.3 If a decision is called-in, the implementation of that decision is suspended until the Council has met unless overridden by the Emergency committee.

29.4 Five members are needed to operate the call-in procedure.

29.5 The members operating the call-in procedure must give reasons in writing specifying why the decision has been called-in.

29.6 The call-in procedure does not apply to decisions on individual planning, licensing or grant applications, or to any matter arising out of the original decision on such an application including the conduct of any appeal. It should normally only apply to decisions, which are considered to be contrary to policy or not in accordance with the budget. The Emergency committee will have power to override the call-in procedure and to rule that the original decision be implemented. This power can only be exercised by a unanimous decision of the four where in their view, it is necessary to protect the interests of the Council that the original decision be implemented without delay. In order for them to decide whether or not to exercise this power, the Chief Executive shall notify them immediately of any decisions that have been called-in.

30. INTERESTS OF MEMBERS IN CONTRACTS AND OTHER MATTERS

30.1 Members of the Council are under a duty to base their decision making on a consideration of the public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public.

- 30.2 A Member has a potential conflict of interest where any business of the meeting relates to or is likely to affect the subject matter of:
- 30.2.1 a disclosable pecuniary interest as described in the Members Code of Conduct and section 30(3) of the Localism Act 2011;
 - 30.2.2 other pecuniary interest as described in the Members Code of Conduct; or
 - 30.2.3 private interest as described in the Members Code of Conduct;
- held by a member and, when prompted by the agenda item, at the commencement of that consideration or when the interest becomes apparent, the Member must disclose to the meeting the existence and nature of that interest.
- 30.3 Where an interest is disclosed arising from a disclosable pecuniary interest; or other interest where that interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest; the Member:
- 30.3.1 may not participate in any discussion of the matter at the meeting;
 - 30.3.2 may not vote on the matter at the meeting; and
 - 30.3.3 must retire to the public gallery or other area set aside from the meeting.
- 30.4 Where a Member holds a conflict of interest described at 30.3 above, before retiring he or she may address the meeting as a member of the public in accordance with the public participation rules.
- 30.5. Where a member is present at a meeting where that member is to be called upon to make a decision in the public interest, and that member considers they have fettered their discretion in some other way, that member may exercise any separate speaking rights as a ward member or member of the public but should not take part in the discussion or vote as a member of the meeting.
- 31. COMPLAINTS ABOUT CONDUCT OF MEMBERS**
- 31.1 Where a member has a complaint that another member has breached the council's Code of Conduct, s/he shall submit the complaint to the Council's Monitoring Officer.
- 31.2 No member shall at a meeting of the Council or its committees make any allegation or assertion that the conduct of another member or members is in breach of the Council's Code of Conduct or any other adopted codes of probity and practice relating to the conduct of members and no discussion shall take place regarding such conduct except in the Accounts and Audit Committee on receipt of a report from the Council's Monitoring Officer or within a sub-Committee of the Accounts and Audit Committee when it conducts a local hearing.
- 32. INTEREST OF OFFICERS IN CONTRACTS**
- 32.1 The Head of Legal and Democratic Services shall record particulars of any notice of pecuniary interest in a contract given by an officer and such record shall be open to inspection by members.
- 33. CHIEF OFFICERS – APPOINTMENTS**
- 33.1 Where the Council proposes to appoint a chief officer and it is not proposed that the appointment be made exclusively from among their existing officers, they shall draw up a statement specifying the duties of the officer concerned and any qualifications or qualities to be sought in the person to be appointed. Such statement shall be copied to any person expressing interest.

- 33.2 The Council shall consider the response to advertising the chief officer post and interview either all qualified candidates or those on a shortlist the council shall select. If there is no qualified candidate the chief officer post shall be re-advertised.
- 33.3 Every appointment of a chief officer shall be made by the Council or by a committee or sub-committee of the council.
- 33.4 When a vacancy occurs in any existing office of chief officer or deputy chief officer the council shall obtain the views of any committee primarily concerned and decide, in the case of an office which the council are not required by statute to fill, whether the office is necessary; and in any case what shall be the terms and conditions of the office; and no steps shall be taken to fill the post until these decisions have been taken.
- 33.5 For the purposes of paragraph 33.4 above, it shall be deemed that a committee have been consulted if there has been consultation with the chairman, vice-chairman if any and one other member (or if there be no vice-chairman, two other members) designated by the chairman of the committee.
- 33.6 The powers of officers shall be those from time to time authorised by the council at the appropriate committee or sub-committee as the case may be.
- 33.7 The Council for the purpose of this Standing Order includes a committee, sub-committee or officer to whom appropriate powers have been delegated.
- 33.8 Canvassing of a member or members shall disqualify an applicant for an appointment with the council.
- 33.9 An applicant for any appointment with the Council aware of any relationship to any member or senior officer of the council shall, when making an application, disclose that relationship and failure to do so shall disqualify.
- 33.10 For the purpose of this Standing Order "senior officer" means any officer under the Council so designated by the Council and persons shall be deemed to be related if they are husband and wife or if either of them or the spouse of either of them is the son or daughter or grandson or granddaughter or brother or sister or nephew or niece of the other, or of the spouse of the other.

34. STAFF – APPOINTMENTS AND DISCIPLINARY ACTION

- 34.1 In this Part –
"the 1989 Act" means the Local Government and Housing Act 1989;
"disciplinary action" has the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001; and
"member of staff" means a person appointed to or holding a paid office or employment under the Council.
- 34.2 Subject to paragraphs 34.3 and 34.5, the function of appointment and dismissal of and taking disciplinary action against a member of staff of the authority must be discharged on behalf of the Council by the officer designated under section 4(1) of the 1989 Act (designation and reports of head of paid services) as the head of the authority's paid service or by an officer nominated by him.
- 34.3 Paragraph 34.3 of this Standing Order shall not apply to the appointment or dismissal of or disciplinary action against:
- 34.3.1 the officer designated as the head of the authority's paid service;
 - 34.3.2 a statutory chief officer within the meaning of section 2(6) of the 1989 Act (politically restricted posts);
 - 34.3.3 a non-statutory chief officer within the meaning of section 2(7) of the 1989 Act;

- 34.3.4 a deputy chief officer within the meaning of section 2(8) of the 1989 Act; or
- 34.3.5 a person appointed in pursuance of section 9 of the 1989 Act (assistants for political groups).

34.4 Where a committee, sub-committee or officer is discharging on behalf of the Council the function of the appointment or dismissal of an officer designated as the head of the Council's paid service, the Council must approve that appointment before an offer of appointment is made to him/her or, as the case may be, must approve that dismissal before notice of dismissal is given to him/her.

34.5 Nothing in paragraph 34.2 shall prevent a person from serving as a member of any committee or sub-committee established by the Council to consider an appeal by:

34.5.1 another person against any decision relating to the appointment of that other person as a member of staff of the Council; or

34.5.2 a member of staff of the Council against any decision relating to the dismissal of, or taking disciplinary action against that member of staff.

35. SENIOR OFFICERS - DISCIPLINARY ACTION

35.1 In paragraph 35.2 of this Standing Order "chief finance officer", "council manager", "disciplinary action", "head of the Council's paid service" and "monitoring officer" have the same meaning as in Regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001 and "designated independent person" has the same meaning as in Regulation 7 of those Regulations.

35.2 No disciplinary action in respect of the head of the Council's paid service (unless he is also a council manager of the Council), its monitoring officer or its chief finance officer, except action described in paragraph 3, may be taken by the Council or by a committee, a sub-committee, a joint committee on which the Council is represented or any other person acting on behalf of the Council, other than in accordance with a recommendation in a report made by a designated independent person under Regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001 (investigation of alleged misconduct).

35.3 The action mentioned in paragraph 35.2 is suspension of the officer for the purpose of investigating the alleged misconduct occasioning the action and any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.

36. MEMBERS' ACCESS TO DOCUMENTS AND PROPERTY

36.1 Members' rights of access to documents in the possession or control of the Council which contain material relating to any business to be transacted at a meeting of the Council are set out in the Council's Rules with regard to access to meetings and related documents of the Council, its committee and sub-committees.

36.2 Unless specifically authorised to do so by the Council or a committee, a member of the Council shall not issue any order respecting any works which are being carried out by or on behalf of the Council or claim by virtue of his membership of the Council any right to inspect or to enter upon any lands or premises which the Council has the power or duty to inspect or enter.

37. SEALING OF DOCUMENTS

37.1 All documents which require to be sealed with the Common Seal of the council shall be attested by the Mayor or Deputy Mayor and by the Chief Executive, the Director of Resources, or the Head of Legal and Democratic Services.

Part 4 of the Constitution, 2015

37.2 All documents to which the Common Seal is affixed shall be entered in a register to be kept by the Head of Legal and Democratic Services.

38. CONTRACTUAL STANDING ORDER

38.1 The letting of contracts shall be in accordance with the Council's Contract Procedure Rules.

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 7

meeting date: 24 MARCH 2015
title: MEMBERS' ALLOWANCES SCHEME UPDATE
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

- 1.1 To update members with progress to date with the independent review of the members' allowances scheme and to agree the current members' allowances scheme for 2014/15 continues until the outcome of the review by the independent panel is considered.

2 BACKGROUND

- 2.1 The Local Authorities (Members' Allowances) (England) 2003 require the Council to establish a scheme of members' allowances in accordance with these regulations.
- 2.2 Normally at this time the Council approves a scheme of Members Allowances for the forthcoming financial year. However as you will be aware, as is required under the regulations, we have recently set up an independent panel to carry out a review of allowances which will come into effect from the new municipal year.

3 REVIEW OF MEMBERS' ALLOWANCES

- 3.1 The Independent Panel consists of;

- David Morris (Ex Chief Executive)
- Keith Power (North West Employers Organisation)
- Rev Andy Froud (St Mary's Church Clitheroe)
- Ian Lloyd (Clitheroe Chamber of Trade)

Advised by: Marshal Scott, Diane Rice and myself

- 3.2 To date the panel have met a number of times, interviewed several councillors and have sent questionnaires to all members, the response to which they are considering.
- 3.3 As reported previously, the outcome of their review will be reported to your meeting in June. Any recommendations will need to be considered by yourselves and ultimately approved by Full Council in July. In the past the new scheme of members' allowances has been backdated to the beginning of the new municipal year.
- 3.4 It would be practicable therefore for the current scheme of allowances to remain in force until the new scheme is approved by Council.
- 3.5 Following receipt of the Independent Panel's report I would suggest a small working group of members be formed to consider the matter further.

4 RECOMMENDED THAT COMMITTEE

- 4.1 Agree that the current scheme of Members' Allowances for 2014/15 is extended pending the outcome of the review of the independent panel.
- 4.2 Appoint a working group to consider the Independent Panel's report on Members' Allowances.

DIRECTOR OF RESOURCES

PF20-15/JP/AC
10 March 2015

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 24 MARCH 2015
title: VOLUNTARY GRANT APPLICATIONS 2015/16
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1. PURPOSE

- 1.1 To consider the allocation of voluntary organisation grants for 2015/16 as proposed by a working group of this committee.

2. BACKGROUND

- 2.1 The Council has a number of grant schemes in operation such as recreation grants, culture grants and sports grants, administered by Community Committee. The voluntary organisations grant scheme is administered by this Committee.
- 2.2 A member working group considers the applications received and make recommendations to this Committee regarding the allocation of funds to voluntary organisations on an annual basis.
- 2.3 The working group consists of 3 conservative members and 1 liberal democrat member of this committee.

3. APPLICATION PROCESS

- 3.1 Applicants must clearly demonstrate that the purpose of the grant sought is to provide services or facilities that will meet the needs of communities in the Ribble Valley or directly benefit our residents. The scheme will not normally fund the following:
- 3.2 Capital projects on which work has already started or in aid of expenditure already committed or paid.
- Commercial organisations / businesses
 - Any activity designed to promote political party politics or influence government policies
 - Applications from the County Council or other government agencies
 - Applications from religious organisations unless there is a clear broad community benefit.
 - Schemes that can be funded by the Councils' other grant aid schemes.
- 3.3 Applicants will normally only be accepted from parish/town councils and properly constituted organisations operating on a non-profit making basis. A valid constitution or memorandum of articles or association, which clearly indicates the voluntary or charitable status of the organisation, should accompany all applications.
- 3.4 Applications for grants over £10,000 are required to supply a 3–year financial plan and for grants' over £1,000 a copy of the organisations' latest audited accounts. Capital projects are limited to 50% of the approved costs to a maximum of £5,000.

4. ALLOCATION OF 2015/16 GRANTS

4.1 A meeting was held on 9 March 2015 for members of the working group to consider the applications received for the forthcoming financial year. Councillors S Hirst, T Hill, R Thompson and A Knox attended the meeting.

4.2 The budget available for voluntary organisation grants for 2015/16 is £103,850.

4.3 The Council received 24 applications requesting support of £164,423. Annex 1 shows a summary of the applications received from each of the voluntary organisations.

4.4 The applications as submitted exceeded the funding available by £60,573. After careful consideration of all grant applications received, the working group recommends the grant allocations as shown in Annex 2.

