

RIBBLE VALLEY BOROUGH COUNCIL

please ask for: OLWEN HEAP
direct line: 01200 414408
e-mail: olwen.heap@ribblevalley.gov.uk
my ref: OH/EL
your ref:
date: 25 March 2019

Council Offices
Church Walk
CLITHEROE
Lancashire BB7 2RA

Switchboard: 01200 425111
Fax: 01200 414488
www.ribblevalley.gov.uk

Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 2 APRIL 2019** 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 on 22 January 2019 and 5 February 2019 – copy enclosed.
3. Declarations of Pecuniary and Non-Pecuniary Interests (if any).
4. Public Participation (if any).

DECISION ITEMS

- ✓ 5. Concurrent Functions Grant Applications 2018/2019 – report of Director of Resources – copy enclosed.
- ✓ 5a. Compliance with Surveillance Camera Code of Practice – report of Director of Community Services – copy enclosed.
- ✓ 6. Capital and Treasury Management Strategy 2019/2020 – report of Director of Resources – copy enclosed.
- ✓ 7. Treasury Management Policies and Practices 2019/2020 – report of Director of Resources – copy enclosed.

- ✓ 8. Voluntary Organisation Grant Applications 2019/2020 – report of Director of Resources – copy enclosed.
- ✓ 9. Local Taxation Write-Offs – report of Director of Resources – copy enclosed.
- ✓ 10. References from Committee:
 - a) Community Services 2019/2020 Capital Programme – Further Scheme Approval Request – report of Director of Resources – copy enclosed.
 - b) Personnel Committee – Capacity of HR Section – report of Director of Resources – copy enclosed.
- ✓ 11. Draft Meeting Cycle 2019/2020 – report of Chief Executive – copy enclosed.
- ✓ 12. Annual Review of Standing Orders – report of Chief Executive – copy enclosed.
- ✓ 13. Independent Panel Report on Review of Members Allowances Scheme – report of Director of Resources – copy enclosed.
- ✓ 14. Returning Officer's Scale of Fees 2019/2020 Borough and Parish Elections – report of Chief Executive – copy enclosed.

INFORMATION ITEMS

- ✓ 15. Capital Programme 2019/2020 – report of Director of Resources – copy enclosed.
- ✓ 16. Revenue Monitoring 2018/2019 – report of Director of Resources – copy enclosed.
- ✓ 17. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 18. Budget Working Group Minutes – 7 November 2018 and 17 January 2019 – copies enclosed.
- 19. Reports from Representatives on Outside Bodies (if any).

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

DECISION

- ✓ 20. Local Taxation Write-offs – report of Director of Resources – copy enclosed.

INFORMATION

NONE

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 5

meeting date: 2 APRIL 2019
title: CONCURRENT FUNCTION GRANTS
submitted by: DIRECTOR OF RESOURCES
principal author: VAL TAYLOR

1 PURPOSE

1.1 To consider the allocation of concurrent function grants for 2018/19.

1.2 Relevance to the Council's ambitions and Priorities:

- In accordance with the corporate strategy objective "to protect and enhance the existing environmental quality of our area". This report will provide a means for providing a high quality environment, including safe, clean parks and open spaces.

2 BACKGROUND

2.1 In November 2017, this committee considered a revised Concurrent Function grant Scheme, which combined the previous Parish Lengthsman scheme with the concurrent function grant scheme.

2.2 The combined scheme continues to give grant assistance for those Parishes/ Town Councils who provide services in their areas, which elsewhere are provided by the Borough Council.

2.3 The Council has agreed to support Parish and Town Council net revenue expenditure on the following concurrent functions.

- Burial Grounds
- Bus Shelters
- Footpaths
- Footway Lighting
- Litter Collection
- Dog waste bins
- Parks and play areas
- Parish Lengthsman

2.4 Under the revised scheme concurrent function grants continue to be paid to parishes at 25% of eligible concurrent function expenditure.

2.5 For those parishes previously in receipt of a separate Parish Lengthsman grant the following transitional protection applies:

Year	Protection of Previous Parish Lengthsman Grant Paid (or actual net expenditure on Lengthsman if lower)
2017/18	100%
2018/19	100%
2019/20	75%
2020/21	50%
2021/22 and thereafter	25%

2.6 These transitional arrangements are in place to help support parishes previously in receipt of a separate parish lengthsman grant by enabling a gradual and smooth transfer into the combined scheme.

2.7 This year is the final year that parishes previously in receipt of the separate parish lengthsman grant will receive 100% transitional protection. From 2019/20 the grant will gradually reduce until grant payments in respect of parish lengthsman duties are made in line with all other concurrent grant expenditures, being 25% of eligible net revenue expenditure.

2.8 Given that the intention of the combined scheme is to ensure fairness and equality in the processing of grant claims across all parishes, it is recommended that if during the transition phase a circumstance should arise where the amount of parish lengthsman grant payable under the transitional arrangements is less than what would be payable under the concurrent function grant scheme, i.e. less than 25% of total net lengthsman expenditure, then the higher of the two amounts would be processed for the grant claim.

2.9 An annual revenue budget allocation for the combined scheme in 2018/19 has been approved of £31,280.

3 ALLOCATION OF 2018/19 GRANT

3.1 In October 2018 all Parish Councils were sent a concurrent function grant application form for 2018/19. It included an invitation to apply for a grant, with applications to be returned to the Borough Council by 21 December 2018.

3.2 24 applications were received, with eligible net revenue expenditure totalling £87,929 (See Annex 1).

3.3 Final allocations proposed for Committee approval at 25% of net eligible expenditure and including transitional arrangements for those council's previously in receipt of a separate parish lengthsman grant total £26,029 (See Annex 2).

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – a total budget of £31,280 is available to fund the grants requested and the proposed expenditure is within this balance.
- Technical, environmental and legal – no implications identified
- Political – no implications identified

- Reputation - the matter covered links to the Council's ambitions and priorities to protect and enhance the existing environmental quality of our area.
- Equality and Diversity – the scheme is open to all parish and town councils.

5 RECOMMENDATION

- 5.1 That Committee approve the payment of grants to parish council's as detailed in Annex 2 and totalling £26,029.
- 5.2 That Committee agree that where transitional arrangements are in place the amount payable to parish council's in future years should be no lower than 25% of total eligible net parish lengthsman expenditure, subject to the cost of the overall scheme not exceeding available budget.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF23-19/VT/AC
25 MARCH 2019

CONCURRENT FUNCTION GRANT APPLICATIONS – 2018/19

Nos	Parish / Town Council	Burial Grounds	Bus Shelters	Footpaths	Footway Lighting	Litter Collection	Dog Waste Bins	Parks and Play Areas	Parish Lengthsman Gross	Sub-Total	External funding	Net Expenditure
		£	£	£	£	£	£	£	£	£	£	£
1	Aighton Bailey/Chaigley							1,925		1,925		1,925
2	Barrow	145				182		678	1,000	2,005		2,005
3	Billington & Langho	1,228						2,677	3,609	7,514		7,514
4	Bolton By Bowland								7,495	7,495		7,495
5	Bowland Forest(Higher)							1,512	115	1,627		1,627
6	Chatburn					840		1,984		2,824		2,824
7	Chipping		50					3,852		3,902		3,902
8	Clitheroe			684		1,824		1,888	3,228	7,624		7,624
9	Gisburn							1,078	2,305	3,383	-250	3,133
10	Grindleton		9						914	923		923
11	Longridge					4,105		5,394		9,499		9,499
12	Mellor	300				739		1,646		2,685		2,685
13	Newton in Bowland							471	1,765	2,236	-600	1,636
14	Pendleton								300	300		300
15	Read		40			182	1,655	1,012	900	3,789		3,789
16	Ribchester							300	1,934	2,234		2,234
17	Rimingon & Middop							1,250		1,250		1,250
18	Sabden	350					65	717	4,000	5,132		5,132
19	Simonstone					329		310	714	1,353	-96	1,257
20	Waddington			378				4,582		4,960		4,960
21	West Bradford							986	1,130	2,116		2,116
22	Whalley	2,798							2,638	5,436	-250	5,186
23	Wilpshire			1,196				2,993	4,282	8,471	-250	8,221
24	Wiswell	74						298	500	872	-180	692
	Sub-Total	4,895	99	2,258	0	8,201	1,720	35,553	36,829	89,555	-1,626	87,929