4.5 If Committee approve these recommendations, the Voluntary Grants allocations compare with the budget as follows:

	£
Voluntary Grants budget available	103,850
Recommended allocations	103,850
Amount remaining	0

5. RECOMMENDATION

5.1 Approve the allocation of grants as proposed by the voluntary grant sub-group as set out in the Annex 2, totalling £103,850.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF22-15/TH/AC
12 MARCH 2015

Background papers:

Voluntary Organisation application forms and supporting documentation – 2015/16

VOLUNTARY ORGANISATION GRANT APPLICATIONS 2015/16

Organisation	Grant Requested 2015/16
Shopmobility and Information Centre	£7,000
Hodder Valley Agricultural & Horticultural Society Limited	£500
Carers Link - Hyndburn & Ribble Valley	£3,000
Home-Start Pendle & Ribble Valley	£5,000
Ribble Valley Citizens Advice Bureau	£77,000
Crossroad Care - Ribble Valley	£15,000
Little Green Bus	£5,000
Goosnargh and Longridge Agricultural Society	£250
Chipping Show Limited	£250
Rotary Club of Clitheroe – Clitheroe Community Bonfire and Fireworks	£1,000
Bowland Pennine Mountain Rescue	£3,100
Hyndburn and Ribble Valley CVS	£6,558
Lancashire Best Kept Village Competition	£500
Relate Lancashire	£7,967
Revitalise	£1,038
Gisburn Forest Labyrinth	£950
Clitheroe United Reformed Church	£5,000
Ribble Valley Village Hall Association	£1,000
Ribble Valley Dementia Alliance	£990
Lancashire Wildlife Trust	£800
Gisburn Festival Hall	£2,570
Ribble Rivers Trust	£18,700
Longridge Field Day Events	£500
Whalley Pickwick Festival	£750
Total Grants requested	£164,423
Total Available Funding	£103,850

RECOMMENDED ALLOCATION OF VOLUNTARY ORGANISATION GRANTS 2014/15

Organisation	Recommended Grant 2015/16 £
Shopmobility and Information Centre	£5,300
Hodder Valley Agricultural & Horticultural Society Limited	£250
Carers Link - Hyndburn & Ribble Valley	£2,000
Home-Start Pendle & Ribble Valley	£3,000
Ribble Valley Citizens Advice Bureau	£60,000
Crossroad Care - Ribble Valley	£15,000
Little Green Bus	£5,000
Goosnargh and Longridge Agricultural Society	£250
Chipping Show Limited	£250
Rotary Club of Clitheroe – Clitheroe Community Bonfire and Fireworks	£500
Bowland Pennine Mountain Rescue	£2,000
Lancashire Best Kept Village Competition	£500
Ribble Valley Dementia Alliance	£990
Lancashire Wildlife Trust	£800
Gisburn Festival Hall	£1,760
Ribble Rivers Trust (allocation to cover 2 year project)	£5,000
Longridge Field Day Events	£500
Whalley Pickwick Festival	£750
Total Grants	£103,850

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: 24 MARCH 2015
title: RETURNING OFFICERS' SCALE OF FEES 2015/16 - BOROUGH AND
PARISH ELECTIONS
submitted by: CHIEF EXECUTIVE
principal author: MARSHAL SCOTT

1 PURPOSE

- 1.1 To agree the adoption of the Returning Officers' Scale of Fees in connection with the Borough and Parish Council Elections taking place on 7 May 2015 and any other local elections or referenda that might arise in 2015/16.

2 INTRODUCTION

- 2.1 The Representation of the People Act 1983 requires each Council to appoint an officer of the authority as Returning Officer to undertake various statutory duties in relation to election procedures. In addition, the Council must provide the Returning Officer with the necessary resources to enable efficient and lawful delivery of the elections. The Returning Officer for Ribble Valley Borough Council is the Chief Executive.

3 BACKGROUND TO RETURNING OFFICERS SCALE OF FEES

- 3.1 The Returning Officer is held personally responsible for the organisation and conduct of every election held within the Borough and in the case of the General Election the Ribble Valley Parliamentary Constituency which extends into the neighbouring Borough of South Ribble.
- 3.2 For National Elections and Referenda the fee paid to the Returning Officer and the cost of the election itself is set by the Government and regulated by the relevant Returning Officers' Fees and Charges Order.
- 3.3 For Local Elections the Council will set scale fees which the Returning Officer should not exceed.
- 3.4 In order to approach setting these scale fees in a broadly consistent manner within Lancashire, a working group of Election Officers developed a scale of fees to be used. This took place in 2007 and those fees have since been updated annually in line with inflation and more recently the general staff pay award.
- 3.5 It is clearly good practice for these fees to be approved by the Council to which they will apply.
- 3.6 For Parish Council Elections we agreed many years ago not to recharge the cost of administering these elections to Parishes but for the Borough Council to bear the cost. The cost of any Parish Polls or Neighbourhood Planning Referenda was not discussed at the time and I have assumed the cost of such would be recharged to the appropriate Parish or Town Council.

4 RETURNING OFFICERS SCALE OF FEES 2015/16

4.1 The recommended Scale of Fees for 2015/16 are set out below:-

Returning Officer

For Borough Elections the fee to be as follows:-

	£
Per contested ward	187.20
Per uncontested ward	93.60

For Parish Elections the fee to be as follows:-

	£
Per contested ward	93.60
Per uncontested ward	46.80

Deputy Returning Officer

Deputy Returning Officer with full powers – 75% of the Returning Officers' fee

Presiding Officers

	£
Borough Elections	200.00
Parish Elections	200.00
Combined [20% uplift]	240.00

Poll Clerks

	£
Borough Elections	120.00
Parish Elections	120.00
Combined [20% uplift]	144.00

Training Sessions

Where these are held for Presiding Officers and Poll Clerks working on Borough and Parish Elections £25 per session.

Issuing and Opening of Postal Votes

An overall allowance of £80.10 per 100 postal votes or part thereof per ward for both Borough and Parish Elections to be deployed as felt appropriate by the Returning Officer.

Count and General Clerical Fee

An overall allowance for the Count and General Clerical Duties of £107.55 per ward per 1,000 elections or part thereof for both Borough and Parish Elections.

Where an election is uncontested the fee will be £37.60 per ward.

The Count and General Clerical fee to be deployed as felt appropriate by the Returning Officer.

5 RISK ASSESSMENT

5.1 Financial Implications:

The Council's overall budget for the Borough and Parish Council elections on 7 May 2015 is £77,750.

The cost of staging the General Election for the Ribble Valley Parliamentary Constituency will be reclaimed from the Government. The cost falling on the Borough will ultimately depend on the number of contested elections and how costs are apportioned between the elections taking place.

5.2 Technical, Environmental and Legal:

The Elections will be conducted in accordance with Election Law and appropriate procedures and guidance.

5.3 Reputation:

The efficient and effective administration of elections is vital to ensure the public has confidence in the Electoral process.

6 RECOMMENDED THAT COMMITTEE

6.1 Agree the Returning Officers' Scale of Fees for 2015/16 Borough and Parish Elections as set out in Section 4 of this report.

CHIEF EXECUTIVE

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 10

meeting date: 24 MARCH 2015
title: TREASURY MANAGEMENT STRATEGY
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To seek member approval for the Council's Treasury Management Strategy for the 2015/16 financial year.

2 BACKGROUND

- 2.1 The Chartered Institute of Public Finance and Accounting's (CIPFA'S) code of practice on treasury management was derived from regulations issued under the Local Government Act 2003. Under part 1 of which authorities are required to have regard to the Prudential Code. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, Regulation 24 requires authorities to have regard to the code of practice on Treasury Management.
- 2.2 They initially came into effect from 1 April 2004, fully revised in 2009 to incorporate changes as a result of the move to International Reporting Standard (IFRS) and updated in 2011 following the introduction of the Localism Act for English Local Authorities and the introduction of the general Power of Competence.
- 2.3 The Prudential Code plays a key role in Capital Finance in Local Authorities. Its objectives are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable
- 2.4 It requires authorities to self-regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans, by setting estimates and limits and by publishing actuals, for a range of prudential indicators. It also requires them to ensure their treasury management practices are in accordance with good practice.
- 2.5 The importance of treasury management has increased as a result of the freedoms provided by this Prudential Code. It covers the borrowing and investment activities and the effective management of associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice the 'CIPFA Code of Practice on Treasury Management'.
- 2.6 Local authority investments were placed under the national spotlight following the collapse of the Icelandic banks, with almost £1bn invested with the affected banks. Both the Audit Commission and the Department for Communities and Local Government (DCLG) Select Committee reviewed local authority investments and reported a number of recommendations. These have been included the 2011 guidance notes.
- 2.7 Essentially, a local authority in England, Wales or Northern Ireland may borrow or invest for any purpose relevant to its functions, under any enactment, or '*for the prudent management of its financial affairs*' Under the 2003 act a local authority is required to determine and keep under review how much money it can afford to borrow. Local Authorities are not constrained by law in the types of investments they

may make or investment instruments they may use. However they are in practice constrained by DCLG guidance which was updated in 2010, which stress the prudent investment strategy of security, liquidity and yield.

- 2.8 The result of this is the requirement for greater scrutiny by ‘those charged with governance’, more transparent reporting requirements and greater emphasis on the requirements for ensuring ‘those charged with governance’ have sufficient skills to adequately perform their role.

3 THE TREASURY MANAGEMENT STRATEGY

- 3.1 Local authorities are required to report on specific elements of their treasury management activities, these are included in the Treasury Management Strategy or in its Treasury Management Policy or Practices and are determined by:

The Treasury Management Code of Practice recommends that local authorities should as a minimum report:

- Annually on their treasury management strategy and plan, before the start of the year. This committee approves the strategy and is then formally approved by Full Council.
- The position mid-year
- An annual report on the performance, effects of decisions taken and borrowings executed, and circumstances of non-compliance with their policies, after the year-end

The Prudential Code requires local authorities to set and revise prudential indicators and to publish actuals, the key treasury indicators are:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt

These indicators focus on the position for gross external debt. In the interest of transparency any significant difference between gross and net debt should be clearly placed before councillors as part of their agreement of the annual treasury management.

In addition the following treasury management indicators are required:

- Upper limits on the proportion of net debt compared to gross debt
- Upper limits on fixed interest and variable interest exposures
- Upper and lower limits to the maturity structure of its borrowing
- Upper limits to the total of principal sums invested longer than 364 days

The 2010 DCLG investment guidance for England and Wales requires authorities to produce an annual investment strategy and policies for managing investments and for giving priority to the security and liquidity of those investments

The requirements of International Financial Reporting Standard's (IFRS's) require local authorities to follow proper accounting practices as specified in the code of practice on Local Authority Accounting and set out the objectives, policies and processes which are in place for managing and controlling risk specifically when

entering into derivative contracts with a counterparty in the expectation that the transaction will eliminate or reduce exposure to a particular risk, such as movements in interest rates.

3.2 The Councils' Treasury Management Policies and Practices are included in a separate report elsewhere on the agenda.

3.3 The Councils' Treasury Management Strategy is attached at Annex 1, it covers:

- The current treasury position
- A review of the prospects for interest rates
- The Council's borrowing and debt strategy
- The Council's investment strategy
- Capital programme financing strategy
- Limits on treasury management activities and prudential indicators
- Current debt portfolio position
- Annual investment strategy

3.4 The US GDP continues to grow solidly, but euro-area output growth remains sluggish. Growth has also slowed in many emerging economies, including China. The fall in oil prices seen since mid-2014 is likely to reflect a slowing in the outlook for global activity. The uncertainty around global activity reinforces this Council's policy of first and foremost securing the safety of principal amounts invested, with rate of return a secondary consideration.

3.5 This is achieved by investing only with high rating institutions, including the Debt Management Office (DMO). Any investments with the DMO are guaranteed by HM Government. Although rates are somewhat lower than the prevailing market rates, these investments offer the least risk and as such the rate reflects the security of the investment.

4 RECOMMENDED THAT COMMITTEE

4.1 Recommend to Council the Treasury Management Strategy as set out in Annex 1.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF23-15/TH/AC
11 March 2015

BACKGROUND PAPERS

The Prudential Code for Capital Finance in Local Authorities - 2011 Edition
Treasury Management in the Public Services - 2011 Edition
Treasury Management in the Public Services - Code of Practice and Cross- Sectoral
Guidance Notes – 2011 Edition
Bank of England Inflation Report – February 2015

MARCH 2015



RIBBLE VALLEY
BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY 2015/16

Key Officer Contacts for the Treasury Management Strategy

Name	Job Title	Email address
Jane Pearson	Director of Resources	jane.pearson@ribblevalley.gov.uk
Lawson Oddie	Head of Financial Services	lawson.oddie@ribblevalley.gov.uk
Trudy Holderness	Senior Accountant	trudy.holderness@ribblevalley.gov.uk

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Introduction

The Council is required to adopt the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes 2011 edition and it is a requirement under that Code of Practice to produce an annual strategy report on proposed treasury management activities for the year.

The purpose of the Treasury Strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, within legislative, regulatory, and best practice regimes, and balancing risk against reward in the best interests of stewardship of the public purse.

Key Principles

The key principles of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes are that:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

Setting the Treasury Management Strategy for 2015/16

In setting the Treasury Management Strategy, the Council must have regard for the following factors:

- The current treasury position and debt portfolio position
- The prospects for interest rates
- The approved Capital Programme
- Limits on treasury management activities and prudential indicators

The Current Treasury Position and Debt Portfolio Position

The Public Works Loans Board debt is the largest proportion of the Council's borrowing debt, and is gradually decreasing as payments of the principle are made year by year. It is estimated that the outstanding principle on all PWLB loans at 31 March 2015 will be £241k. In addition to the PWLB debt there is a bond which will remain unchanged until it is repaid, this relates to the Sidney Whiteside Charity.

Investments at the end of the 2014/15 financial year are anticipated to be £4,100k based on current cash flow forecasts. These investments relate to monies placed with institutions on our counterparty list.

There was no short term borrowing required at the 31 March 2014, and none is forecast for the 31 March 2015. Only very occasionally has the Council utilised short term borrowing in order to temporarily aid cash flow.

A summary of the Council's treasury position at the end of the previous financial year 2013/14 and that anticipated at the end of 2014/15 is summarised below.

	31 March 2014 Actual £	Actual Average Rate %	31 March 2015 Estimate £	Estimated Average Rate %
Borrowing				
Fixed Rate Debt-PWLB	293,701	5.0	240,450	4.9
Other Debt – Bond	7,500	0.3	7,500	0.3
Total Debt	301,201		247,950	
Investments				
Short Term Investments	-3,050,000	0.3	-4,100,000	0.3
Total Investments	-3,050,000		-4,100,000	
Net External Debt	-2,748,799		-3,852,050	

The Council's current treasury position is not at risk from movements in interest rates as all current PWLB borrowing is on fixed rate. Should the council choose to take any future borrowing on variable rates this would expose the council to a greater risk from any adverse movement in interest rates.

The forecast balance of PWLB debt shown above for the 31 March 2014 will comprise the individual loans as shown in the table below:

Original loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2015 £	Year of Final Repayment
250,000	10 years	4.60% Fixed	62,500	2017/18
250,000	15 years	4.75% Fixed	2,950	2022/23
250,000	25 years	4.88% Fixed	175,000	2032/33
		Total PWLB	240,450	

The total debt, comprising both PWLB and the bond, is summarised in the table below, showing the estimated debt maturity assuming no further borrowing is undertaken.

ESTIMATED DEBT MATURITY ANALYSIS AS AT 31 MARCH 2015		
Maturity	£'000	%
Under 12 Months	35	14.27
12 Months and Within 24 Months	35	14.27
24 Months and Within 5 Years	44	17.62
5 Years and Within 10 Years	51	20.56
10 Years and Above	83	33.28
Total PWLB and Bond	248	100.00

Prospects for Interest Rates

The Monetary Policy Committee (MPC) of the bank of England takes interest rate decisions. It is the banks' core purpose to maintain the integrity and value of the currency. It pursues this core purpose primarily through the conduct of monetary policy and by setting short term interest rates the bank aims to meet the Government inflation targets.

In order to maintain price stability the government has set the bank's MPC a target for annual inflation rate of the consumer price index (CPI) of 2%. Subject to that, the MPC is also required to support the Government's economic policy including its objectives for growth and employment.

The projection for the UK economy is for solid consumption growth as the fall in energy prices and rising wage growth supports growth in households' real income. Business investment continues to grow reflecting the past easing in credit conditions and the recovery in demand. There is a risk that that further falls in household interest rates stimulate spending by more than anticipated, balanced against which is the risk that households do not spend the windfall from lower energy prices. Further out, growth is underpinned by a gradual revival in productivity growth. There however remains considerable uncertainty around that judgement.

The steep fall in wholesale energy prices during the second half of 2014 is the main reason for CPI inflation to fall to 0.5% in December. Inflation is likely to fall further in the near term, and could temporarily turn negative, as energy prices continue to be passed through. Inflation is likely to rebound around the turn of the year as these effects drop out of the annual rate.

Annual Inflation %	
2015 Q1	0.15
2015 Q2	0.05
2015 Q3	0.11
2015 Q4	0.62
2016 Q1	1.36
2016 Q2	1.60
2016 Q3	1.81
2016 Q4	2.01
2017 Q1	2.19
2017 Q2	2.29
2017 Q3	2.36
2017 Q4	2.41
2018 Q1	2.44

The projections for CPI inflation are based on the current bank base rate of 0.50%, and the assumption that the total stock of assets purchases financed by the creation of central bank reserves remains at £375 billion throughout the forecast period.

The domestic expansion will be aided by the boost to real incomes from lower oil prices. Relative to three months ago, the growth projection is further supported by a lower implied path for Bank Rate, which rises to only a little over 1% by early 2018, nearly $\frac{3}{4}$ of a percentage point lower than the path underlying the November projections.

	Bank Rates %	
	November 2014	February 2015
2015 Q1	0.5	0.4
2015 Q2	0.6	0.4
2015 Q3	0.7	0.5
2015 Q4	0.8	0.5
2016 Q1	1.0	0.6
2016 Q2	1.1	0.6

	Bank Rates %	
	November 2014	February 2015
2016 Q3	1.2	0.7
2016 Q4	1.4	0.8
2017 Q1	1.5	0.9
2017 Q2	1.6	1.0
2017 Q3	1.7	1.0
2017 Q4	1.7	1.1
2018 Q1		1.1

Historically, local authorities have satisfied the bulk of their borrowing needs from the Public Works Loan Board (PWLB). The October 2010 comprehensive spending review increased the PWLB rate to 100 basis points (1%) above the gilt yield. In the Chancellor's Budget in March 2012 councils that provide 'improved information and transparency' on 'borrowing and associated capital spending plans' would be eligible for a certainty rate discount of 20 basis points below the standard rate.

Ribble Valley Borough Council are currently listed as an eligible Council until 31 October 2015, by which time a further return will have to be made and a new eligibility list published for the following 12 months.

PWLB rates show a similar pattern in the near term to bank rates.

	Fixed Rate %	Certainty Rate %
1 –2 years	1.46	1.26
5 - 6 Years	1.99	1.79
20 – 25 Years	3.18	2.98

Projection is therefore that interest rates will rise to only a little over 1% by early 2018.

The Approved Capital Programme

The Council has approved a capital programme for the period 2015/16 to 2017/18.

The use of borrowing to support the capital programme has been kept to an average of £164,650 in the financial years 2015/16 to 2017/18.

This will be met from internal borrowing and it is not forecast that there will be a need for any increase in external borrowing to support the currently approved capital programme.

A summary of the approved capital programme and its financing are provided in the table below

	2015/16 £	2016/17 £	2017/18 £
<i>Estimated Resources Brought Forward</i>	-595,069	-480,069	-480,069
Unsupported Borrowing	-256,400	-175,000	-62,560
Fleming Vat Reserve	-24,600	0	0
Disabled Facilities Grants - DCLG	-161,000	-161,000	-161,000
New Homes Bonus	-125,000	-62,000	-200,000
Revenue Contributions	-7,000	0	0
External Funding	-85,000	0	0
S31 New Burdens Funding	0	0	-25,000
VAT Shelter	-417,000	-325,000	-132,000
Earmarked Cost of Democracy Savings	0	0	-11,250
Vehicle Residual Values	0	0	-28,060
Police and Crime Commissioners Resource	0	0	-10,000
<i>Estimated Total Available Resources</i>	-1,671,069	-1,203,069	-1,109,939
Less Total of Approved Capital Programme	1,191,000	723,000	699,860
<i>Estimated Resources to Carry Forward</i>	-480,069	-480,069	-480,069

Limits on Treasury Management Activities and Prudential Indicators

The Local Government Act 2003 required the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

A key indicator of prudence is to ensure that over the medium term net borrowing will only be for a capital purpose and that net external borrowing does not except in the short term,

exceed the total capital financing requirement in the preceding year plus the estimates of any additional capital financing requirements for the current and the next two financial years.

The council has agreed a capital programme for the period 2015/16 to 2017/18 financial years. The prudential indicators are prepared based on the approved capital programme. The capital financing requirement for the authority for the current and future years is:

Capital Financing Requirement				
31/03/14 Actual	31/03/15 Revised Estimate	31/03/16 Estimate	31/03/17 Estimate	31/03/18 Estimate
£'000	£'000	£'000	£'000	£'000
3,734	3,604	3,727	3,769	3,699

The authorised limit for our total external debt, gross of investments for the next three financial years is detailed in the table below.

Authorised Limit for External Debt			
	2015/16 £'000	2016/17 £'000	2017/18 £'000
Borrowing	15,554	15,175	15,158
Other Long-Term Liabilities	0	0	0
Total	15,554	15,175	15,158

These limits have been estimated taking into account the Council's current commitments, existing plans and proposals for capital expenditure and financing with sufficient headroom to allow for operational management, for example unusual cash movements.

In addition to the authorised limits for external debt an operational boundary for external debt was approved as part of the annual budget. The proposed operational boundary is based on the same estimates as the authorised limits but without the additional headroom. The operational boundary for our external debt for the next three years is shown in the table below.

Operational Boundary for External Debt			
	2015/16 £'000	2016/17 £'000	2017/18 £'000
Borrowing	7,015	6,596	6,527
Other Long Term Liabilities	0	0	0
Total	7,015	6,596	6,527

The aim of the prudential indicators is to contain the activity of the treasury function within certain limits thereby reducing the risk or likelihood of an adverse movement in interest rates

or borrowing decisions that could impact negatively on the Council's overall financial position.

The introduction of the prudential code saw the replacement of limits previously imposed with four new prudential indicators.

- Upper limits on variable rate exposure. This indicator identifies a maximum limit for variable interest rates based upon the debt provision net of investments.
- Upper limits on fixed rate exposure. Similar to the previous indicators, this covers a maximum limit on fixed interest rates
- Total principal funds invested (excluding shareholdings in the Local Government Bonds Agency) for a period longer than 364 days. These limits are set to reduce the need for early sale of an investment and are based on the availability of investments after each year-end.
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.

LIMITS ON INTEREST RATE EXPOSURE			
	2015/16 £'000	2016/17 £'000	2017/18 £'000
Maximum Principal Sums Borrowed >364 days	7,015	6,596	6,527
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	20%	20%	20%
Maximum Principal Sums Invested >364 days (excluding shareholdings in Local Government Bond Agency)	0	0	0

MATURITY STRUCTURE OF BORROWING		
	Upper Limit %	Lower Limit %
Under 12 Months	20	0
12 Months and Within 24 Months	20	0
24 Months and Within 5 Years	40	0
5 Years and Within 10 Years	30	0
10 Years and Above	90	0

Borrowing and Debt Strategy 2015/16 – 2017/18

The introduction of the Prudential Code and uncertainty over future interest rates increases the risks associated with the treasury strategy should the council need to increase its use of short term borrowing or make further longer term borrowing on a variable rate. As a result the Council needs to take a cautious approach to its treasury strategy.

Long term fixed interest rates and base rates are both expected to remain very volatile in the short term and difficult to predict. Taking into account the interest rates shown in the table above, the most appropriate form of borrowing will be undertaken.

We intend to continue the current policy of meeting our long term borrowing requirements from the Public Works Loan Board.

The October 2010 comprehensive spending review increased the PWLB rate to 100 basis points (1%) above the gilt yield. In the Chancellor's Budget in March 2012 councils that provide 'improved information and transparency' on 'borrowing and associated capital spending plans' would be eligible for a certainty rate discount of 20 basis points below the standard rate.

Ribble Valley Borough Council are currently listed as an eligible Council until 31 October 2015, by which time we intend to submit a further return to continue as an eligible body.

We will engage in short-term borrowing from the money market if necessary in order to finance temporary cash deficits, however by managing our cash flow effectively these will be kept to a minimum. Wherever possible, the loan will be taken out for periods of less than 7 days in order to minimise the interest payable.

Investment Strategy 2015/16 – 2017/18

Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood that rates will remain at their current low levels, but again may change sharply as government act to deal with the economy changes. The most appropriate form of investments will be undertaken depending on the prevailing interest rates at the time, taking into account any associated rate risks.

All investments will be made in accordance with the Council's investment policies and prevailing legislation and regulations. The council's investment priorities are the security of capital and the liquidity of its investments

Annual Investment Strategy

Strategy Guidelines

The main principle governing the Council's investment criteria is the security and liquidity of its investments before yield, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity. The Council must ensure:

- It has sufficient liquidity in its movements. For this purpose we will maximise the use of the council's online HSBC facility to place money either overnight or on a short-term basis.
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counter parties with adequate security, and monitoring of their security.

A counter party list is maintained in compliance with this criteria and it will be revised and submitted to Council for approval as necessary. In accordance with new legislation, the proposed criteria detailed above are shown in the following subsections.

Liquidity of Investments

The Council expects to maintain average investment balances of £4.5m. The Council will continue to invest these in accordance with the Council's investment policies' and prevailing legislations and regulations.

Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets and the possibility of loss of principal or investment income is very low. The investments are defined as:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or gilts with less than one year to maturity).
- A local authority, parish council or community council.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). These bodies will have a minimum rating as set out in our counter party criteria and as listed in our Treasury Management Policy.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

Non-Specified Investments

Non-specified investments include any other type of investments, i.e. not defined as specified above. These are sterling investments with:

- Securities admitted to the Officials List of the Stock Exchange that is guaranteed by the UK Government (such as supranational bonds).
- Gilt edged securities with a maturity of greater than one year.
- Institutions not meeting the basic security requirements under the specified investments.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a maturity of greater than one year.
- Shareholding in the Local Government Bonds Agency.

At the present time the Council has no immediate plans to invest in non-specific investments other than a maximum share in the Local Government Bonds Agency of £10k.

Policy on the Use of Financial Derivatives

Many local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (i.e. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments.

The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives. The latest CIPFA Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

The Council has not and does not plan to use derivatives.

The Monitoring of Investment Counter parties

The credit rating of counter parties is monitored monthly. Any counter party failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. Whilst they only show an indication of the current credit position, they are being monitored on a regular basis and any significant changes will be reported to Policy and Finance Committee.

The banks and building societies the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating. The Council has a policy to only use institutions with a short term Fitch rating of F2 or above.

In addition to the Building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where the Government guarantees investments.

Use of External Fund Managers

It is the Council's policy not to use an external fund manager.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 11

meeting date: 24 MARCH 2015
title: TREASURY MANAGEMENT POLICIES AND PRACTICES 2015/16
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To review, approve and adopt the treasury management policy statement and practices for 2015/16.

2 BACKGROUND

- 2.1 In March 2004 members agreed to formally adopt CIPFA's reviewed Code of Practice on Treasury Management. The code was fully revised in 2009 and 2011 it was reviewed and updated following the introduction of the Localism Act 2011, including housing finance reform and the General Power of Competence for English Local Authorities.

- 2.2 The Treasury Management Policies and Practices document governs the way we manage our investments. It is reviewed on an annual basis to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. The Code identifies twelve areas where statements of treasury management practices should be developed to implement the full requirements of the Code.

3 TREASURY MANAGEMENT POLICY STATEMENT AND TREASURY MANAGEMENT PRACTICES

- 3.1 The revised Treasury Management Policy Statement and Treasury Management Practices are shown at Appendix 1 within the Treasury Management Policies and Practices document.

- 3.2 The Treasury Management Policy Statement follows the wording recommended by the latest edition of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes 2011 Edition.

- 3.3 The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities

- 3.4 The Treasury Management Practices are split as follows:

- **Key Principles:** *which follow the wording recommended by the revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*
- **Schedules:** *which cover the detail of how the Council will apply the key Principles in carrying out its operational treasury activities*

- 3.5 No major changes have been made to the treasury management practices since the treasury management policy statement and treasury management practices were approved in March 2014.

3.6 A number of minor updates have also been made to the Schedules within the Treasury Management Policies and Practices document and are highlighted accordingly.

4 RECOMMENDED THAT COMMITTEE

4.1 Review, approve and formally adopt the Treasury Management Policies and Practices document as attached at Appendix 1, incorporating the

- Treasury Management Key Principles
- Treasury Management Policy Statement
- Treasury Management Clauses
- Treasury Management Practices and Schedules

4.2 Recommend to Council the Treasury Management Policies and Practices 2015/16.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF24-15/TH/AC
11 March 2015

BACKGROUND PAPERS:

CIPFA Treasury Management in the Public Services – Code of Practice and Cross – Sectoral Guidance Notes 2011 Edition



Ribble Valley
Borough Council

www.ribblevalley.gov.uk

Treasury Management Policies and Practices: 2015/2016

Key Officer Contacts for the Treasury Management Practices

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Introduction

Local authorities' treasury management activities are prescribed by statute. The sources of their powers, in England and Wales, are the Local Government Act 2003.