ALLOCATION OF CONCURRENT FUNCTION GRANT – 2018/19

Nos	Parish / Town Council	Burial Grounds	Bus Shelters	Footpaths	Litter Collection	Dog Waste Bins	Parks and Play Areas	Parish Lengthsman excl separate grant	Sub-Total eligible expenditure	External funding	Concurrent function grant at 25%	Parish Lengthsman grant	Total grant payable
		£	£	£	£	£	£	£	£	£	£	£	£
1	Aighton Bailey/Chaigley						1,925		1,925		481		481
2	Barrow	145			182		678	1,000	2,005		501		501
3	Billington & Langho	1,228					2,677	3,609	7,514		1,879		1,879
4	Bolton By Bowland							separate	0		0	2,000	2,000
5	Bowland Forest(Higher)						1,512	115	1,627		407		407
6	Chatburn				840		1,984		2,824		706		706
7	Chipping		50				3,852		3,902		976		976
8	Clitheroe			684	1,824		1,888	3,228	7,624		1,906		1,906
9	Gisburn						1,078	separate	1,078		270	1,000	1,270
10	Grindleton		9					914	923		231		231
11	Longridge				4,105		5,394		9,499		2,375		2,375
12	Mellor	300			739		1,646		2,685		671		671
13	Newton in Bowland*						471	separate	471		118	1,165*	1,283
14	Pendleton							300	300		75		75
15	Read		40		182	1,655	1,012	900	3,789		947		947
16	Ribchester						300	1,934	2,234		559		559
17	Rimington & Middop						1,250		1,250		313		313
18	Sabden	350				65	717	separate	1,132		283	2,000	2,283
19	Simonstone				329		310	714	1,353	-96	314		314
20	Waddington			378			4,582		4,960		1,240		1,240
21	West Bradford						986	separate	986		247	500	747
22	Whalley	2,798						separate	2,798	-250	637	2,000	2,637
23	Wilpshire			1,196			2,993	4,282	8,471	-250	2,055		2,055
24	Wiswell	74					298	500	872	-180	173		173
	Sub-Total	4,895	99	2,258	8,201	1,720	35,553	17,496	70,222	-776	17,364	8,665	26,029

* Newton in Bowland: Lengthsman grant reduced to 100% of net expenditure where this is lower than grant available

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.5a

meeting date: TUESDAY, 2 APRIL 2019
title: COMPLIANCE WITH THE SURVEILLANCE CAMERA CODE OF PRACTICE
submitted by: DIRECTOR OF COMMUNITY SERVICES
principal author: ADRIAN HARPER

1 PURPOSE

1.1 To inform Members about actions taken by the Council to comply with the surveillance camera Code of Practice.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – To make people's lives safer and healthier
- Corporate Priorities – To be a well-managed Council, providing efficient services based on identified customer needs.
- Other Considerations – None

2 BACKGROUND

2.1 The Surveillance Camera Commissioner wrote to the council in 2015 requesting the completion of a self- assessment tool regarding the town centre CCTV system. The tool was intended to help CCTV managers understand where they were complying with the Surveillance Camera Code of Practice and where improvements were needed to be made. The form was completed and submitted but the associated third party accreditation was never applied for.

2.2 The Commissioner has now written again trying to encourage authorities to apply for the third party certification mark for the town centre CCTV schemes.

2.3 At the same time he is making the point that as well as town centre schemes Councils have other surveillance camera systems in place. These, as for the town centre schemes, must all ensure that all the systems are compliant with the Protection of Freedoms Act 2012 (PoFA) and pay due regard to the Surveillance Camera Code. Moreover, all camera systems processing personal data must be compliant with the Data Protection Act 2018 and the requirements under GDPR.

3 ISSUES

3.1 As well as the town centre scheme the council also operates CCTV cameras at the following:

Ribblesdale Pool
Refuse Collection Vehicles
Depot
Council Offices
Castlefield Toilets
Platform Gallery
Taxi enforcement Body cam
Museum

- 3.2 The Commissioner is asking that by 30 April 2019 the Council identifies the Senior Responsible Officer (SRO) to deliver a corporate approach to the Council's responsibilities arising from the PoFA.
- 3.3 Albeit the Council submitted the self-assessment tool in 2015 the questions have changed substantially. The plan will be to redo the town centre self-assessment, apply for the third party accreditation, should this be approved by committee, and publish the self-assessment results on the council's website thus promoting transparency and public confidence in the scheme.
- 3.4 At the same time ensure that all the individual CCTV systems are covered by Council policy documentation and this to comply with all the necessary requirements.
- 3.5 Although the CCTV cameras at Ribblesdale Pool, Platform Gallery, museum and the taxi enforcement body cam do not come under the direct control of Engineering Services, the major town centre scheme and the other systems do. For that reason, it seems logical that the single point of contact be the Head of Engineering Services.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – Staff time needed to carry out the works and third party accreditation costs (at this time unknown but to be taken from existing budgets)
 - Technical, Environmental and Legal – This work will ensure compliance with current legislation.
 - Political – Promoting transparency and safety can only help politically support the systems.
 - Reputation – Promotes reputation of the Council.
 - Equality & Diversity – Will show equality to all.

5 **RECOMMENDED THAT COMMITTEE**

- 5.1 Approve the SRO being the Head of Engineering Services, Adrian Harper.
- 5.2 Approve officers continuing with the process of third party accreditation for the town centre CCTV scheme.

ADRIAN HARPER
AUTHOR

JOHN HEAP
DIRECTOR OF / CHIEF EXECUTIVE

For further information please ask for Adrian Harper extension 4523

REF: AH/H&H/020419

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 6

meeting date: 2 APRIL 2019
title: CAPITAL AND TREASURY MANAGEMENT STRATEGY
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To seek member approval for the Council's Capital and Treasury Management Strategy for the 2019/20 financial year.

2 BACKGROUND

- 2.1 Local authorities in England and Wales are required by the Local Government Act 2003 to have regard to both CIPFA's Code of Practice on Treasury Management in the public services and to CIPFA's Prudential Code for Capital Finance in Local Authorities.
- 2.2 It is a key principle of the Code of Practice on Treasury Management that public service organisations should put in place comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- 2.3 The Prudential Code imposes on local authorities clear governance procedures for the setting and revising of a range of prudential indicators that are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

3 PRUDENTIAL CODE CHANGES

- 3.1 Key developments for the new version of the Code include the introduction of more contextual reporting through the requirement to produce a capital strategy along with streamlined indicators.
- 3.2 As with many authorities, being a new requirement, this is not a formal strategy that has previously been produced. However, many of the elements that are to be included in such a strategy are already considered at many of the stages that we follow in setting our capital programme, and which we report in the previously separate Treasury Management strategy.
- 3.3 As a result, the requirements of the new Capital Strategy have been combined with the Council's Treasury Management Strategy to form a new Capital and Treasury Management Strategy.
- 3.4 Being a new requirement it is likely that best practice policy will be formed over the coming years and we will ensure that any such guidance is considered in the future annual reviews of this strategy.
- 3.5 As this document has been combined with the Treasury Management Strategy it is a requirement for it to also be approved by Full Council.

4 CONCLUSION

- 4.1 The council has previously produced a Treasury Management Strategy, but there have been new requirements under the Prudential Code for the council to also produce a new Capital Strategy.
- 4.2 Due to the cross over in requirements between the two policies, one combined Capital and Treasury Management Strategy has been produced. This is something that is suggested within the Code as acceptable.

5 RISK ASSESSMENT

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

- Resources – the strategies aim to safeguard the interests of the council and aim to help demonstrate how the council will operate in dealing with capital and treasury management activities.
- Technical, Environmental and Legal – it is a requirement for the council to follow the stipulations of the CIPFA Prudential and Treasury Management Codes.
- Political - none
- Reputation – the production of this strategy provides transparency to the council's decision making process and management of the activities involved in capital and treasury management.
- Equality and Diversity - none

6 RECOMMENDED THAT COMMITTEE

6.1 Recommend to Council the Capital and Treasury Management Strategy as set out in Annex 1.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF25-19/LO/AC
25 March 2019

Capital and Treasury Management Strategy

2019/20



Ribble Valley
Borough Council

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Introduction and Background

The Prudential Code 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.

The Prudential Code has been developed alongside the Treasury Management Code and there is a great deal of interaction between the two codes. Compliance with both codes is a statutory requirement for local authorities in the UK.

The Prudential Code imposes on local authorities clear governance procedures for setting and revising of prudential indicators, and describes the matters to which an authority will have regard when doing so. This is designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

In December 2017 CIPFA issued an update to the Prudential Code requiring that authorities should have a Capital Strategy either as a standalone document or integrated within existing strategy documents, with the purpose of establishing a long-term direction for the management and use of capital resources.

In order to allow us to produce a meaningful capital programme that meets the priorities identified in our Corporate Strategy, we must ensure that we have robust processes in place for potential projects to be proposed, evaluated and prioritised, and for approving the programme and the resources to fund it.

A clear process has been produced to demonstrate the information required from Heads of Service when proposing projects and how such proposals are then taken forward and prioritised against each other, and against the resources available to the council to take such projects forward.

As well as considering the projects that the council wish to see taken forward, the manner in which these projects are financed must also be carefully considered, particularly the long-term implications around borrowing, internally or externally, on the revenue budget. There are very strong links and crossovers with the requirement for a Capital Strategy and the council's Treasury Management Strategy.

As such, both documents have been integrated to provide a single overview and policy in this new Capital and Treasury Management Strategy.