Essentially a local authority in England and Wales may borrow or invest for any purpose relevant to its functions, under any enactment, or '*for the purposes of the prudent management of its financial affairs*'.

Under the Act a local authority is required to determine and keep under review how much money it can afford to borrow and may only borrow only in sterling (except with the consent of HM Treasury)

Local authorities are not constrained by law in the types of investments they can make or the investment instruments they may use. However, they are in practice constrained by Communities and Local Government (DCLG) guidance (updated in 2010), which stress the prudent investment strategy of security, liquidity and yield. This means that first and foremost local authorities must ensure the security of their principal sum invested. i.e. ensure that they get back their full investment. Then they should ensure that they have the liquidity they need and so should consider the length of an investment. Only when these two are satisfied should the yield or return on the investment be considered.

Under the Local Government Act 2003 and also the Local Authorities (Capital Finance and Accounting) Regulations 2003, the Council is required to have regard to the CIPFA Treasury Management Code of Practice (2011) (The Code) and the associated guidance.

Under The Code the Council is required to formally adopt a number of Clauses and also to adopt a formal treasury management policy statement within this document, which defines the policies and objectives of its treasury management activities. Furthermore The Code recommends that the Council follows a set of Treasury Management Practices in carrying out its treasury management activities. All of these items are outlined over the following sections.

Key Principles

The CIPFA Treasury Management Code of Practice (2011) identifies three key principles. In framing these three principles, or recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. Even though it dates back to 1991, CIPFA considers that the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure is still pertinent, wherein it was stated that:

In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise returns.

KEY PRINCIPLE 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

KEY PRINCIPLE 2:

Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy and should ensure that priority is given to security and liquidity when investing funds.

KEY PRINCIPLE 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

Treasury Management Clauses

CIPFA recommends that all public service organisations adopt, as part of their treasury management policies the following four clauses:-

1. Ribble Valley Borough Council will create and maintain, as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMPs), setting out the manner in which the council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

The context of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this council. Such amendment will not result in Ribble Valley Borough council materially deviating from the Code's key principles.

2. The Policy and Finance Committee of Ribble Valley Borough Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs
3. Ribble Valley Borough Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Finance Committee and for the execution and administration of treasury management

decisions to the Director of Resources who will act in accordance with the council's policy statement and TMPs and CIPFA's *Standard of Professional Practice on Treasury Management*.

4. Ribble Valley Borough Council nominates the Policy and Finance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Treasury Management Policy Statement

This Council defines its treasury management activities as:

The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities; and the pursuit of optimum performance consistent with those risks.

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned on investments remain important but are secondary considerations.

Treasury Management Practices

CIPFA's Code of Practice on Treasury Management recommends that suitable treasury management practices (TMPs) are maintained, setting out the manner in which the council will seek to achieve the policies, objectives and approach to risk management of its treasury management activities. The code identifies twelve areas where statements of treasury management practices should be developed.

TMP 1: Risk Management

General Statement

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

i) Credit and counterparty risk management

This council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, method and techniques referred to in TMP 4 Approved instruments methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

ii) Liquidity risk management

This council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

This council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

iii) Interest rate risk management

This council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP 6 Reporting requirement and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

iv) Exchange rate risk management

It will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

v) Refinancing risk management

This council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

vi) Legal and regulatory risk management

This council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 (i) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the council, particularly with regard to duty of care and fees charged.

This council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

vii) Fraud, error and corruption, and contingency management

This council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

viii) Market risk management

This council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations.

TMP 2: Performance measurement

This council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

TMP 3: Decision-making and analysis

This council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at that time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

TMP 4: Approved Instruments, method and techniques

This council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

Where the council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual strategy. The organisation will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

This council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the responsible officer in respect of treasury management are set out in the schedule to this document. The responsible officer will fulfil all such responsibilities in accordance with the council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

TMP 6: Reporting requirements and management information arrangements

This council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effect of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum:

The council will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review.
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the council's treasury management policy statement and TMPs.

The Policy and Finance Committee will receive regular monitoring reports on treasury management activities and risks.

The body responsible for scrutiny, such as audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.

The Council will report the treasury management indicators as detailed in the sector specific guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

TMP 7: Budgeting, accounting and audit arrangements

The responsible officer will prepare, and this council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk Management, TMP 2 Performance measurement, and TMP 4 Approved instruments, methods and techniques. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements.

This council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP 8: Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP 1 Liquidity risk management. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

TMP 9: Money laundering

This council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this is properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

TMP10: Training and qualifications

This council recognises that the importance of ensuring that all staff involved in the treasury management functions is fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

The responsible officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule to this document.

TMP11: Use of external providers

This council recognises that responsibility for treasury management decisions remains with the council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such services providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review. And it will ensure, where feasible and necessary, that a spread of service providers, is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rest with the responsible officer and details of the current arrangements are set out in the schedule to this document.

TMP12: Corporate governance

This council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This council has adopted and has implemented the key principles of the Code. This together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

SCHEDULE A

TMP 1: Risk Management

CREDIT AND COUNTERPARTY RISK

Credit and counter-party risk is the risk of failure by a third party to meet its contractual obligations to the council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

Criteria to be used for creating/managing approved counterparty lists/limits

As a holder of public funds, the Council recognises its prime responsibility is the security of the principal of the sums which it invests. Consequently, it will optimise returns commensurate with the management of the associated risk.

The Council will determine through its Annual Investment Strategy the credit criteria for various investment instruments.

The credit rating of counter parties is monitored regularly. Any counter party failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Principally, Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. In addition, the rating given by rating agents Standard and Poor, and Moody's are also considered prior to an investment. Whilst they only show an indication of the current credit position, they are being monitored on a regular basis and any significant changes will be reported to Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets.

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above

In addition to the Building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where the Government guarantees investments.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

LIQUIDITY RISK

Liquidity risk is the risk that cash will not be available when it is required, that ineffective management of liquidity creates additional unbudgeted costs, and the Council's business/service objectives will be thereby compromised. This can jeopardise the ability of the Council to carry out its functions or disrupt those functions being carried out in the most cost effective manner. The Council will therefore have sufficient stand by facilities to ensure that there is always sufficient liquidity to deal with unexpected occurrences. It will also seek to ensure that its cash flow forecasting gives as accurate a picture as possible of the changes in income and expenditure and the resulting residual daily cash balances.

Amounts of approved minimum cash balances and short-term investments

It is the intention to minimise cash balances held overnight, and for short-term investments to be made in order to fulfil the projected net cash flow requirement.

- **Standby Facilities:** Any funds held on call notices should not exceed 25% of the total amount invested at any one time and a maximum of £500,000.
- **Bank overdraft arrangements:** The council does not have an agreed overdraft facility and instead relies on the stringent cash flow projections.
- **Short-term borrowing facilities:** Surplus funds shall be temporarily invested via the money market at the best rate of interest available, in accordance with the minimisation of risk of the capital sum. In all investment matters the protection of the capital sum will be of paramount importance and will override the desire to obtain the highest interest rates.

INTEREST RATE RISK

Interest rate risk is the risk that unexpected changes in interest rates expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council will seek to minimise this risk by reviewing forecasts of interest rates. It will also determine appropriate limits and trigger points as set out below. These limits and strategy are set out in the annual Treasury Management Strategy. This strategy will be periodically reviewed during the relevant year to see whether any modifications are required in the light of actual movements in interest rates.

LIMITS ON INTEREST RATE EXPOSURE			
	2015/16 £000	2016/17 £000	2017/18 £000
Maximum Principal Sums Borrowed >364 days	7,015	6,596	6,527
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	20%	20%	20%

EXCHANGE RATE RISK

Exchange rate risk is the risk that unexpected changes in exchange rates expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council has a minimal exposure to exchange rate risk as it does not enter into loans or investments in foreign currency for treasury management purposes.

At this time the Council does not get involved in any other significant foreign currency transactions. These are limited to a very small number of invoice payments.

REFINANCING RISK

Refinancing risk is the risk that when maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

Debt/other capital financing maturity profiling, policies and practices

The total debt, comprising both PWLB and a bond, is summarised in the table below, showing the estimated debt maturity assuming no further borrowing is undertaken. The council has no current plans to refinance its debt.

Original loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2015 £	Year of Final Repayment
250,000	10 years	4.60% Fixed	62,500	2017/18
250,000	15 years	4.75% Fixed	2,950	2022/23
250,000	25 years	4.88% Fixed	175,000	2032/33
		Total PWLB	240,450	

Projected capital investment requirements

The Director of Resources has prepared a three year plan for capital expenditure for the Council.

The use of borrowing to support the capital programme has been kept to ~~an average of £171,250 in the financial years 2015/16 and 2016/17~~ an average of £164,650 in the financial years 2015/16 to 2017/18, in line with recommendations from the council's Budget Working Group and as approved by Policy and Finance Committee. This will be met from internal borrowing and it is not forecast that there will be a need for any increase in external borrowing to support the currently approved capital programme.

A summary of the approved capital programme and its financing are provided in the table below

	2015/16 £	2016/17 £	2017/18 £
Estimated Resources Brought Forward	-595,069	-480,069	-480,069
Unsupported Borrowing	-256,400	-175,000	-62,560
Fleming Vat Reserve	-24,600	0	0
Disabled Facilities Grants - DCLG	-161,000	-161,000	-161,000
New Homes Bonus	-125,000	-62,000	-200,000
Revenue Contributions	-7,000	0	0
External Funding	-85,000	0	0
S31 New Burdens Funding	0	0	-25,000
VAT Shelter	-417,000	-325,000	-132,000

	2015/16 £	2016/17 £	2017/18 £
Earmarked Cost of Democracy Savings	0	0	-11,250
Vehicle Residual Values	0	0	-28,060
Police and Crime Commissioners Resource	0	0	-10,000
<i>Estimated Total Available Resources</i>	<i>-1,671,069</i>	<i>-1,203,069</i>	<i>-1,109,939</i>
Less Total of Approved Capital Programme	1,191,000	723,000	699,860
<i>Estimated Resources to Carry Forward</i>	<i>-480,069</i>	<i>-480,069</i>	<i>-480,069</i>

Policy concerning limits on affordability and revenue consequences of capital financing

The policy is considered on an annual basis. In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this three year period.

The Council will use the definitions provided in the Prudential Code for borrowing, capital expenditure, debt, financing costs, investments, net borrowing, net revenue stream and other long term liabilities.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is the risk that either the Council, or a third party which it is dealing with in its treasury management activities, acts outside of its legal powers or regulatory requirements and as a result the Council incurs loss.

References to relevant statutes and regulations

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council.

Procedures for evidencing the Council's powers and authorities to counterparties and the required information from Counterparties concerning their powers and authorities

The Council will provide written evidence of its powers and authorities to any counterparty that requests us to do so. Counterparties will also provide their details to the Authority as a matter of course.

The Council's powers to borrow and invest are contained in legislation.

- Investing: Local Government Act 2003, section 12
- Borrowing: Local Government Act 2003, section 1

Lending shall only be made to counterparties on the Approved Lending list.

Statement on the Council's political risks and management of same

The Director of Resources shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council and change of Government.

The monitoring officer is the Head of Legal Services; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

The Chief Financial Officer is the Director of Resources; the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if they have concerns as to the financial prudence of its actions or its expected financial position.

FRAUD, ERROR AND CORRUPTION, AND CONTINGENCY MANAGEMENT RISK

Fraud, error and corruption risk is the risk that the Council may fail to employ adequate systems, procedures and other arrangements which identify and prevent losses through such occurrences. The Council will therefore:-

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

Details of systems and procedures to be followed, including internet services

Authority

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are approved by the Director of Resources or the Head of Financial Services, or in the absence of both, the Chief Executive.
- Procedures are defined in the Council's Financial Regulations.

Procedures

- Detailed procedure notes are maintained on all of the treasury management functions. The current treasury management and systems document is attached at Annex1.

Investment and borrowing transactions

- A detailed register of all loans and investments is maintained.
- Any transaction discrepancies are immediately reported to the broker or counterparty for resolution.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the broker or counterparty for resolution.

Regularity and security

- Lending is only made to institutions on the Approved List of Counterparties.

- The Cash flow sheets prompt the officer dealing with the daily cash flow that money borrowed or lent is due to be repaid.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- There is a separation of duties in the section between dealers and the checking and authorisation of deals.
- The Council's bank holds a list of Council officials who are authorised signatories.
- There is adequate insurance cover for employees involved in treasury management and accounting.

Checks

- The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- A debt charge/investment income listing is monitored every month against the budget for interest earnings and debt costs.

Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy manually.

There are also annual Internal Audit reports on the Treasury Management function.

Emergency and contingency planning arrangements

The Council will ensure that written procedures are in place and kept up to date for such situations, for both the Emergency Plan and the Business Continuity Plan.

Insurance cover details

The Authority has a Fidelity Guarantee policy with Zurich Municipal Insurance. This provides cover to the value of £2,000,000. This covers the loss of cash by fraud, or the dishonesty of employees dealing with the treasury management function. All other employees are covered to the value of £250,000.

There is also a Business Interruption policy with Zurich Municipal Insurance. This provides cover for the costs of re-establishing the Council's operations in the event of the normal operational facilities being unavailable.

MARKET RISK

Market risk is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effect it has failed to protect itself adequately.

Details of approved procedures and limits for controlling the Council's exposure to investments / borrowing whose capital value may fluctuate (Gilts, CDs, and Lender's Option Borrower's Option (LOBO) etc.)

These are controlled through setting limits on investment and borrowing instruments where the principal value can fluctuate. The limits would be determined and set through the Annual Investment Strategy, which forms part of the council's Treasury Management Strategy. However, the Council has no investments / loans of this nature at the current time, and has no plans to do so in the near future.