Introduction

This Strategy is intended to set the framework for all aspects of the Council's capital expenditure including planning, management, prioritisation, funding, monitoring and outcomes.

It also provides the policy framework for the engagement of the council with financial markets in order to fund its capital programme, maintain the security of its cash balances and protect them from credit, liquidity and interest rate risk.

Under the Prudential Code and Treasury Management Code, the council is required to produce a strategy on proposed treasury management activities. This requirement forms part of this strategy document.

The overall strategy maintains a strong and current link to the Council's priorities and to its key strategy documents notably the Corporate Strategy and Medium Term Financial Strategy.

Objectives and Strategic Approach

The council's Corporate Strategy provides the overall direction for the Strategy.

The Corporate Strategy sets out the strategic direction of the council, providing a focus to ensure that the services the council delivers meet the needs of its communities. It is one of the council's most important documents setting out those areas identified for focused improvement over future years.

The council's Vision continues to be that we aim to ensure that the Ribble Valley is:

OUR VISION

An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.

We believe that this Vision reflects our shared aim for the Borough, which has the highest quality of environment for those who live in and visit the area. It recognises that people must have a high quality of life; that suitable homes are available to meet their diverse needs and that they should be safe and feel safe. People should also be able to access the best services without having to travel long distances to receive them.

Key to the council's Corporate Strategy is the Mission Statement of the council. The council has adopted the following statement that sets out its role and responsibilities in relation to the communities it exists to serve:

MISSION STATEMENT

The council will provide high quality, affordable and responsive public services that develop the social and economic wellbeing of the Borough whilst safeguarding the rural nature of the area.

The role of the council's financial planning process, including this Capital and Treasury Management Strategy, is to support the achievement of the council's Corporate Strategy.

Objectives and Strategic Approach

In order to deliver its Vision and provide a focus for how it delivers services, the council has agreed a set of five corporate priorities. The council's priorities are deliberately limited to focus attention over the life of the Corporate Strategy. Each priority has a number of objectives, underlying actions, and key measures of success, which should allow progress towards the achievement of the priority to be monitored. They are expanded upon in the supporting Corporate Action Plan.

Above all, the priority **'We aim to be a well-managed council providing efficient services based on identified customer needs'** overarches all of our priorities, whilst recognising the importance of securing a diverse, sustainable economic base for the Borough. The 5 priorities are driven by local needs with consideration to national priorities, and are listed below.

- To ensure a well-managed council providing efficient services based on identified customer needs.
- To sustain a strong and prosperous Ribble Valley.
- To help make people's lives safer and healthier.
- To protect and enhance the existing environmental quality of our area.
- To match the supply of homes in our area with the identified housing needs.

As part of the capital scheme bidding process Heads of Service are required to demonstrate which overriding priority their scheme will help achieve.

Our work under Treasury Management, whilst touching on the achievement of all priorities, is best demonstrated as helping us to meet the priority of ensuring that we are a well-managed council providing efficient services based on identified customer needs.

Asset Management Planning

Planning Process

This council own a number of properties, with ownership arrangements varying from being an owner occupier to acting as landlord with a licensed occupier. As a result, asset management obligations for each facility vary widely.

Properties are regularly checked and inspected, helping to ensure adequate maintenance, but also helping to extend the asset lives.

While the survey phase is an objective assessment of the conditions of the assets, the prioritisation, planning and allocation of items will vary according to a range of factors.

By undertaking repairs before components go wrong, planned preventative maintenance can have a positive impact on business continuity by reducing down time and keeping facilities operational.

Major items of work that fall within the capital expenditure classification are planned in advance and resources bid for as part of the capital programme scheme bidding process referred to in the next section of this strategy document.

The council utilise the Technology Forge system for recording asset management planning activity.

Vehicles and Plant

In a similar manner to the planning process covered for the council's property portfolio, a long term plan is developed and reviewed annually of the condition and planned replacement years for the council's vehicle fleet and other items of plant.

Vehicle and plant replacement is planned so that asset are replaced on a rolling basis to help ensure no 'peak years' arise which could put undue pressure on the financing of the capital programme. This is especially pertinent in the review of the replacement programme for the council's refuse collection vehicle fleet, with current plans showing the replacement of one vehicle per annum.

The review of these assets is driven by the relevant Heads of Service together with staff responsible for fleet maintenance.

Capital Expenditure

Definition

Expenditure is only capitalised where it is on an asset that will provide the council with control of the resulting economic benefit or service potential and has a measurable cost, or where it is revenue expenditure allowed to be funded by capital under statute (REFCUS) or under a capitalisation direction in accordance with the Local Government Act 2003. Expenditure under the latter categories would not normally result in recognition on the council's balance sheet or asset register.

For this council, the main example of revenue expenditure allowed to be funded by capital under statute (REFCUS) would be Disabled Facility Grants.

In order to count as capital expenditure, new assets or additions to assets must have a life of more than one year.

The council has a policy of not treating anything with an initial value below £10,000 as capital expenditure.

The Capital Programme

The council operate a five-year capital programme, with a review undertaken every year to examine whether the programme still marries with our current and future plans.

Additionally, each year there is a bidding process for the new final year of the five-year capital programme. Such bids are examined against the council's priorities and for affordability.

As part of this bidding process, occasionally some schemes may be seen as a priority and are brought forward to an earlier financial year.

Should a capital scheme opportunity be identified outside this normal bidding process, such a scheme would first be considered by the Corporate Management Team, then the relevant service committee and finally the Policy and Finance Committee.

The Capital Scheme Bidding Process

Each year around August, all Heads of Service are asked to consider their service area and identify any potential capital schemes. This is principally with a view to it being included in the fifth year of the future capital programme, but occasionally scheme bids are highlighted as a more pressing need, with a request that earlier programming be considered.

The proposals that are put forward by Heads of Service in their bids are based on a variety of sources such as:

- Past discussions that have taken place at service committees
- Known current service pressures
- Anticipated future service pressures
- Central Government expectation
- Specific funding received from Central Government
- Legislative requirements

As part of the bidding process, a standard pro-forma is completed which allows for the provision of information in a standard format and ensures that all relevant information can be considered and compared. The details requested cover:

- Scheme Name
- Head of Service
- Service Area
- Brief Description of the Scheme
- Revenue Implications
- Timescales for Completion
- Any Risks to Completion
- Capital Costs

Capital Expenditure

The Approved Five Year Capital Programme

As previously mentioned the overall capital programme is for a five year period, and whilst the coming financial year is fixed, the remaining four years of the capital programme remain in a relatively fluid state and are open to review on an annual basis.

The table below provides a summary by committee of the future five-year capital programme from 2019/20 to 2023/24.

Approved Capital Programme for 2019/20 to 2023/24

Committee	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
Community Services	1,912,440	1,863,440	282,000	685,800	507,800	5,251,480
Economic Development	20000	0	0	0	0	20,000
Health and Housing	545,000	383,500	383,500	370,000	482,600	2,164,600
Planning and Development	14,500	0	0	0	0	14,500
Policy and Finance	196,250	0	0	358,500	118,200	672,950
TOTAL	2,688,190	2,246,940	665,500	1,414,300	1,108,600	8,123,530

Current and Longer-Term Priority Areas

Whilst not currently within the approved five-year capital programme, there are a number of priority areas where there is potential that the council may incur future capital expenditure.

The council is looking at the promotion of industrial estates, particularly on the A59 corridor and the railway ribbon, to supplement those already being developed in Longridge, Barrow and on the former Time Computers site in Simonstone.

The council continues to look for opportunities for increasing car parking within the borough and the identification of any potential sites for development would result in a sizeable capital scheme.

For ongoing commitments, the capital programme currently largely consists of replacement vehicles and plant and it is anticipated that this is likely to continue in the longer term.

The council will continue to review service provision and the adequacy of its assets in meeting the service demands of the borough's residents. In the long term any forecast changes to the level of, or manner in which services are provided will be considered proactively by service committees, together with any potential consequential capital investment that may be needed.

Affordability, including from the perspective of revenue impacts, plays a key part in the development of the capital programme and would continue to be a paramount consideration.

Capital Financing

Funding

The council has always sought to maximise funding for capital, including any from revenue sources.

The council's funding policy has been to set programmes which address its key priorities and to fund these by utilising prudential borrowing, capital receipts (both in hand and anticipated in year) and earmarked reserves such as the Business Rates Growth Reserve, VAT Shelter Reserve and New Homes Bonus Reserve, in a corporate approach, thus providing the maximum investment position.

There will be a scarcity of resources available to finance the capital programme in future years after the end of the latest five-year capital programme. Use of the VAT Shelter Reserve has been kept to a minimum in the period up to 2023/24, as future receipts come to an end as the VAT Shelter arrangements come to a close.

Earmarked reserves are primarily the main source of financing the capital programme. A variety of earmarked reserves are used, but in the main the current five-year capital programme relies on New Homes Bonus Earmarked Reserve and Business Rates Growth Earmarked Reserve. With the continued uncertainty around local government funding it is difficult to forecast which specific resources will be used to finance capital in the longer-term, but if the current landscape were to remain unchanged then the council would continue to use these key sources of funding.

External Grant Funding

The use of external grant to fund schemes has become increasingly scarce over recent years. The only currently secured source of external funding is in relation to the council's statutory obligations under Disabled Facility Grants and the funding received via Lancashire County Council from the Better Care Fund.

Other external funding has been sought more recently for the Clitheroe Castle Keep for repointing works that are needed, but to date no external grant funding has been identified.

No change in the availability of external grant funding towards capital schemes is identified at this time, which in turn places added pressure on the council's earmarked reserves, which increasingly offer the only viable means of funding the capital programme – in the medium term and longer term.

However, wherever possible the council will always strive to identify external funding as the first option of funding schemes within the capital programme.

Capital Receipts

With a low base of assets and no longer-term surplus assets identified, the scope for income from capital receipts is minimal. This is reflected in the relatively low level of capital receipts currently being accumulated, with the majority of receipts relating to the sale of larger vehicles such as refuse collection vehicles.

The council operate a policy of only treating asset sales with a value of £10,000 or greater as capital receipts. Any sales achieving a sale value of lower than this would be credited to the service and then transferred to the Capital Earmarked Reserve to help fund future capital expenditure.

The council always looks to maximise the income it receives from the sale of surplus assets and in the case of usable capital receipts, this must be further invested in future capital schemes.

Earmarked Reserves

There are a wide range of earmarked reserves operated by the council, and depending on the capital scheme needing to be funded, most have the potential to be used in some way to help finance the capital programme.

The council is conscious of the fine balance between the role of earmarked reserves in supporting both revenue and capital. With alternative sources of financing the capital programme reducing (notably external grants), our earmarked reserves generally offer the most viable method of financing.

The current five-year capital programme utilises the following earmarked reserves, a number of which will be fully depleted by the end of the plan:

- VAT Shelter Earmarked Reserve
- Capital Earmarked Reserve

Capital Financing

- New Homes Bonus Earmarked Reserve
- Planning Earmarked Reserve
- ICT Renewals Earmarked Reserve
- Vehicle and Plant Renewal Earmarked Reserve
- Fleming VAT Earmarked Reserve
- Wheeled Bins Earmarked Reserve
- Business Rates Growth Earmarked Reserve
- Rural Services Delivery Grant Earmarked Reserve
- Housing Grants Reserve

New Homes Bonus Earmarked Reserve and Business Rates Growth Earmarked Reserve are currently the most relied on earmarked reserves, but with continued uncertainty around the future of local government finance, at this time we are unable to place any reliance on these funding streams for financing the capital programme in the longer term.

Internal Borrowing

The use of internal borrowing to support the capital programme is currently kept to those schemes in respect of land and property. This is due to the long asset lives and therefore the year-to-year impact on revenue. This is as a direct consequence of accounting for the Minimum Revenue Provision (MRP) in line with the council's policy.

There is currently no anticipated change in the longer-term to the council's viewpoint on borrowing only for land and property assets.

Approved Financing of the Capital Programme for 2018/19 - 2022/23

The availability of resources to fund the capital programme has been a key concern, particularly with the heavy reliance that is placed on the use of earmarked reserves to fund the capital programme.

There are continued high levels of uncertainty around funding streams such as New Homes Bonus and Business Rates Growth that are set aside funds in these earmarked reserves, and also opposing pressure on these resources for supporting the revenue budget.

The VAT Shelter arrangement will also end in 2022/23, and already we are seeing a substantial fall in resources, with only £39,710 anticipated to be received in 2018/19 and nil in 2019/20 based on discussions with Onward Homes.

A number of the Earmarked Reserves that we have previously used are now coming to the point of being exhausted based on future commitments for the existing capital programme. As a result, the residual values of these Earmarked Reserves form part of the financing.

External funding is extensively in respect of Disabled Facility Grants with an element of external funding in 2019.

Over the life of the current five-year capital programme there is borrowing in respect of two schemes, being Clitheroe Market Improvements (£175,000) and Installation of a Second Parking Deck at Chester Avenue Car Park (£1,230,000).

Approved Financing of the Capital Programme for 2019/20 - 2023/24

Method of Financing	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
Earmarked Reserves	-2,193,190	-372,120	-332,000	-697,800	-788,600	-4,383,710
External Funding	-320,000	-542,240	-320,000	-320,000	-320,000	-1,822,240
Usable Capital Receipts	0	-102,580	-13,500	-396,500	0	-512,580
Borrowing	-175,000	-1,230,000	0	0	0	-1,405,000
TOTAL	-2,688,190	-2,246,940	-665,500	-1,414,300	-1,108,600	-8,123,530

Current Treasury Management Position

Current Treasury Management 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 2019 will be £136k. 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 2018/19 financial year are anticipated to be £12m based on current cash flow forecasts. These investments relate to monies placed with institutions on our approved counterparty list.

There was no short-term borrowing on the 31 March 2018, and none is forecast for the 31 March 2019. 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 2017/18 financial year and that anticipated at the end of the 2018/19 financial year is summarised below.

	31 March 2018 Actual £	Actual Average Rate %	31 March 2019 Estimate £	Estimated Average Rate %
Borrowing				
Fixed Rate Debt - PWLB	146,770	4.95	136,377	4.97
Other Debt – Bond	7,500	0.2	7,500	0.2
Total Debt	154,270		143,877	
Investments				
Short Term Investments	-8,700,000	0.2	-12,000,000	0.52
Total Investments	-8,700,000		-12,000,000	
Net External Debt	-8,545,730		-11,856,123	

Current Treasury Management Position

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

The forecasted balance of PWLB debt at 31 March 2019 comprises of the following individual loans:

Original loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2019 £	Year of Final Repayment
250,000	15 years	4.75% Fixed	1,377	2022/23
250,000	25 years	4.88% Fixed	135,000	2032/33
		Total PWLB	136,377	

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.

The maturity date is the date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an instalment loan must be paid in full.

Estimated Debt Maturity Analysis as at 31 March 2019		
Maturity	£	%
Under 12 Months	0	0
12 Months and within 24 Months	0	0
24 Months and within 5 Years	1,377	1.01
5 Years and within 10 Years	0	0
10 Years and within 20 Years	135,000	98.99
20 Years and above	0	0
Total PWLB and Bond	136,377	100.00

Interest Rates

Prospects for Interest Rates

The Monetary Policy Committee (MPC) of the bank of England decides monetary policy decisions that influence how much money is in the economy and how much it costs to borrow, including decisions over the bank of England interest rate.

Through these decisions the MPC aims to maintain price stability within the UK and to support the economic policy of the Government, including its objectives for growth and employment.

In order to maintain price stability the government has set the bank's MPC a target for an annual inflation rate of the consumer price index (CPI) of 2%.

Over the last few years the MPC has kept interest rates low as the economy recovered from the global financial crisis. As the economy grew more quickly the rate of inflation increased above the 2% target. In response to this the MPC increased interest rates from 0.25% to 0.5% in November 2017 and then to 0.75% in August 2018.

Since then, uncertainties over Brexit have grown and the CPI has fallen back close to the 2% target.

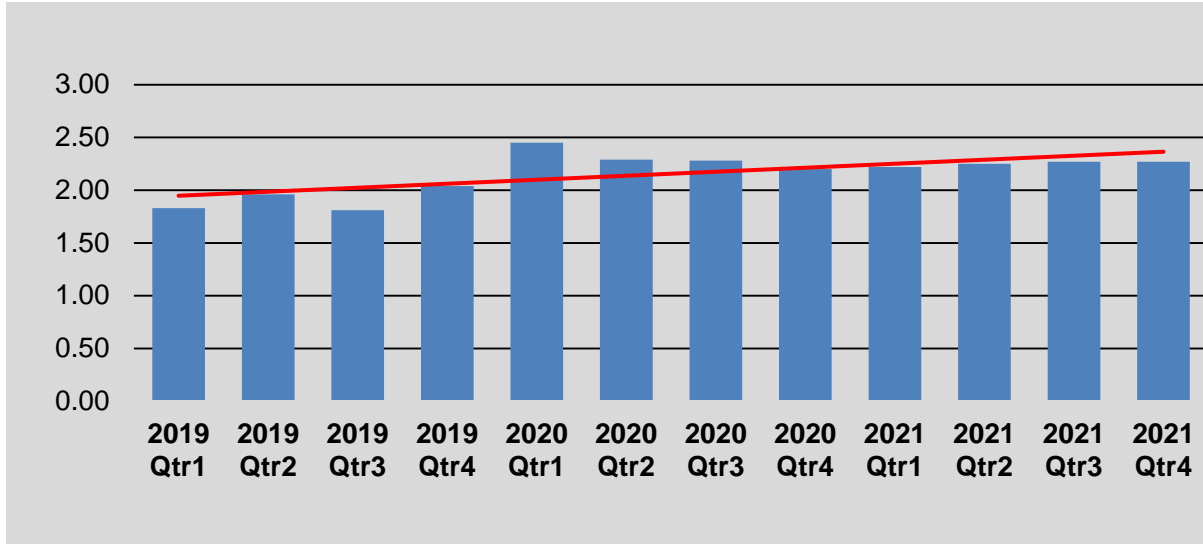
The Office for National Statistics (ONS) has reported that pay increased by 3.3% in the three months to November 2018 compared to the previous year which will place upwards pressure on companies' costs and the prices that they charge.