SCHEDULE B

TMP 2: Performance measurement

Evaluation and review of treasury management decisions

The Council has a number of approaches to evaluating treasury management decisions: -

- **Day to day reviews during the financial year:** *The Director of Resources or the Head of Financial Services review all treasury management activity and decisions on a daily basis. This includes ensuring that any activity operates within the boundaries set out within this document and the Treasury Management Strategy.*
- **Annual review after the end of the financial year:** *An annual treasury report is submitted to the Policy and Finance Committee each year after the close of the financial year which reviews the performance of the treasury management activity over the financial year. This report includes coverage on the areas of:*
 - Any borrowing requirements in the year
 - Investments made
 - Performance against the prudential indicators
- **Quarterly Review:** *The annual review is supplemented by quarterly submissions of monitoring reports to Policy and Finance Committee. These reports include coverage on the areas of:*
 - Any borrowing requirements in the year
 - Investments made to date
 - Performance to date against the prudential indicators
 - A review of the approved organisations
- **Comparative reviews:** *When data becomes available, comparative reviews are undertaken to see how the performance of the function compares to other authorities. This is generally a comparison to other Lancashire councils, and the CIPFA Treasury Management statistics published each year for the last complete financial year*

Policy concerning methods for testing value for money in treasury management

Banking services

Banking services will be retendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends. The current agreement is for the period 2013/16

Money-broking services

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

Methods to be employed for measuring the performance of the Council's treasury management activities

This will include a comparison with other councils through the CIPFA Prudential Indicators return and also through comparison exercises periodically carried out between Lancashire councils. Additionally performance will be measured by comparing the interest earned on investments against budgeted income.

Benchmarks and calculation methodology with regard to risk and return

Debt management

The council currently have a comparatively low level of debt. This is particularly following the housing stock transfer a number of years ago.

Investment

The performance of investment earnings will be measured against budgeted investment income.

SCHEDULE C

TMP 3: Decision-making and analysis

All executive decisions on capital/project financing, borrowings and investments are delegated to the Director of Resources who will fulfil such responsibility in accordance with the CIPFA Code and Guide and the SORP on Treasury Management.

There shall be no restriction on the sources of borrowing with the exception of any statutory restriction.

The Council may use the following methods of raising capital finance:

- Public Works Loan Board
- Market borrowing
- Leasing
- Issue of local bonds

Records to be kept

The team keep records of all investment and loan transactions. The following records will be retained:

- Daily cash balance forecasts
- Dealing records for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly

Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer best value)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average rate, investment returns, etc.).

Issues to be addressed.

In respect of every decision made the Council will:

- Above all be clear about the nature and extent of the risks to which it may become exposed
- Be certain about the legality of the decision reached and the nature of the transaction, and that any authority to proceed has been obtained
- Be content that the documentation is adequate both to deliver the organisation's objectives and protect the its interests, and to deliver good housekeeping
- Ensure that counterparties are judged satisfactory in the context of the its creditworthiness policies, and that limits have not been exceeded
- Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

In respect of borrowing and other funding decisions, the Council will:

- Evaluate the economic and market factors that might influence the manner and timing of any funding decision.
- Consider the merits of alternative forms of funding, including options such as funding from revenue and leasing and private partnerships.
- Consider the alternative interest rate bases available, the most appropriate periods to borrow and repayment profiles to use.
- Consider the on-going revenue liabilities created, and the implications for the council's future plans and budgets.

In respect of investment decisions, the Council will:

- Consider the optimum period, in the light of cash flow availability and prevailing market conditions
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

In respect of decisions regarding derivatives, the Council will:

- Be able to demonstrate that the derivative transaction has reduced the Council's overall exposure to treasury risks. (The Council has no transactions of this nature at the current time, and has no plans to do so in the near future.

SCHEDULE D

TMP 4: Approved Instruments, method and techniques

Only the approved organisations for investment shown will be used. The organisations listed may be used for the investment of the Council's surplus funds, subject to the maximum sum being invested at any one time with any one organisation not being exceeded. The decision to vary these limits being delegated to the Director of Resources and, through them, to their staff in exceptional circumstances.

Specified investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets and the possibility of loss of principal or investment income is very low. The investments are defined as:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or gilt with less than one year to maturity).
- A local authority, parish council or community council.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). These bodies will have a minimum rating as set out below.

The monitoring of investment counterparties

The credit rating of counter parties is monitored monthly. Any counterparty failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Principally Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. In addition, the rating given by rating agents Standard and Poor, and Moody's are also considered prior to an investment. Whilst they only show an indication of the current credit position, they are being monitored on a regular basis and any significant changes will be reported to Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets.

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above. In addition to the Building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where the Government guarantees investments.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

The approved organisations for investment are:

Banks

- Santander UK plc. *
- Barclays Bank *
- Bank of Scotland plc. *
- Co-operative Bank *
- HSBC Bank plc. *
- Lloyds Bank plc. *

- The Royal Bank of Scotland *
- National Westminster Bank *

Building Societies

- Coventry Building Society *
- Leeds Building Society *
- Newcastle Building Society *
- Nationwide Building Society *
- Principality Building Society *
- Skipton Building Society *
- Yorkshire Building Society *

Other

- Debt Management Office **
- Other Local Authorities in the UK ***
- Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities ***

Key

- * Maturity limit for each counter party 365days
- * Maximum limit per institution £1.5m
- ** Maximum limit per institution £5.0m
- *** Maturity limit for each counter party 3 Months
- *** Maximum limit per institution £2.5m

Non-Specified Investments

Non-specified investments include any other type of investments, i.e. not defined as specified above. These are sterling investments with:

- Securities admitted to the Officials List of the Stock Exchange that is guaranteed by the UK Government (such as supranational bonds).
- Gilt edged securities with a maturity of greater than one year.
- Institutions not meeting the basic security requirements under the specified investments.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a maturity of greater than one year.
- [Shareholding in the Local Government Bonds Agency.](#)

~~At the present time the Council has no immediate plans to invest in non-specific investments.~~ [At the present time the Council has no immediate plans to invest in non-specific investments other than a maximum share in the Local Government Bonds Agency of £10k.](#)

Approved Investment Instruments

Only the approved instruments as follows will be used.

- European Atomic Energy Community (Euratom)
- European Coal and Steel Community
- European Union
- European Investment Bank

- International Finance Corporation
- International Bank for Reconstruction and Development
- International Monetary Fund
- African Development Bank
- Asian Development Bank
- Caribbean Development Bank
- Inter-American Development Bank
- Guaranteed Export Finance Corporation plc.

Policy on the Use of Financial Derivatives

Many local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (i.e. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments.

The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives. The latest CIPFA Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

The Council has not and does not plan to use derivatives.

Use of External Fund Managers

It is the Council's policy not to use an external fund manager.

SCHEDULE E

TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

It is essential for the purposes of the effective control and monitoring of the Council's treasury management activities, and for the reduction of the risk of fraud or error, for there to be clarity of treasury management responsibilities.

The principles on which this will be based are a separation of duties between:

- Policy formulation, creation and review;
- Deal transaction and execution;
- Subsequent recording and administration; and
- Audit.

Delegated Powers

With the exception of the approval of the Council's borrowing limits under section 45 of the Local Government and Housing Act 1989, all matters relating to treasury management shall be determined by Policy and Finance Committee.

All executive decisions and actions on borrowing, investment or financing shall be delegated to the Director of Resources and, through them, to their staff. Such decisions and actions to at all times are in accordance with the treasury policy statement.

The delegation of decisions to staff will be regulated by a treasury management systems and procedure manual.

All money in the hands of the Council shall be aggregated for the purpose of treasury management and shall be under the control of the Director of Resources.

In respect of the signing of documents relating to borrowing/investments, this may only be carried out by authorised signatories of the Council.

Responsibilities

The Director of Resources will:

- Ensure compliance by treasury staff with the treasury management policy statement and that the policy statement complies with the law
- Be satisfied that any proposal to vary the treasury policy or practice complies with the law or any code of practice
- Undertake regular reviews of the treasury management function with the Head of Financial Services throughout the year
- Liaise with the Head of Financial Services and treasury management staff on treasury management decisions
- Ensure that there is an adequate internal audit function and liaise with external audit.
- Act as authorised signatory of the Council.

The Director of Resources will also ensure there is proper documentation for all deals and transactions and those procedures exist for the effective transmissions of funds.

The Head of Financial Services will:

- Ensure that the Council's treasury management strategy is reviewed annually.
- Liaise with the Director of Resources and treasury management staff on treasury management decisions
- Manage the overall treasury function
- Ensure that the treasury management systems document is reviewed at least annually
- Ensure that the organisation of the treasury management function is adequate to meet current requirements
- Ensure that staff involved in treasury management are adequately trained
- Ensure that all treasury staff are aware of the Bank of England's current version of the London Code
- Supervise the treasury management staff
- Ensure appropriate segregation of duties
- Ensure elected members receive appropriate reports
- Act as authorised signatory of the Council.

The Senior Accountant will:

- Ensure that day to day activities accord with the treasury management policy statement
- Implement the treasury management systems document
- Ensure compliance with policies, limitations and directions
- Supervise other treasury management staff
- Produce an annual report of the previous year's treasury management operations by 30 September of the following year
- Produce regular performance reports
- Maintain relationships with counterparties

The Accounting Technician will:

- Maintain cover in the absence of a senior accountant, under the supervision of the Head of Financial Services.

Internal Audit will:

- Review compliance with the approved policy and procedures
- Review division of duties and operational practice
- Assess value for money from treasury activities
- Undertake the probity audit of the treasury function.

Policy and Finance Committee will:

- Approve local borrowing limits
- Approve the adopted clauses, treasury management policy statement and treasury management practices and any amendments.
- Receive an annual report on the treasury management strategy before the start of the financial year
- Receive an annual report by 30 September of the following year on the treasury management activity for the preceding year
- Receive other periodic reports on the treasury management function and its performance

- Approve the division of responsibilities

Absence cover

In the instance of absence from any post holder from the above roles, responsibilities will move to the upwards in the organisation hierarchy, unless such responsibilities are seen as reasonable to be delegated downwards by the Director of Resources or Head of Financial Services.

Dealing limits

There are no set dealing limits at an individual post level, however all dealing decisions must be first approved with the Director of Resources or Head of Financial Services

Approved brokers

The Council is in contact with three money brokers who act on our behalf.

Tullet Prebon (uk) Ltd

Sterling International Brokers Ltd

Martin Brokers plc.

Policy on taping of conversations

Where dealings are undertaken over the telephone, the conversation detailing the dates, amounts and rates of any deal should where possible be recorded in order to avoid a future dispute on the terms that have been agreed.

SCHEDULE F

TMP 6: Reporting requirements and management information arrangements

Annual review of the treasury management policies and practices

This document will be reviewed annually and reported Policy and Finance Committee

Annual treasury management strategy

The Treasury Management Strategy sets out the expected treasury activities for the forthcoming financial year. This Strategy will be submitted to the Policy and Finance Committee for approval before the commencement of each financial year.

Prudential indicators

As required by the Local Government Act 2003 the following indicators must be set:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt as at 31st March of previous year
- Upper limit on fixed interest rate exposures
- Upper limit on variable interest rate exposures
- Upper and lower limits for the maturity structure of borrowing
- Prudential limits for principal sums invested for longer than 364 days

Should it prove necessary to amend these limits, the Director of Resources will submit the changes for approval to Policy and Finance Committee, before submission to Full Council for approval.

Annual report on treasury management activity

An annual report will be presented to the Policy and Finance Committee at the earliest practicable meeting after the end of the financial year. This report will include the following:

- Any borrowing requirements in the year
- Investments made
- Performance against the Prudential Indicators

Quarterly review of treasury management activity

The annual review is supplemented by quarterly submissions of monitoring reports to Policy and Finance Committee. These reports include coverage on the areas of:

- Any borrowing requirements in the year
- Investments made to date
- Performance to date against the Prudential Indicators
- A review of the approved organisations

Management information reports

Investment income performance is reported to the Corporate Management Team as part of the budget monitoring process

SCHEDULE G

TMP 7: Budgeting, accounting and audit arrangements

Statutory/regulatory requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting, which is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services – Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

Accounting practices and standards

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to Local Authorities.

List of information requirements of external auditors

Each year the External auditors provide the council with its closedown working paper requirements. These are summarised below.

Investments (short and long term)

- Working paper identifying the analysis of investments held throughout the period reconciled to the balance sheet. This should also show the interest received on each investment and should reconcile to the Comprehensive Income and Expenditure statement.
- Full schedule of short and long term investments including market value and book value. An audit trail to prime documentation should be available.
- Third party confirmation of the closing balance for investments.
- Copies of the Treasury Management and Investment Strategies. Minutes showing approval of movement of investments where applicable and linked to financial instrument disclosures in the financial statements.
- Copy of investment register to show all amounts invested and interest received.
- Copy of working papers showing details of any discounts or premiums arising from early redemption of loans and associated accounting entries. Evidence to support the appropriate discount basis has been used, any statutory overrides and any posting to the Financial Instruments Adjustment Account.

External borrowing and capital controls

- Analysis of loans payable, finance leases and PFI obligations at 31 March reconciled to the financial ledger and statement of accounts.
- Details of transactions >£350k in the year (repayments and new loans). Supporting evidence should be available on demand.
- Working papers showing calculation of Capital Financing Requirement and the link to the Minimum Revenue Provision.

Financial instruments

- Working paper cross referenced to supporting schedules for loans and receivables, available for sale financial assets, unquoted equity investments at cost, financial assets at fair value (which have gone through profit or loss), financial liabilities at amortised costs, financial liabilities at fair value (which have gone through profit or loss) and any impairment losses.
- Evidence of interest rates disclosed in the note, along with total interest income and total interest expense, including any interest accrued on impaired financial assets.
- Evidence of review of departments for Financial Instruments disclosures (Guarantees, embedded derivatives, long term Receivables).

Investments in Icelandic banks

- Disclosure of estimation uncertainty. Working papers to support the basis for management's estimation of recoverability, including legal advice where relevant.

SCHEDULE H

TMP 8: Cash and cash flow management

The cash flow forecast for the council is prepared on a daily basis, with a forward forecast included for anticipated major receipts and payments in order to assist in investment decisions.