If the economy performs as the MPC expects in its February 2019 inflation report then upward pressure on prices will build over the next few years and interest rates will rise a bit more to keep inflation low. Interest rates are likely to remain substantially lower than before the financial crisis.

The MPC's view is based on the assumption that there will be a smooth Brexit where households and businesses have time to adjust to the new relationship between the UK and the EU. The setting of interest rates in response to Brexit will however depend on the balance of its effects on demand, supply and the value of the pound.

The MPC forecasts for CPI (shown below) are based on the February 2019 bank base rate of 0.75%.

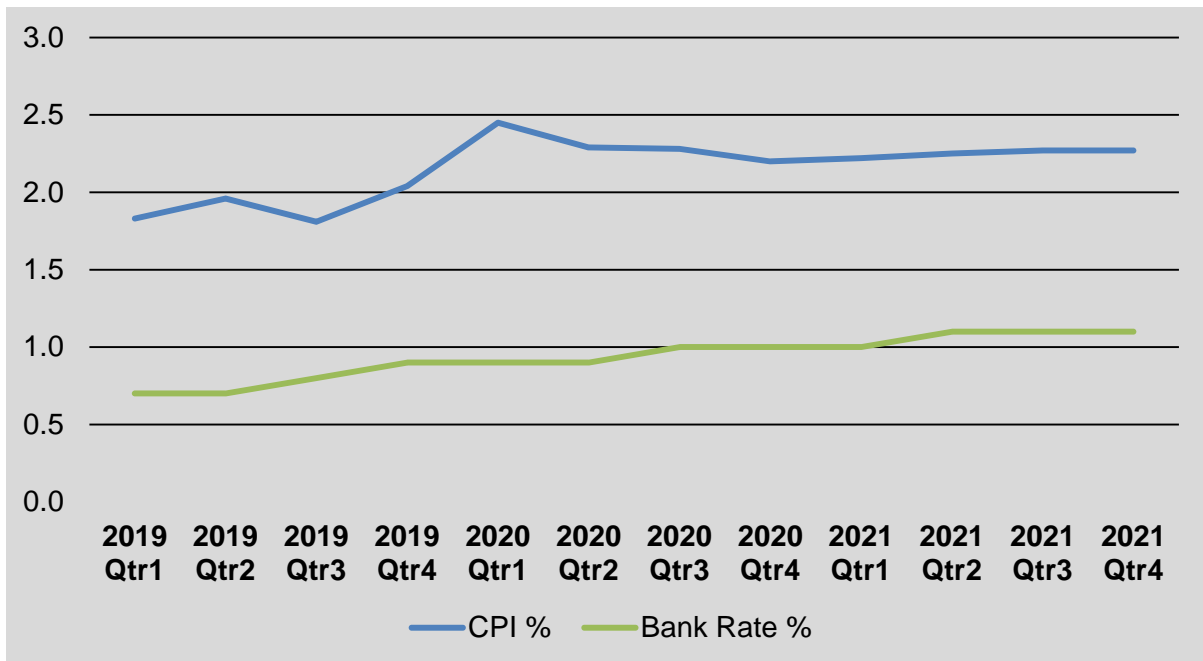
Forecast CPI Percentage with Linear Trend Line



Source: Monetary Policy Committee (MPC)

Any corresponding rises in interest rates will likely happen at a gradual pace and with an expectation that the bank rate will increase to around 1% by 2020.

Forecast CPI Percentage against Bank Rate Percentage



Source: Monetary Policy Committee (MPC)

Interest Rates

Historically, local authorities have satisfied the bulk of their borrowing needs from the Public Works Loan Board (PWLB).

The rate of interest payable is determined by the Debt Management Office and at the date of last review (April 2018) remains at 100 basis points (1%) above the gilt yield for standard rate loans. The methodology is designed to ensure that the government does not on-lend at rates lower than those at which it could notionally borrow.

From 1 November 2012, the Government reduced by 20 basis points (0.20%) the interest rates on loans from the PWLB to principal local authorities who provide information as required on their plans for long-term borrowing and associated capital spending (known as the Certainty Rate).

Ribble Valley Borough Council are listed as an eligible Council until 31 October 2019, by which time a further return will have to be made and a new eligibility list published for the following 12 months.

Borrowing and Debt Strategy

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 included in the section “prospects for inflation”, 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.

Councils that provide ‘information and transparency’ on ‘borrowing and associated capital spending plans’ are eligible for a certainty rate discount on PWLB loans of 20 basis points below the standard rate.

This data is gathered through government returns. Ribble Valley Borough Council are currently listed as an eligible Council until 31 October 2019, 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 and will initially be sought from other local authorities and lenders of preference through the money markets.

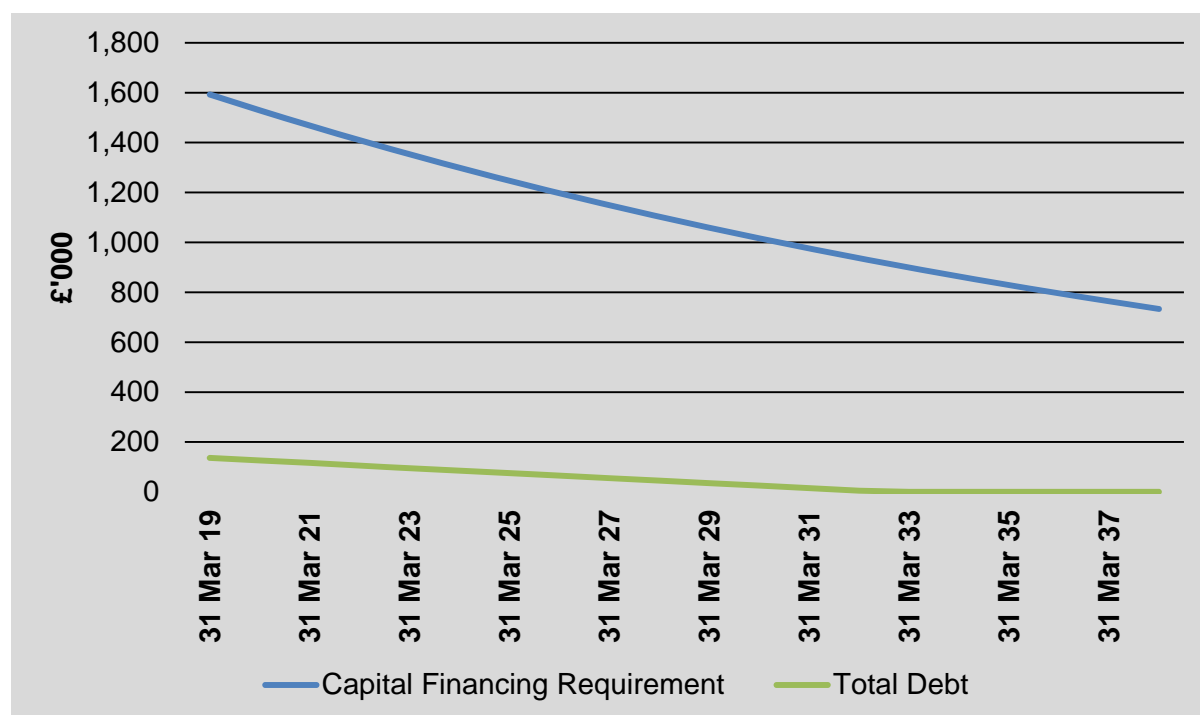
CIPFA’s Prudential Code for Capital Finance in Local Authorities recommends that the council's total debt should be lower than its highest forecast capital financing requirement over the next three years.

Borrowing and Debt Strategy

Based on the current medium-term capital financing plans in the approved capital programme, and the existing levels of borrowing, the council's borrowing is comfortably below the capital financing requirement when forecast for the next 20 years.

It must be noted that this is a snap shot in time based on current plans and current policies around such items as Minimum Revenue Provision (MRP).

Forecast Capital Financing Requirement and Total Debt (Current Position)



Minimum Revenue Provision (MRP) Policy Statement 2019/20

The Council is required each year to pay off an element of its accumulated General Fund capital expenditure through a revenue charge, the Minimum Revenue Provision (MRP).

The Ministry of Housing, Communities and Local Government (MHCLG) issued regulations which require Full Council to approve a MRP Policy Statement in advance of each financial year. The council's MRP Policy Statement for 2019/20 is detailed below.

- For capital expenditure incurred **before** 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP Policy will be to allow MRP equal to 4% of the capital financing requirement (the element of which relates to capital expenditure incurred before 1 April 2008) at the end of the previous financial year.
- For capital expenditure incurred **after** 1 April 2008, for all Unsupported Borrowing the MRP Policy will be to follow the Asset Life Method (Equal Instalment method), i.e. the MRP will be based upon the estimated life of the assets financed from borrowing.

Investment Strategy

Background

The council holds reserves and other cash items on its balance sheet which are invested. In investing these cash balances the council follows guidance issued by CIPFA and MHCLG.

The MHCLG guidance requires treasury management investments to prioritise security, liquidity and yield in that order of importance. The council will not make any investments with low credit quality bodies, nor any that are defined as capital expenditure by legislation, such as company shares.

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 that:

- 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 these 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 £12m. 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.

In accordance with the Treasury Management Code, the Council has set additional criteria to set a limit on the time and amount of monies which will be invested with these bodies.

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.

Investment Strategy

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.

Business Model for Holding Investments

Under the new IFRS 9 (International Financial Reporting Standard), the accounting for certain investments depends on the council's "business model" for managing them.

The council holds investments to collect contractual cash-flows and as such these investments would not result in changes in market value having to be a charge against the Council Tax at year end.

Long-Term Investments

The Treasury Management code requires that where an authority invests, or plans to invest, for periods longer than one year, then an upper limit for investments maturing in excess of one year is set. This council has a policy of not investing for periods of longer than 1 year.

Use of External Fund Managers

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

Prudential Code

The Prudential Code

In line with the relevant legislation the council has adopted the Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management in the Public Services Code of Practice (2017) as setting the framework of principles for its treasury management activities. In accordance with the requirements of these codes the council produces each year prudential indicators which provide a framework for the prudent management of its treasury management including limits with regard to certain types of activity such as borrowing. The indicators below are a consequence of the activities set out within this strategy.

Capital Expenditure

The Capital Expenditure indicator is the platform from which most prudential indicators of the council are formed.

Capital expenditure is a significant source of risk and uncertainty since cost variations, slippage, acceleration of major projects or changing specifications are often a feature of large or complex capital programmes. Capital investment also carries risk in relation to the availability of capital finance from capital receipts, grants and external contributions.

As part of this indicator, we will undertake regular monitoring of the capital programme throughout the financial year and report progress and any variations to the relevant service committees and Policy and Finance Committee.

The actual capital expenditure that was incurred in 2017/18 is shown alongside the current and future years that are recommended for approval:

Capital Expenditure					
Committee	Actual Capital Expenditure for 2017/18 £	Forecast Capital Expenditure for 2018/19 £	Forecast Capital Expenditure for 2019/20 £	Forecast Capital Expenditure for 2020/21 £	Forecast Capital Expenditure for 2021/22 £
Community Services Committee	353,871	781,930	1,912,440	1,863,440	282,000
Economic Development Committee	0	100,000	20,000	0	0
Health and Housing Committee	297,258	891,240	545,000	383,500	383,500
Planning and Development Committee	0	30,200	14,500	0	0
Policy and Finance Committee	72,272	161,730	196,250	0	0
Total	723,401	1,965,100	2,688,190	2,246,940	665,500

Financing Costs

The calculation of Financing Costs for the purposes of the Prudential Code includes those items included under the Financing and Investment Income and Expenditure section of the council's Comprehensive Income and Expenditure Statement in the Statement of Accounts – but excluding pension interest costs and any gain or loss on trading accounts.

For this council, this includes the interest we pay on our borrowing, interest we receive on our investments and also the Minimum Revenue Provision (MRP), being the means by which capital expenditure financed by borrowing or credit arrangements is paid for by council tax payers.

The table below summarises our net financing costs that were shown in the statement of accounts for the 2017/18 financial year, and those forecast for the current and future years.

Prudential Code

Financing Costs				
2017/18 Actual £	Forecast for 2018/19 £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £
118,646	53,873	32,589	48,675	70,455

Net Revenue Stream

The calculation of the Net Revenue Stream for the purposes of the Prudential Code includes those items included under the Taxation and non-Specific Grant Income section of the council's Comprehensive Income and Expenditure Statement in the Annual Statement of Accounts, but excludes capital receipts and capital grants.

Net Revenue Stream				
2017/18 Actual £	Forecast for 2018/19 £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £
8,406,824	8,393,498	9,452,639	9,346,549	9,529,136

Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2017/18 are shown in the table below. This indicator uses the Financing Costs calculated above as a percentage of Net Revenue Streams, also calculated above.

It should be noted that the calculation of these indicators relies heavily on the forecast of future financial support from the government. As members will be aware there is a substantial amount of uncertainty in this respect past the 2019/20 financial year, and with regard to most elements of local government finance.

Financing Costs to Net Revenue Stream				
2017/18 Actual	Forecast for 2018/19	Forecast for 2019/20	Forecast for 2020/21	Forecast for 2021/22
1.4%	0.6%	0.3%	0.5%	0.7%

As would be expected due to our low level of external borrowing, the percentage of financing costs to net revenue stream is relatively low.

The lower percentages from 2017/18 onwards reflects the increases being seen in the level of interest received on investments, and the forecast increases in interest rates, which have been allowed for here on a prudent basis.

Capital Financing Requirement

The capital financing requirement measures the council's underlying need to borrow for a capital purpose, although this borrowing may not necessarily take place externally.

In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The council has an integrated capital and treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

We have, at any point in time, a number of cash flows, both positive and negative, and manage our treasury position in terms of our borrowings and investments in accordance with our approved practices.

In day-to-day cash management we make no distinction between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirements reflects the authority's underlying need to borrow for a capital purpose.

Prudential Code

Capital Financing Requirement				
2017/18 Actual £'000	Forecast for 2018/19 £'000	Forecast for 2019/20 £'000	Forecast for 2020/21 £'000	Forecast for 2021/22 £'000
3,487	3,393	3,442	4,554	4,414

External Debt

In respect of the Capital Financing Requirement, the level of external debt is a consequence of a treasury management decision about the level of external borrowing.

The inclusion of total external debt in the Prudential Code means that it covers all borrowing whether this is for capital or revenue. This is mainly due to the fact that our daily treasury management activities make no distinction between revenue and capital cash. External borrowing occurs as a result of all of a council's transactions, not just those arising from the capital programme.

External Debt					
	2017/18 Actual £	Forecast for 2018/19 £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £
PWLB Borrowing	146,770	136,377	125,983	115,590	105,197

Gross Debt and Capital Financing Requirement

The Prudential Code states that in order to ensure that over the medium term, debt will only be for a capital purpose, the council should ensure that debt doesn't, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

It is not envisaged that the council will have any difficulty meeting this requirement going forward. This view takes into account current commitments, existing plans and the proposals in the Council's budget report.

The Authorised Limit

The authorised limit, like all the other prudential indicators, has to be approved and revised by full council. It should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable.

Any unanticipated revision to the council's authorised limit would be a most exceptional event that would trigger a review of all the prudential indicators. The authorised limit is set to establish the outer boundary of the council's borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit up to which the council expects to borrow on a regular basis.

The authorised limit for external debt is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worst-case scenario**.

Factored in to the setting of the authorised limit is the council's role as the lead authority of the Lancashire Business Rates Pool.

The limit separately identifies borrowing from other long-term liabilities such as finance leases. Authority is delegated to the Director of Resources, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option appraisal and best value for money for the council. Any such changes made will be reported to the Council at its next meeting following the change.

Authorised Limit for External Debt			
	2019/20 £'000	2020/21 £'000	2021/22 £'000
Borrowing	19,935	20,977	20,766
Other Long-Term Liabilities	0	0	0
Total	19,935	20,977	20,766

Prudential Code

The Operational Boundary

This indicator focuses on the day-to-day treasury management activity within the council. It is a way in which the council manages its external debt to ensure that it remains within the self-imposed Authorised Limit.

The Operational boundary is based on expectations of the maximum external debt of the council according to probable events.

The operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly my estimate of the most likely prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate.

The operational boundary represents a key management tool for in year monitoring by my staff and me. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. Authority is delegated to the Director of Resources, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

Operational Boundary for External Debt			
	2019/20 £'000	2020/21 £'000	2021/22 £'000
Borrowing	1,685	2,727	2,517
Other Long Term Liabilities	0	0	0
Total	1,685	2,727	2,517

Maturity Structure of Borrowing

The council is required to set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowing. These prudential indicators are referred to as the upper and lower limits respectively for the maturity structure of borrowing and are calculated using the amount of projected borrowing that is maturing in each period, expressed as a percentage of total projected borrowing.

The maturity date is the date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an instalment loan must be paid in full.

The Upper limit profile is based on the potential borrowing identified under the Operational Boundary indicator.