Cash Flow Forecast Procedure

A daily record of all inflows/outflows of funds is kept on a cleared balance record sheet. These sheets indicate the expected daily cash flow within the Council's two main bank accounts which are currently held by the branch office of the HSBC Bank plc., 8 Castle Gate, Clitheroe, BB7 1BB. They are known as:

- General account – Council's income
- Disbursement account – Council's expenditure

Each morning the following information on each of the Council's bank accounts can be obtained using the internet from HSBCnet (a separate system guidance note is kept up to date):

- **Cleared balance (Dr/Cr)** *This represents the opening cleared balance on each of the two bank accounts*
- **Auto Credit Clearing (+)** *This represents the direct credits received by the council*
- **Auto Debit Clearing (-)** *This represents the direct debits payable by the council*
- **Float Details (+)** *This represents the cheques received by the council which are to be cleared on that day and the next*
- **Projected Balance at Close (Dr/Cr)** *This represents the estimated cleared closing balance on each of the two bank accounts.*

By combining the information on each of the bank accounts a projected closing balance can be obtained. However, this projected balance figure will exclude any cash payments that have been banked by the council on the previous day. Therefore, the previous day's cash banking can be added to give a more accurate estimate of the Council's bank position. This is obtained from the Council's bank paying-in book, which is kept in the collection office.

An indication of whether a temporary investment or loan needs to be arranged can therefore be obtained from this estimated current bank position if surplus funds or a deficit of funds is indicated.

In addition to the previous day's cash banking, the previous day's cheques banking and details of online and electronic payments can be obtained from the collection office. A record of these figures is kept to indicate the items expected to clear in the bank account for the following two days. It should be noted that it can take up to five working days for cheques to clear.

Direct Credit Receipts

An anticipated direct credit figure can often be identified before the actual receipt date. The reason being that the majority of the direct credits received are generated either by ourselves or by grant payments. They can therefore be entered onto the cleared balance sheets as anticipated income on the particular day they are expected as an anticipated cash inflow. These are also then checked against actual income on the day of receipt.

These figures are generally obtained either from a written confirmation from a government department in respect of grants receivable, such as revenue support grant, or in-house from the sections for whom the credits are being generated. Examples of in-house generated items are processed direct credit receipts for such items as NNDR, council tax and sundry debts:

Direct Debit Payments

In a similar fashion to the direct credit receipts, the majority of the direct debit payments can be anticipated prior to the date of payment. Again, these are either generated by ourselves or are collected by external bodies as per an agreement, such as the LCC precept or PWLB repayments. They can therefore be entered onto the cleared balance sheets as anticipated expenditure on the particular day they become due for payment and can then be checked against the actual payment made. Examples of in-house generated items are salaries and trade creditor payments.

Payment scheduling and agreed terms of trade creditors

The direct credits and debits generated by the council are scheduled to occur on set dates, which move only in respect of bank holidays and weekends.

Direct debit payments

- Salaries and Members allowances: *15th day of the month*
- Trade Creditors: *every Monday*
- Benefit payments: *every Monday*
- Council tax refunds: *every Wednesday*

Direct credit receipts

- Council tax payments: *the last day of the month*
- NNDR payments: *28th of the month*
- Sundry debtor payments: *30th of the month*

The terms of payment for the council's trade creditors are generally within 30 days of receipt of invoice, unless specific terms have otherwise been agreed.

Banking of funds

All payments to the council must be paid in to the central collection office as soon as possible after receipt. Income is banked by the collection office on a daily basis using a third party contractor.

SCHEDULE I

TMP 9: Money laundering

Procedures for establishing identity/authenticity of lenders

The council does not accept loans from individuals

Methodology for identifying sources of deposits

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on www.fsa.gov.uk.

All transactions will be carried out by CHAPS for making deposits or repaying loans.

Proceeds of Crime Act 2002 (POCA)

Please find below an explanation of the current responsibilities of local authorities:-

The Proceeds of Crime Act 2002 imposes an obligation on any person or other body that undertakes a regulated activity as defined by the Act to report any incident that leads them to suspect that an individual or other body is making transactions with the proceeds of any criminal activity. This is an extension of the obligations previously imposed principally on financial services organisations and employees under money laundering legislation. The money laundering legislation, as reinforced by the FSA guidance, made it clear that an organisation had to nominate a money laundering reporting officer, MLRO, through whom suspicious transactions had to be reported and it was incumbent on the MLRO to decide if these transactions had to be reported to the National Criminal Investigation Service (NCIS), being the police body charged with dealing with these matters.

The question therefore arises as to whether organisations now caught under the provisions of the Proceeds of Crime Act (POCA) have to also nominate a MLRO. There is nothing that states that an MLRO has to be nominated and indeed, a number of organisations that are caught by POCA would not have a direct regulator to notify. However, it is equally clear that such organisations must have a process in place whereby employees can alert management of activities that may fall under POCA and that process must make it clear to whom an internal report has to be made. Therefore, whether called an MLRO or not, under their internal processes organisations need to appoint a senior officer (F.D., Treasurer, Head of Legal) to whom suspicions must be reported and who is responsible for deciding whether to pass the report to NCIS.

NCIS
PO BOX 8000
LONDON SE11 5EN
www.ncis.co.uk

The Principal Auditor is the council's nominated money laundering reporting officer and in their absence, the Head of Financial Services. The council will train the following staff in being diligent to be alert for suspicious transactions: -

- treasury management
- collection office
- other staff as seen appropriate

Suspicious transactions will be investigated as far as the Council is in a position to do so or it is appropriate for the Council to do so, and if doubts remain, these transactions will then be reported to the National Criminal Investigation Service.

SCHEDULE J

TMP10: Training and qualifications

The Council recognises the importance that all treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Performance Appraisal system which aims to identify the training requirements of any individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Director of Resources together with the Head of Financial Services, to ensure that all staff involved in the service receives the necessary training.

Details of approved training courses

Treasury Management courses run by such bodies as CIPFA, money brokers, or other recognised bodies.

Training and qualifications of treasury staff

- Chief Executive - CIPFA Qualified
- Director of Resources – CIPFA Qualified
- Head of Financial Services – CIPFA Qualified
- Senior Accountant – Part CIPFA Qualified
- Accounting Technician – AAT Qualified

Training of those charged with governance

Training will be provided for those elected members sitting on the Policy and Finance Committee. Detailed explanations of all reports are given, as they are scrutinised by committee, by the Director of Resources in order to ensure full understanding.

SCHEDULE K

TMP11: Use of external providers

Details of contracts with service providers, including bankers, brokers, consultants and advisers

Bankers

Name of supplier of service is HSBC Bank plc.

Money-broking services

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. The brokers used are listed at SCHEDULE E – *TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements*. None of these services are under formal contracts and are used only on an ad-hoc basis.

Consultants'/advisers' services

The Council do not have any contracted services, or use, external consultants or advisers

Procedures and frequency for tendering services

Banking services

Banking services will be retendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends. The current agreement is for the period 2013/16

SCHEDULE L

TMP12: Corporate governance

List of documents to be made available for public inspection

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions. It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

The following documents are available for public inspection via Council website or in person:

- Treasury Management Policy Statement
- Treasury Management Strategy
- Annual Treasury Report
- Quarterly Monitoring Report
- Annual Statement of Accounts
- Revenue and Capital Budget
- Agendas and minutes of all committee meetings.

Treasury Management and Systems Document

Introduction

Ribble Valley has adopted a treasury management policy that regulates the framework for the operation, review and performance assessment of the treasury management function. This is in accordance with the Code of Treasury Management for Local Authorities, produced by the Chartered Institute of Public Finance and Accountancy. In accordance with the Code of Practice, a treasury systems document has been prepared as follows.

Cash flow record

A daily record of all inflow/outflow of funds is kept on a cleared balance record sheet. These sheets indicate the expected daily cash flow within the Council's two bank accounts which are currently held by the branch office of the HSBC Bank plc., 8 Castle Gate, Clitheroe BB7 1BB. They are known as:

- General account – Council's income
- Disbursement account – Council's expenditure

Each morning, after 9.00am, the following information on each of the Council's bank accounts can be obtained by telephone link via the HSBC.net system (separate system notes kept):

- **Cleared balance (Dr/Cr)** – This represents the opening cleared balance on each of the two bank accounts
- **Auto Credit Clearing (+)** – This represents the direct credits received by Ribble Valley
- **Auto Debit Clearing (-)** – This represents the direct debits payable by Ribble Valley
- **Float Details (+)** – This represents the cheques received by Ribble Valley which are to be cleared on that day and the next
- **Projected Balance at Close (Dr/Cr)** – this represents the estimated cleared closing balance on each of the two bank accounts.

By combining the information on each of the bank accounts a projected closing balance can be obtained. However, this projected balance figure will exclude any cash payments that Ribble Valley has banked on the previous day. Therefore, the previous day's cash banking needs to be added to give a more accurate estimate of the Council's current bank position. This can be obtained from the Council's bank paying-in book, which is kept in the collection office. It is usually available at approximately 9.15am.

An indication of whether a temporary investment or loan needs to be arranged can therefore be obtained from this estimated current bank position if surplus funds or a deficit of funds is indicated.

In addition to the day's cash banking, the previous day's cheques banking and details of online and electronic payments can be obtained from the collection office. A record of these figures is kept to indicate the expected float items figure for the following two days. This can therefore be checked against the actual float details. It should be noted that it takes five working days for cheques to clear.

Direct Credit Receipts

An anticipated direct credit figure can often be identified before the actual receipt date. The reason being that the majority of the direct credits received are generated either by ourselves or by grant payments. They can therefore be entered onto the cleared balance sheets as anticipated income on the particular day they are expected as an anticipated cash inflow. These are also then checked against actual income on the day of receipt.

These figures are generally obtained either from a written confirmation from a government department in respect of grants receivable, such as revenue support grant, or in-house from the sections for whom the credits are being generated. Examples of in-house generated items are processed direct credit receipts for such items as NNDR, council tax and sundry debts:

Direct Debit Payments

In a similar fashion to the direct credit receipts, the majority of the direct debit payments can be anticipated prior to the date of payment. Again, these are either generated by ourselves or are collected by external bodies as per an agreement, such as the LCC precept or PWLB repayments. They can therefore be entered onto the cleared balance sheets as anticipated expenditure on the particular day they become due for payment and can then be checked against the actual payment made. Examples of in-house generated items are salaries and trade creditor payments.

Investments

In accordance with the Council's treasury management policy, any surplus funds identified on the cleared balance sheets can be invested.

The Council is in contact with three money brokers who act on our behalf.

Tullet Prebon (uk) Ltd
Sterling International Brokers
Martin Brokers plc.

The telephone numbers for each, together with a contact name, is kept with the records of current investments in the cash flow file (held by senior accountant).

Method for making an investment

Once surplus funds have been identified contact is made with one of the above to arrange for these funds to be invested.

Monies can be invested at the current interest rates applicable at the time, for various periods which range from call, two day notice, and seven day notice or for a fixed term to an agreed future date. It is usual that any monies invested with the money market, i.e. via the brokers, is left for a minimum period of a week. In addition to this restriction, any monies placed on the money market can only be recalled as a whole, i.e. the amount invested.

The period of investment will depend on the anticipated cash flow therefore any anticipated income and expenditure should be taken into account before the investment is made. It should be noted that the following notice is required for any repayment of monies:

- **Call:** *same day*
- **Two days:** *two working days' notice*
- **Seven days:** *seven working days' notice*
- **Fixed:** *as agreed*

Investment with a broker

Once a broker has been contacted with the details of the amount and notice period we require for the investment it can be placed “under reference” with this broker as well as an alternative broker. The broker that is first to succeed in placing the monies in accordance with our treasury management policy receives our business.

Details of the counter parties to whom our monies are being lent to be given by the broker and recorded on a temporary investment sheet, they include:

- Name of borrower;
- Borrower’s bank details, including sort code and account number;
- Amount to be invested;
- Term of investment, i.e. call, fixed etc.; and
- Rate of interest payable by the borrower.

It should be noted that the interest rate is changeable other than fixed term investments.

Once details have been received an electronic fund transfer (EFT) can be made via the HSBC.net system (separate system notes kept). This transfers funds from our disbursements bank account to the counter party’s bank account.

It should be noted that the Head of Financial Services and the Director of Resources (or in their absence the Chief Executive), needs to sign the authorisation sheet obtained from the HSBC.net system.

A “no cheque” “direct banking transaction” creditor voucher should be prepared to charge the investment amount to the general ledger fund.

Details of the investment should also be recorded in the investment register.

Investment with the HSBC bank money market

Another alternative method of placing surplus funds is with the money market team of our bank.

The procedure is as before with the exception that no EFT is necessary to our branch. A transfer is made from our disbursements account by FX system direct on the HSBC.net system. It should be noted that the Head of Financial Services and the Director of Resources (or in their absence the Chief Executive), sign the transaction sheet obtained from the HSBC.net system on the day the transaction takes place.

Investment with other banking institutions

Funds can be invested direct with other banking institutions. Funds can only be placed on fixed terms with these institutions. The minimum investment depends on the institution. Once terms have been agreed the procedure for transferring funds is as before.

Repayment of investments

If the investment needs to be repaid the necessary notice needs to be given to the particular counter party, either direct in the case of investments held by the various banking institutions or via the relevant broker if the investment was made on the money market.

All repayments should be made automatically on the relevant day direct to our general bank account. Investments made with the HSBC Bank can only be returned to the same account from which they were originally debited, i.e. the disbursement account. Therefore, a transfer is required between the two accounts (separate system notes kept). The HSBC.net system will indicate receipts received during the day by EFT. Therefore this should be checked on a regular basis until all funds have been accounted for.

The repayment date is recorded on the temporary investment sheet and in the investment register. The amount of interest due should be calculated and also entered on these

records. Once the monies are credited to our bank account the collection office will credit these amounts to the relevant general ledger account code from the bank statements (they require the split between the principal and interest paid).

The internal audit section requires these completed records on a monthly basis to carry out a relevant audit.

Temporary loans

If a deficit cash balance is estimated on the cleared balance sheet it may be necessary to arrange for a temporary loan. This will depend on the deficit and the charges made by HSBC on the deficit as the council no longer has an overdraft facility. An agreed maximum limit for short-term borrowing is set annually.

Arranging a temporary loan

A temporary loan can be made via our brokers in a similar fashion to making an investment. Details of the counter parties are received by telephone from our brokers who arrange for the monies to be credited direct to our bank account. The branch office will usually confirm when the monies are received, if so requested. The monies will appear on the Council's bank statements and the collection staff will credit the amount to the appropriate general ledger code.

A record of the loan is made on a temporary loan sheet and in the loans register. A confirmation letter is sent direct to the counter parties confirming the loan details.

Repaying a temporary loan

Once there are sufficient funds available to repay the loan the relevant broker should be contacted to inform the counter parties of the repayment, as per the original agreed terms of the loan.