MATURITY STRUCTURE OF BORROWING			
	Current Borrowing Profile %	Lower Limit %	Upper Limit %
Under 12 Months			
12 Months and within 24 Months			
24 Months and within 5 Years	1.01	1.01	0.08
5 Years and within 10 Years			
10 Years and within 20 Years	98.99	98.99	8.25
20 Years and above			91.67

Principal Sums Invested for Periods Longer than a Year

The Treasury Management code requires that where an authority invests, or plans to invest, for periods longer than one year, then an upper limit for investments maturing in excess of one year is set. This council has a policy of not investing for periods of longer than 1 year.

Prudential Code

Interest Rate Exposures

In order to control interest rate risk, the council measures its exposure to interest rate movements. These indicators place limits on the overall amount of risk the council is exposed to. The one-year impact indicator calculates the theoretical impact on the revenue account of an immediate 1% rise in all interest rates over the course of one financial year. Due to the low level of debt that the council currently has, and the high level of investments, this figure shows as a negative value.

Interest Rate Exposures	Upper Limit £'000
Upper limit on one-year revenue impact of a 1% rise in interest rates	-258

Credit Risk

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

Credit Risk	Lower Limit for Credit Rating
Short Term Fitch Rating of Counterparties Used	F2

Risk Management

Capital Programme and Risk Management

As part of the capital scheme bidding process officers are asked to detail any risks that may be present to the completion of the scheme within budget and on time. These are reported and considered by members as part of the process of producing an overall achievable and affordable capital programme.

Where relevant, larger projects will be recorded separately on the council's corporate risk management system and the risk monitored on a regular basis, being reported to the corporate management team and the Accounts and Audit Committee, should any risk be deemed to be scored a 'Red' risk.

Treasury Management and Risk Management

The Council's activities expose it to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market Risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out within the Council's Financial Services team, under policies approved by the Council in the annual treasury management strategy.

The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Risk Management

Overall Procedures for Managing Treasury Management Risk

Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
 - The Council's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures to the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving a Treasury Management Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

The Prudential Indicators are required to be reported and approved at or before the Council's annual Council Tax setting meeting in early March. These items are also reported within this Strategy. Actual performance is also reported quarterly to Members.

Treasury Management activity is monitored by the Financial Services team. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Risk and Commercial Activity

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or capital appreciation or both.

This council does not hold any investment properties; neither does the council borrow money with a view to investing purely for commercial gain.

Governance Framework

Initial Capital Scheme Bidding Process

The development of the scheme bids was detailed in the earlier section on Capital Expenditure. The reporting of the same and the decision-making process is summarised in the table below, following a standard process for the annual review of the capital programme:

<p>August: Heads of Service are asked to consider their service area and identify any potential capital schemes.</p>
<p>October/November: All submitted bids are reported to the relevant Service Committee and approval sought. Members are also asked to put forward any capital bid suggestions and amendments that they may wish to make at this stage.</p>
<p>January: The Budget Working Group and Corporate Management Team consider which scheme bids should be included in the capital programme and the level of resources to be used to fund the capital programme. A recommendation is prepared for Special Policy and Finance Committee.</p>
<p>February: Special Policy and Finance Committee meet to consider the recommendations of the Budget Working Group and Corporate Management Team. The final approved capital programme is then recommended to Full Council.</p>
<p>March: Full Council approve the final five-year capital programme.</p>

As part of this process there will inevitably be scheme bids that are not able to be taken forward, be that through lack of resources or competing priorities.

Capital Budget Monitoring

The council has a structured process of budget monitoring, with regular meetings with budget holders to ensure schemes are on track and within budget. Reports are taken to all service committees quarterly (including revised estimate report) and also the overall position is reported to Policy and Finance Committee on a quarterly basis.

Governance Framework

Further reports are also taken to the council's Budget Working Group during the year.

The outturn position is also reported to all committees in line with the budget monitoring reporting.

Treasury Management Activities

This council is committed in embracing the principals of corporate governance in their treasury management activities: These include

- Adoption of the principals and policies promoted in the prudential code in order to promote openness and transparency in the council's treasury management function.
- Publication of and free access to information about the council treasury management transactions.
- Establishing clear treasury management policies, separation of roles and management of relationship within and outside the council, to establish integrity of the function.
- Well defined treasury management responsibilities and job specifications to enhance accountability.
- Equality in treasury management dealings with an absence of business favouritism to promote fairness.

The principals of corporate governance are successfully implemented. The council should ensure that treasury risk management is an integral part of its overall risk management process.

- The management and administration of treasury management be robust, rigorous and disciplined.
- The council should receive regular reports on its treasury management activities
- Performance data should be clear, concise and relevant to its treasury management activities.

- External parties should be monitored for adherence to the legal or regulatory regimes under which they operate.

Reports are taken quarterly to the Policy and Finance committee on all treasury management activities. Outturn position reports are also reported to the same. All policies and practices are also reported to and agreed by Policy and Finance Committee and Council.

Knowledge and Skills

Staff involved in Capital Projects

The Council utilises the knowledge and skills of its internal officers when considering capital investment decisions and where necessary it may also rely on the expert knowledge of specialist external advisors.

The Council employs professionally qualified finance, legal and property officers who are able to offer advice and guidance when considering any capital investment decisions.

Finance and legal staff are professionally qualified and have the necessary experience of how the Council works.

All professionally qualified staff undertake Continuing Professional Development and maintain knowledge and skills through regular technical updates from appropriate bodies and are regulated by their respective professional bodies. Their rules of conduct require that they have an appropriate level of skill and expertise to deal with the particular matter with which they are dealing.

The Council occasionally uses external advisors where necessary in order to complement the knowledge its own officers hold. If required these would be engaged on an ad-hoc basis and be project based.

Staff involved in Treasury Management Activities

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.

Treasury Management courses run by such bodies as CIPFA, money brokers, or other recognised bodies are those normally sourced and attended.

The qualifications of those staff that are authorised to be involved in treasury management activities are detailed below

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

With regard to members, detailed explanations of all reports are given, as they are scrutinised by committee, by the Director of Resources in order to ensure full understanding.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 7

meeting date: 2 APRIL 2019
title: TREASURY MANAGEMENT POLICIES AND PRACTICES 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: VAL TAYLOR

1 PURPOSE

- 1.1 To review, approve and adopt the treasury management policy statement and practices for 2019/20.

2 BACKGROUND

- 2.1 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 2017 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 Since the treasury management policy statement and treasury management practices were approved in March 2018, there has been a number of minor updates 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 2018/19.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF20-19/VT/AC
21 March 2019

BACKGROUND PAPERS:

CIPFA Treasury Management in the Public Services – Code of Practice and Cross – Sectoral Guidance Notes 2017 Edition

Treasury Management Policies and Practices

2019/20



Ribble Valley
Borough Council

www.ribblevalley.gov.uk

Key Officer Contacts for the Treasury Management Practices

Name	Job Title
Jane Pearson	Director of Resources
Lawson Oddie	Head of Financial Services
Val Taylor	Senior Accountant

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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 \(updated in 2010\)](#), [MHCLG guidance 'Statutory Guidance on Local Government Investments' \(MHCLG 2018\)](#), 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, [i.e. that they have funds available when needed](#), 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 (2017) (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 (2017) 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.

It is CIPFA's view that throughout the public services the priority for treasury management is to protect capital rather than to maximize return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.

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, including any use of financial instrument for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management 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

This authority regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

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) Inflation risk management

The council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

vi) 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.

vii) 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.

viii) 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.

viiiX) Price 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 treasury 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.

The council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

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.

Investments that are not part of treasury management activity

This council recognises that investments in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting services outcomes, investments in subsidiaries, and investment property portfolios.

This council will ensure that all the organisation's investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

The council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.

We do not currently have any such investments that fall under this category

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 [S&P Global Ratings \(Previously Standard and Poor\)](#), 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 [\(provided they are included in Fitch ratings\)](#).

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 investment 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.~~ fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the council's finances, against which the council has failed to protect itself adequately. 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			
	2018/19 £000	2019/20 £000	2020/21 £000
Maximum Principal Sums Borrowed >364 days	7,506	8,080	6,684
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.~~ fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the council 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 2019 £	Year of Final Repayment
250,000	15 years	4.75% Fixed	1,377	2022/23
250,000	25 years	4.88% Fixed	135,000	2032/33
		Total PWLB	136,377	

Projected capital investment requirements

In accordance with the Prudential Code for Capital Finance in Local Authorities, the Director of Resources has prepared a five year plan for capital expenditure for the Council. ~~(Previously a three year plan was prepared)..~~

~~The use of borrowing to support the capital programme has been increased from an average of £418,337 in the financial years 2017/18 to 2019/20 to an average of £281,000 in the financial years 2018/19 to 2022/23, in line with recommendations from the council's Budget Working Group and as approved by Policy and Finance Committee.~~

The use of borrowing to support the capital programme results in an average of £281,000 per year for the period 2019/20 to 2023/24. The nature of the assets where borrowing has been used is in line with recommendations from the council's Budget Working Group and as approved by Policy and Finance Committee i.e. in respect of land and buildings.