Interest due on the loan should be calculated and entered on the temporary loan sheet and in the loans register. The loan, including interest, can then be repaid by electronic fund transfer using the HSBC.net system.

A confirmation letter should be sent direct to the counter parties indicating how interest due was calculated, and a "no cheque" voucher for principal and interest to ensure the amounts are charged to the relevant general ledger account.

Final estimated cash balance

If a temporary investment is placed or repaid, and similarly if a temporary loan is received or repaid, a record of the transaction is made on the cleared balance sheet and added or deducted, as relevant, to give an estimated final cleared balance at the end of the day which can be compared with the opening balance on the following day.

Long-Term borrowing

Each year the Council's borrowing requirements are analysed and an appropriate borrowing strategy produced. This has to be approved by Policy and Finance Committee at the start of the financial year.

Generally long-term borrowing, which is classified as borrowing for a period of between 1-60 years, is normally only used to finance capital expenditure or replace maturing debt.

The Council currently has a policy that limits the methods of raising finance and an annual maximum limit for long-term borrowing. It is usual that long-term borrowing needs are met from the Public Works Loan Board (PWLB). This has been because PWLB interest rates:

- Are below money market rates;
- Loans are generally available for longer periods; and
- PWLB commission rates are minimal.

PWLB borrowing

Application for Loans

Applications should be made by telephone on 020 7862 6610 by staff previously nominated by the Director of Resources. The Board will not accept telephone business before 9.30am. or after 4.15pm. Calls are recorded for training and monitoring purposes. The terms of the loan and the rate of interest on a fixed rate loan – or the formula for a variable rate loan – will be agreed at the time and the advance made within 48 hours (excluding weekends and bank holidays)

Advances are made in accordance with the following timetable:

<u>Agreement of Terms</u>	<u>Day of Advance of Loan</u>
	(where no bank holiday intervenes)
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Monday
Friday	Tuesday

At the time a loan is requested the Council is required to supply the following information:

- The borrowers number (the boards five-figure reference number)
- Then answer to the following questions –
 - i. Is this application within the relevant legislation and your council's borrowing powers?
 - ii. By when does the Director of Resources expect the loan to be entirely applied to expenditure? (The answer should be expressed in terms of the number of months from the point of application [The response to this question should be agreed in advance with the responsible finance officer](#))
 - iii. Does the loan qualify for a concessionary rate?

The authorised dealer will then be asked to give the following details of the required loan:

- Applicable concessionary rate (as appropriate)
- Type of loan i.e. whether fixed or variable
- Repayment or amortisation method
- Sum required
- Date of final payment, which will coincide with a repayment date
- Where not apparent from the date of final payment: repayment dates, in the case of a fixed rate loan, or interest payment frequency, in the case of a variable rate loan

- Sort code and number of the receiving bank

All the above information is usually supplied by the Head of Financial Services who generally would make any application.

Staff from the Board's offices will telephone the local authority as soon as practicable after a loan has been agreed, and in any event within 24 hours (excluding weekends and bank holidays), to verify the details. In addition, the Board will send the authority a letter confirming the terms of the agreement; this will not be received until after the loan has been advanced.

The monies will be credited to the Council's bank account on the appropriate day less a loan fee. A schedule of the loan agreement will also be supplied, the details of which should be checked against the application and then entered onto the spreadsheet of PWLB loans (separate system notes available).

Reconciliation

A monthly reconciliation is made between transactions in the general ledger and transactions recorded in the investment and loans register and PWLB spreadsheet.

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 12

meeting date: 24 MARCH 2015
title: LOCAL TAXATION WRITE OFFS
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To obtain Committee's approval to write off certain National Non-Domestic Rate debts.

1.2 Relevance to the Council's ambitions and priorities:

❖ ***Council Ambitions/Community Objectives/Corporate Priorities***

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 BACKGROUND

NNDR

2.1 No specific statute exists to give guidance on the circumstances under which debts, in general, can be written off other than the statute of limitations. Any debt for which recovery action has not been taken within six years still remains but legal action cannot be taken.

2.2 As a matter of law, we are under an obligation to take reasonable steps to collect business rate debts.

2.3 We do this by various means, including summonses, enforcement agents, bankruptcy, winding up and committal warrants. However, there are some cases where debtors simply leave their property with arrears and where we have no forwarding address, or are declared bankrupt, insolvent or cease trading.

2.4 The onset of the recession has seen more companies get into financial difficulties. Companies that get into the most financial difficulties have to take the administration/receivership options if they are unable to agree terms with their creditors.

3 CURRENT POSITION

3.1 There are two cases where the companies have been dissolved and therefore we need to write off NNDR debts. Annex 1 shows details of the various debts we are seeking approval to write off – these total £13,030.87.

4 FINANCIAL IMPLICATIONS

4.1 Until 31 March 2013 when NNDR debts were written off the costs were met from the non-domestic rate pool.

4.2 The new rates retention scheme came into effect on 1 April 2013 and as a result the cost of NNDR write offs are now met in part by central government and in part by local government.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £13,030.87 NNDR debts where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF18-15/ME/AC
10 March 2015

Write offs – NNDR

Year	Name	Amount £	
DISSOLVED			
Dissolution is the last stage of liquidation, the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed.			
2013/14	Intelligent Fabrications Ltd	Unit 5 Brookside Industrial Units, Taylor Street, Clitheroe	
2014/15			4,880.94
		3,165.05	
		8,045.99	
2011/12	Laundry Basket (NW) Limited Wash & Press Commercial Laundry	Duck Street, Clitheroe	
2012/13			757.06
2013/14			3,330.73
		897.09	
		4,984.88	
Total		13,030.87	

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 24 MARCH 2015
title: VILLAGE AMENITIES GRANT - QUEEN ELIZABETH II PLAYING FIELDS PROJECT
submitted by: MARSHAL SCOTT - CHIEF EXECUTIVE
principal author: DILYS DAY - PARTNERSHIP OFFICER

1 PURPOSE

1.1 This report provides Committee with a progress report on the Queen Elizabeth II Playing Fields project which was granted funding through the Village Amenities Grant Fund.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives - The grant programme supports a broad range of community objectives set out in the community strategy.
- Corporate Priorities - This grant programme supports the Council's priorities to sustain a strong and prosperous Ribble Valley, to help make peoples lives safer and healthier and to protect and enhance the existing environmental quality of the area.
- Other Considerations – None.

2 BACKGROUND

2.1 On 25 March 2014 Members received an update on the progress of projects that had been granted funding through the Village Amenities Grant Fund.

3 ISSUES

3.1 Members will recall that issues had arisen with one of the large capital projects at Queen Elizabeth II Playing Fields.

3.2 Queen Elizabeth II Playing Fields Charitable Trust was approved a grant of £10,000 towards the cost of a new MUGA, Youth Shelter & Green Gym at Queen Elizabeth II Playing Fields in Whalley. £3,500 of the allocation has been paid in March 2015, leaving an outstanding amount of £6,500.

3.3 Previously, Members agreed that Queen Elizabeth II Playing Fields Charitable Trust should be given an additional three month period beyond March 2014 in which to claim their grant funding due to the size of the project and its significance to Whalley. However, the project was stalled, as the development of the MUGA was refused planning permission. Following additional work and resubmission of the application, permission was granted in November 2014.

3.4 The Trust have now secured offers of funding to complete the project, and plan to start building at the end of the football season in April 2015, with a plan to reopen in August 2015 for the start of the new season.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Funding for the award of the grants is in place. There is an ongoing staff resource needed to ensure proper use of the grant scheme.
- Technical, Environmental and Legal – Issues depend on the particular nature of the grant.
- Political – No implications identified.
- Reputation – No implications identified.
- Equality & Diversity – No implications identified.

5 **RECOMMENDED THAT COMMITTEE**

5.1 Confirm that due to its size and significance to Whalley that the large capital project of Queen Elizabeth II Playing Fields Charitable Trust be given until 31 August 2015 to finalise the project and to claim the grant from the Council.

DILYS DAY
PARTNERSHIP OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

For further information please ask for Dilys Day, extension 4549.

REF:DD/CMS/P&F/24 MAR 15

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 24 MARCH 2015
title: RIBBLE VALLEY COMMUNITY STRATEGY
submitted by: MARSHAL SCOTT - CHIEF EXECUTIVE
principal author: DILYS DAY - PARTNERSHIP OFFICER

1 PURPOSE

1.1 This report provides committee with an update on progress against the Community Strategy for Ribble Valley which was adopted in October 2014.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – The Community Strategy and its associated action plans form the basis of the sense of place and common vision of the communities in the Ribble Valley

2 INFORMATION

2.1 Members will recall that the Community Strategy was revised and adopted in October 2014 and a commitment given to keep Members updated on key work areas.

2.2 Attached to this report at Appendix 1 is a summary of the key actions that have been identified for delivering the strategy, together with a progress update against each.

2.3 Some areas of activity have yet to be progressed, whilst others will fall predominantly across other areas of the Council's work rather than key directly within the remit of the Partnership Officer. A significant area of work has been generated around supporting and the re-launch of the older persons' forum and developing specific projects in supporting the Council's health and wellbeing by agenda. In addition, work streams have focused on strengthening links with a number of partnership networks to help develop the necessary infrastructure and support to deliver the Community Strategy aspirations.

3 CONCLUSION

3.1 That Committee note the contents of this report.

DILYS DAY
PARTNERSHIP OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

For further information please ask for Dilys Day, extension 4549.

REF: DD/CMS/P&F/24 MAR 15

Community Strategy Actions 2015

Subject	Issues to be addressed	Tasks	Work being done
Housing	Provision of Affordable Housing	Various initiatives	Delivery through strategic housing team
	Housing for homeless young people		
	Suitable housing for older people		
	Reduce fuel poverty		
Facilities	Improve access to services and facilities in rural communities	Maintain links with villages, and in particular community & village halls	<ul style="list-style-type: none"> ✓ Made contact with all villages & working with them where a need has been identified via a 'Village Audit' process ✓ Created a data set of village publications/communication methods for each village ✓ Explained the support on offer to help them to realise their local needs ✓ Improved website presence for community facilities via new RVBC website ✓ Developing a Village Halls network to share best practice and 'bulk buying' ✓ RVVHA now established. We have a link in. ✓ RVBC web site has been developed to add community groups & encourage use for events - 'Signpost'
	Increased outreach activities in villages	Work with villages to develop the services they need	
	Support for voluntary sector via office rental at RVBC		
	Support for groups to recruit volunteers	Work with One Lancashire Volunteering	
	Use the Play alliance to improve the sustainability & maintenance of play areas		
Education & Economy	Increase opportunities for vocational training for 16-19 year olds in the borough	Develop innovatory pilot schemes for vocational learning & development of employment opportunities	<ul style="list-style-type: none"> ✓ Working with community initiatives
	Business support	Support & encourage enterprise & entrepreneurship	

Community Strategy Actions 2015

Subject	Issues to be addressed	Tasks	Work being done
		Develop support for social enterprise	✓ Supporting communities who are interested in managing community assets
	Tourism – develop:	Food	
		Heritage	
		Green	
Community Safety	Maintain low levels of crime	Maintain & support the safety partnership	✓ Involvement in the CSP
	Improve education & awareness around road safety		✓ The road safety group has been reshaped & regrouped and working with LCC under Jackie Brindle
	Reduce alcohol abuse around young people		
Health & older people	Align work with Ribblesdale locality of the CCG (& those other CCGs which fall into RV – BwD and Greater Preston)	Work with groups to align outcomes	Regular contact with Ribblesdale - ✓ Partnership network ✓ Direct work with groups ✓ Encourage uptake of CCG grants ✓ Building links with BwD & Longridge CCG contacts
	Plan for the support needs of an ageing population	Work with the Ribble Valley Village Halls Association, the LAVCH, village halls & community centres to facilitate essential improvements	✓ Engaged with Senior’s Forum as an important partnership with the older community members <ul style="list-style-type: none"> ○ Working to raise awareness via promotion & re branding ✓ Work with Public health – specifically Sandra Fox ✓ Continue to develop Dementia friends via the RV dementia group ✓ Working with partners: Age UK, CVS & others who support older peoples’ priorities ✓ Support for the ‘Access for All’ group

Community Strategy Actions 2015

Subject	Issues to be addressed	Tasks	Work being done
		Support the voluntary sector in the villages	<ul style="list-style-type: none"> ✓ Visit all RV villages & understand any issues and support needs ✓ Assist with sustainability & funding
	Address issues around rural isolation & loneliness	Work with older people's groups inc Seniors' Forum to develop plans	<ul style="list-style-type: none"> ✓ Working with 50+ assembly & the PhD project around loneliness ✓ Developing a 'Good Neighbour' project to direct services and volunteer support to rural areas
Local Democracy	Introduce new mechanisms to strengthen local democracy	Encourage interest in parish councils	
	Neighbourhood Planning	Facilitate groups to develop neighbourhood plans	<ul style="list-style-type: none"> ✓ Supporting villages where asked to do so
Environment	Improved access to the countryside	Footpaths & bridleways	
		Organised walking	<ul style="list-style-type: none"> ✓ Stepping out programme
		Horse riding	
		Mountain biking	<ul style="list-style-type: none"> ✓ New cycle routes developed & promoted
	Promote waste reduction & recycling	Look at energy efficiency	<ul style="list-style-type: none"> ✓ Working with community buildings to reduce energy bills via projects to improve insulation, and energy generation opportunities ✓ Events to promote energy efficiency ✓ Work with LESS & CHIL
	Increase opportunities for use of public transport		<ul style="list-style-type: none"> ✓ Opportunities identified to better inform pass holders about use of public transport (via Seniors' Forum) ✓ Bus Buddies starting to take off. New programme for 2015
	Encourage the promotion & protection of industrial archaeology & historical sites		
	Work with communities & partners to create sustainable initiatives		

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 17

meeting date: 24 MARCH 2015
 title: REVENUES AND BENEFITS GENERAL REPORT
 submitted by: DIRECTOR OF RESOURCES
 principal author: MARK EDMONDSON

1 PURPOSE

1.1 To inform committee of debts outstanding for business rates, council tax and sundry debtors. Also to update committee on benefits performance, including benefits fraud investigations, prosecutions and sanctions.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 NATIONAL NON-DOMESTIC RATES (NNDR)

2.1 The following is a collection statement to 11 March 2015:

	£000	£000	2014/15 %	2013/14 %
Balance Outstanding 1 April 2014		555		
NNDR amounts due	17,937			
Plus costs	6			
Transitional surcharge	10			
Write ons	16			
	17,969			
Less				
- Transitional relief	-47			
- Exemptions	-319			
- Charity, Rural, Former Agricultural Discretionary Relief	-1,040			
- Small Business Rate Relief	-1,939			
- Retail, Reoccupation and New Build Relief	-316			
- Interest Due	-0			
- Write Offs	-100			
	-3,761	14,208		
Total amount to recover		14,763		
Less cash received to 11 March		-14,151	95.5	95.6
Amount Outstanding		612	4.5	4.4

NB The figures included in the table include not only those charges for 2014/15 but also those relating to previous years, but we are required to report to the Department of Communities and Local Government (DCLG) our in year collection rate. This figure is published and is used to compare our performance with other local authorities. On this measure our current in year collection rate at 28 February 2015 is 96.9% compared with 97.0% at 28 February 2014.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 11 March 2015:

	£000	£000	2014/15 %	2013/14 %
Balance Outstanding 1 April 2014		510		
Council Tax amounts due	38,052			
Plus costs	90			
Transitional relief	3			
Write ons	7			
	38,152			
Less - Exemptions	-484			
- Discounts	-3,360			
- Disabled banding reduction	-47			
- Council Tax Benefit	14			
- Local Council Tax Support	-1,953			
- Write offs	-23			
	-5,853	32,299		
Total amount to recover		32,809		
Less cash received to 11 March		-32,052	97.7	98.1
Amount Outstanding		757	2.3	1.9

NB The figures included in the table include not only those charges for 2014/15 but also those relating to previous years, but we are required to report our in year collection rate to the DCLG. This figure is published by them and is used to compare our performance against other local authorities. On this measure our current in year collection rate for 2014/15 at 28 February 2015 is 98.6% compared to 98.7% at 28 February 2014.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 13 March 2015 is:

	£000	£000
Amount Outstanding 1 April 2014		382
Invoices Raised	1,825	
Plus costs	3	
		1,828
Less write offs		3
Total amount to recover		2,207
Less cash received to 13 April 2015		1,664
Amount outstanding		543

Aged Debtors	000s	%
< 30 days	139	25.60
30 - 59 days	54	9.94
60 - 89 days	6	1.10
90 - 119 days	4	0.74
120 - 149 days	12	2.21
150+ days	328	60.41
	543	100

5 HOUSING BENEFIT AND COUNCIL TAX SUPPORT PERFORMANCE

- 5.1 The main indicator for Housing Benefit and Council Tax Support performance is known as Right Time. The benefit section also report on Local Performance Indicators that have been set within the department for benefit fraud and overpayments.
- 5.2 The Department for Work and Pensions does not require Local Authorities (LA's) to report on any other Performance Measures but encourages them to monitor their own performance locally.
- 5.3 We obviously consider it very important to monitor benefit fraud and also overpayment data.

Housing Benefit Right Time Indicator 2014/2015

The right time indicator measures the time taken to process HB/CTS new claims and change events; this includes changes in circumstances, interventions, fraud referrals and prints generated by the benefit department.

Target for year	Actual Performance 1 October 2014 – 31 December 2014	Average Performance
10 days	8.0 days	20 days per IRRV

New claims performance

Target for year	Actual Performance 1 October 2014 – 31 December 2014	Top grade 4 for all LA's 2007/08
23 days	16 days	Under 30 days

6 HOUSING BENEFIT AND COUNCIL TAX SUPPORT FRAUD

6.1 The following is a summary of fraud investigations for the period 1 October 2014 – 31 December 2014.

Completed fraud investigations		Average caseload	Number of investigations per 1,000 caseload
Housing Benefit	8	1,869	4.28
Council Tax Support	8	2,458	3.25

Summary of prosecutions/sanctions	
Cautions	1
Administrative penalties	1
Successful prosecutions	0
Total	2

Number of prosecutions/sanctions per 1,000 caseload		
Housing Benefit	2/1,869	1.07
Council Tax Support	2/2,458	0.81

7 HOUSING BENEFIT OVERPAYMENTS

7.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations. Performance for the period 1 October 2014 – 31 December 2014:

Performance Measure	%
The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB overpayments deemed recoverable during that period.	91.37
The amount of Housing Benefit (HB) overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year plus amount of HB overpayments identified during the period.	21.47
The amount of Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year, plus amount of HB overpayments identified during the period.	1.54

8 CONCLUSION

8.1 Note the continuing progress that we make in collecting these debts, and the performance of our Housing Benefit Section remains satisfactory.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF25-15/ME/AC
12 March 2015

BACKGROUND PAPERS – None

For further information please ask for Mark Edmondson.

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 24 MARCH 2015
title: LUNCHEON CLUBS
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
principal author: DILYS DAY – PARTNERSHIP OFFICER

1 PURPOSE

1.1 This report provides Committee with an update on the emerging Luncheon Clubs project, following the decision to provide a small grant scheme for the purpose and the request to keep Members informed.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives - The provision of services supports older and more vulnerable people in the community and provides a point of contact for those residents with other partner agencies.
- Corporate Priorities – The service helps make peoples' lives safer and healthier.
- Other Considerations – None.

2 INFORMATION

2.1 Through match funding from LCC and as previously agreed by this Committee, there is a fund of £20,000 to be invested in new lunch club provisions and the development of existing clubs, with the objective of them becoming sustainable in 2016/17.

2.2 A meeting of key partners, including Age UK Lancashire, Public Health, The Seniors' Forum and Crossroads was held to discuss needs across the borough, and to review the existing provision and opportunities to deliver new or improved services.

2.3 In the light of the review a meeting is being convened of existing and prospective lunch club providers to fund, and to develop a network of users. The network will provide a useful forum for the exchange of ideas and information, and for the clubs to support each other through shared knowledge.

2.4 The network will form a valuable communication route for statutory bodies and voluntary organisations wishing to access some of the vulnerable members of our community and to enable improved joint working on the initiative.

2.5 Once the initial launch is complete, officers will work with the groups to establish and enhance the luncheon club offer.

DILYS DAY
PARTNERSHIP OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

None.

For further information please ask for Dilys Day, extension 4549.

REF: DD/P&F/27 JAN 15

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 14 JANUARY 2015

Present: Cllrs: T Hill, Hirst (Chair), Hore, Knox, and Thompson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

Cllrs: Elms, Rogerson.

2 Minutes of meeting held on 15 December 2014

2.1 Members approved the minutes of the last meeting of the Budget Working Group.

3 Provisional Local Government Finance Settlement 2015/16

3.1 The Director of Resources took members through a report that provided details of the **provisional** local government finance settlement for 2015/16.

3.2 The details of the settlement were provided to members, together with information on New Homes Bonus, Business rates, Council Tax and Local Council Tax Support. A discussion took place on the potential capping of parish precepts in the future, and how some local authorities had been circumventing capping rules by passing service costs on to parishes, which are currently not capped.

3.3 Members were taken through the Governments calculation of the council's Spending Power (set to fall by 1%) compared to the change in cash terms of the council's Settlement Funding Assessment (SFA) which showed a fall of 14% in funding.

3.4 The council's commitments to date on the use of New Homes Bonus were discussed, and it was agreed that an update including capital commitments of New Homes Bonus would be provided to the next meeting.

4 Revenue Budget 2014/15 and 2015/16 Latest Position

4.1 An update on the revised budget for 2014/15 and the draft budget position for 2015/16 was provided to members by the Director of Resources. The main variances from original estimate to revised estimate 2014/15 were provided within the report. Overall, revised committee budgets were forecast to be £38,480 below the original estimate.

4.2 The use of general balances also showed a switch from taking £150,000 from balances at the end of the year, to adding £161,000. Conversely, earmarked reserves were forecast to drop from adding £602,729 to adding £349,638.

4.3 Looking forward to the 2015/16 original estimate, committee expenditure was set to increase by £184,430 compared to the original estimate for 2014/15. Again the main variances were provided within the report.

4.4 Members were then taken through the net movement in 'other' items, including interest and New Homes Bonus. This area was forecast to see a £340,000 increase in net income. Looking at earmarked reserves, there was a forecast of £212,000 more being added, compared to the original estimate 2014/15.

4.5 The impact of the latest position on the council tax was discussed, and a number of scenarios were provided to members. Use of New Homes Bonus was also discussed with members, as was the position used for Business Rates within the report. It was explained that a clearer forecast for Business Rates should be available for the next meeting as the NNDR1 return was due for submission in the coming weeks.

4.6 Growth items and budget pressures were discussed, particularly planning appeal costs and the potential cost of those that had not been lodged.

4.7 Members were asked for a number of decisions to be made in order to further progress the budget for 2015/16:

- ❖ Firstly do you agree to use balances of £150,000 to support the revenue budget? (revenue balances brought forward at 1 April 2014 were £2.058m) We showed £200,000 in our forecast however given we have doubled the allowance for staff turnover from 2% to 4% it might be more prudent to use £150,000 at this stage.

BWG Response: It was agreed that use of balances be set at £150,000

- ❖ Looking at the 4 considerations suggested previously by the BWG:

1. **Examination of our base budget and previous underspends/overspends**
– *built in to the draft committee budget reports*

Do you want us to go further and look for more savings in committee budgets?

BWG Response: There was no requirement to review the budgets for further savings

2. **Examination of how much business rates growth we can realistically expect to rely on** –*unclear until we have produced our NNDR1 return for 2015/16 how much growth we could expect to receive (if any) – further work needed.*

Does the BWG agree that we look to maximise how much growth we bring in to next year's budget?

BWG Response: It was agreed to review after completion of NNDR1. However maximising commitment of New Homes Bonus seen as priority

3. **How much New Homes Bonus we can use to support the revenue budget**
– *our allocation for next year as shown above is expected to be £969k. We have already committed using £333k each year to support revenue. We need to consider how much of the balance (£635k) should be used for revenue or capital.*

Does the BWG agree that we should use more of our New Homes Bonus to finance our revenue budget?

BWG Response: It was agreed that New Homes Bonus should be used to bridge the budget gap for 2015/16.

4. **Whether our council tax should be increased or frozen for 2015/16**
– *As shown above if we were to increase our council tax by the maximum amount of 1.99% this would generate an extra £61k*

BWG Response: It was indicated that the budgets should be prepared on an assumption of a council tax freeze for 2015/16

4.8 Based on the responses made above, a firm proposal was to be brought back to the next meeting on 21 January 2015.

5 Draft Three Year Capital Programme 2015/16 – 2017/18

5.1 Members were taken through a report on the capital programme which showed the progress made to date by CMT in their review of the schemes put forward and the resources available.

- 5.2 Originally there was £1.2m of schemes put forward, but with available resources of £586,000. This gave a shortfall in resources/excess schemes of £614,460. This had now fallen to £269,060. This was as a result of identifying additional resources/alternative methods of financing and the deletion of two schemes.
- 5.3 It was hoped that an affordable and achievable capital programme could be reported to the next meeting.

6 Any Other Business

- 6.1 There were no other items of business

7 Date and Time of Next Meeting

- 7.1 Future meetings in **Committee Room 1** were:
- 21 January 2015

Little Green Bus – Community Transport in Lancashire

It is gratifying to announce that the Lancashire County Council(LCC) are intending to grant the newly formed Consortium, **Lancashire Community Transport (LCT)**, a supply contract for the next 3 years , commencing on April 1st, 2015. **LCT** will consist of 5 community transport charities, including **Little Green Bus**. The contract would cover the next 3 years , with the possibility of further extension for 2 more years. The announcement was made by letter, written on the 11 th March. A 5 working day call-in period has now passed. This is being followed by a period of 11 working days to allow for legitimate legal challenges to be made. The award, if no challenges materialise, will be ratified on the 23 rd March.

Historically, Community Transport charities were required to bid on an annual basis for the privilege of providing services in specified sectors of Lancashire. The business embraced dial-a-ride bus services, the organisation of Community cars, and day trips for the elderly, which use the vehicular equipment more efficiently and brings in much needed additional revenue. Over a year ago, LCC realised that dispensing with the discrete tender bidding process would be financially beneficial for the local tax payer. The Community Transport Companies were, therefore, asked to pool their resources and expertise, without ceding their individual sovereignty, with evaluative work commencing over 12 months ago. A business plan was submitted to LCC in July 2014, and was provisionally accepted. However, the Legal department then intervened expressing concern about the „ State Aid“ situation prevailing with some of the **LCT** members. Once this problem had been resolved a new Invitation to Tender was issued, with the new bid being provisionally accepted , as described above.

The contract has several basic requirements, the main one being that there shall be a measurable growth in SPTs (Single Passenger Trips) such that at the end of the first trading year the rate of passenger numbers being carried will be 10% higher than the base rate at 1 st April, 2015(124,600 SPTs per annum). There are to be further 10% annual increases, in line with the current LCC philosophy of „ more for the same (fee)“. A number of opportunities within Lancashire exist to improve and expand the services currently provided. Particular emphasis will be placed on growing the Community Car Scheme. An extensive marketing programme, being supported by LCC funding, is being prepared to put this ambition into reality.

The 5 bodies involved are:-

Preston Community Transport
Central Lancs Dial - a - Ride
West Lancs Dial – a – Ride
Burnley, Pendle, & Rossendale CVS
Little Green Bus

Although not eligible to membership of **LCT**, being owned by LCC, TravelCare will be party to discussions in a separate Forum of community transport providers. The aim will be to wring maximum efficiency from the grouping.

Little Green Bus has been elected to be the Lead Organisation, to undertake the requisite administrative functions for the Consortium, and to be the official conduit between LCC and **LCT**.

If the Labour Party assumes power post the 7 th May, it has been stated that there would be an immediate review as to how the not for profit transport sector could be boosted, in other words how Community Transport could take over some of the current commercial work. The possible outcome could be the establishment of local groups, or co-operatives, to run mini buses /traditional buses in place of commercial services. The current LCC portfolio holder is known to adhere to this philosophy, and is keen on involving town/parish councils in such ventures. He has already pronounced his ideas to several parish councils in West Lancashire: he will be making similar presentations to the Lancashire County Council Parish & Town Council conference on Saturday 21 st March, at Burnley Town Hall.

ICS 16/03/2015