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

	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
New Homes Bonus Earmarked Reserve	-313,600	-272,000	-272,000	0	-306,637
Business Rates Growth Earmarked Reserve	-1,522,540	0	0	-474,387	0
Other Earmarked Reserves	-357,050	-100,120	-60,000	-223,413	-481,963
Disabled Facility Grants	-320,000	-320,000	-320,000	-320,000	-320,000
Borrowing	-175,000	-1,230,000	0	0	0
Usable Capital Receipts	0	-102,580	-13,500	-396,500	0
Potential external funding	0	-222,240	0	0	0
Estimated Total Available Resources	-2,688,190	-2,246,940	-665,500	-1,414,300	-1,108,600
Total of Approved Capital Programme	2,688,190	2,246,940	665,500	1,414,300	1,108,600

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 three following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this five 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 Council recognises that future political, 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 authority.

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.

It is the duty of the Director of Resources 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. fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends.~~ It includes the area of risk commonly referred to as operational risk. 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 £5,000,000. This covers the loss of cash by fraud, or the dishonesty of six designated officers dealing with the treasury management function. All other officers 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 PRICE 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~~ are reviewed on a regular basis 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 2017/18 that the council is receiving value for money.

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 relevant due diligence has taken place
- 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 and demerits 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 risks to capital and returns and the implications for the council's future plans and budgets
- 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 [S & P Global Ratings](#)~~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.(Provided they are included in Fitch ratings)

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 *
- 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 £1.75m
- ** 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 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.

***To be kept under review as impact of Brexit unknown**

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-UK Money Markets 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

Martin Brokers

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 31 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.~~

Investment income, other gains and losses and financial costs

- Schedule of calculations to support each element of investment/ interest revenue
- An analysis of interest paid and received, identifying bank, lease and other, with explanations for movements compared to prior year and budget
- Schedule and calculations to support each element of finance costs

Investments

- Details of investments held including nature and terms of investment
- Consideration of any impairment of the investments held

Long-term borrowing and other liabilities

- Details of any liabilities payable between 1 and 2 years, 2 to 5 years and greater than 5 years

Financial instruments

- Reconciliation of financial instruments to relevant balance sheet entries
- Evidence of review of closing balance sheet to identify any financial instruments as defined by CIPFA/ LASSAC's Code of Accounting Practice
- Evidence to support any fair value calculations that have been incorporated into the accounts

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. A daily automated transfer is carried out by HSBC between the general and disbursement account to cover all transactions on the disbursement account.*

~~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.org.uk.

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

Proceeds of Crime Act 2002 (POCA)

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 submit a Suspicious Activity Report to the National Crime Agency (www.nationalcrimeagency.gov.uk) if it knows or suspects that a person is engaged in, or attempting, money laundering.

The Money Laundering Regulations 2007

The money laundering regulations require all firms undertaking certain financial activities (see Schedule 1 of regulation) to apply risk-based customer due diligence measures and other steps to prevent your services from being used for money laundering or terrorist financing.

The Principal Auditor has been nominated the council's money laundering reporting officer and in their absence, the Head of Financial Services. The council will also 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 Crime Agency.

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 are reviewed on a regular basis to ensure that the council is receiving value for money.

~~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 2018/19~~

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.

ANNEX 1

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, 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 9.30am.~~

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 three 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.

Investment decisions are to be made with regard to the security of the principal sums being invested and to the liquidity of the council before considering the yield.

Funds will therefore only be placed with authorised counterparties and with care being taken not to exceed the authorised limits per institution for the total sums invested.

The term of the investment is not to exceed 365 days and will be decided upon after considering future cash flows to ensure that funds are available to meet the council's short-term commitments.

Once the above appraisals have been completed contact can then be made with available counterparties either directly or through use of one of the council's authorised brokers to secure the most favourable interest rates available for the investment amount and term.

Contact details for treasury departments and approved brokers are available in the cash flow file.

Investments are not to be finalised without prior approval from the Head of Financial Services or the Director of Resources.

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.~~

~~All supporting documentation is attached to a temporary investment sheet where details of the counter parties to whom our monies are being lent to be given by the broker and are 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 "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 only on 020 7862 6610 by staff previously nominated by the Director of Resources. The Council must submit its lists of names on a single form, Local Authority Authorisation form, available from the Board's website. (DMO.gov.uk). Where nominations are to be refreshed a new, complete list of names is required. The form may also be used to nominate signatories authorised to notify details of a receiving bank account.

The Board will not accept telephone business before 9.30am. or after 4.15pm. Calls are recorded for training and monitoring purposes. [Borrowers should consult the FAQ document in the first instance which is available on the DMO website. Additionally, enquiries may be made by email to \[pwlb@dmo.gov.uk\]\(mailto:pwlb@dmo.gov.uk\).](#)

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
- Bank name, Sort code and account 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_email~~ the authority a letter confirming the terms of the agreement on the advance date; this will not be received until after the loan has been advanced.

Type of loans by interest rate

Two types of loan according to interest rate are available from the board:

- Fixed rate loans, on which the rate of interest is fixed for the life of the loan and interest is payable at half-yearly intervals;
- Variable rate loans, on which the rate of interest is variable at one, three or six monthly intervals. The interval is at the choice of the borrower but once chosen remains the same for the life of the loan.

Type of loans by method of repayment or amortisation

Fixed rate loans are repayable by one of three methods:

- Annuity or Equal Repayments (ER): fixed half-yearly payment to include principal and interest; or
- Equal instalments of Principal (EIP): equal half-yearly instalments of principal together with interest on the balance outstanding at the time; or
- Maturity: half yearly payments of interest only with a single repayment of principal at the end of the term,

Repayments are at half-yearly intervals, with an initial broken period as necessary

Variable rate loans are repayable by one of two methods:

- EIP: equal monthly, quarterly or half-yearly instalments of principal together with interest on the balance outstanding at the time; or
- Maturity: monthly, quarterly or half-yearly payments of interest only with a single repayment of principal at the end of the term

Repayments are at one, three or six monthly intervals from the date of advance at the borrower's choice

Interest rates

Interest rates are determined by the UK debt Management office (DMO) in accordance with methodologies agreed with HM Treasury under section 5 of the National Loans Act 1968. The rate of interest charged on the advance of a fixed rate loan, the discount rate applied to the repayment of such a loan, and the formula for a variable rate loan, is that agreed at the time of application. Variable rates are published at 9.30 a.m. each day. HM Treasury reserves the right to make further, unscheduled intra-daily rate changes, or alter the formula methodology or formula for variable rates, as necessary. The interest rate notice in force and past rates are displayed on the Board's website.

Interest rates are determined by the UK Debt Management Office (DMO) in accordance with methodologies agreed with HM Treasury under section 5 of the National Loans Act 1968. Those for the advance and repayment of fixed rate loans are determined by reference to gilt yields, those for variable rate loans by reference to a formula set by HM Treasury and published by the DMO.

There are two intra-daily re-determinations of fixed rates, published at 9.30 a.m. for start of business, and 12.30p.m. The rate of interest charged on the advance of a fixed rate loan, the discount rate applied to the repayment of such a loan, and the formula for a variable rate loan, is that agreed at the time of application.

Variable rates are published at 9.30 a.m. each day. HM Treasury reserves the right to make further, unscheduled intra-daily rate changes, or alter the formula methodology or formula for variable rates, as necessary. The interest rate notice in force and historic rates are displayed on the DMO website.

Loan periods and repayment dates

An authority may choose the final repayment date for any loan within the following limits:

		Minimum period (years)	Maximum period (years)
Fixed rate loans	Maturity	1	50
	Annuity or EIP	2	50
Variable rate loans	Maturity	1	10
	EIP	2	10

Advance of loans

The amount of advance, after deduction of the Board's fee will be transmitted to the Council's designated bank account by automated credit transfer. 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).

Fees

The fees payable by the council in respect of advances from the board are:

- Fixed rate loans – 35p for every £1,000 or part of £1,000
- Variable rate loans – 45p for every £1,000 or part of £1,000
- Minimum fee - £25

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

Agenda Item No 8

meeting date: 2 APRIL 2019
title: VOLUNTARY ORGANISATION GRANT APPLICATIONS 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: SALLY MASON

1. PURPOSE

1.1 To approve the allocation of voluntary organisation grants for 2019/20.

2. BACKGROUND

2.1 The Council has a number of grant schemes in operation including recreation grants, culture grants and sports grants which are administered by Community Committee. The voluntary organisation grant scheme is administered by this Committee.

2.2 A member working group considers the applications received and makes recommendations to this Committee regarding the allocation of funds to voluntary organisations on an annual basis.

2.3 The working group traditionally consists of 3 conservative members and 1 liberal democrat member of this committee. This Committee appointed the following members at your meeting on 5 February 2019:

- ❖ Cllr S Atkinson (Chair)
- ❖ Cllr S Bibby
- ❖ Cllr K Hind
- ❖ Cllr M Robinson

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.

3.2 The scheme will not normally fund the following:

- 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 can 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 all applicants must provide a copy of the organisation's latest audited accounts. Capital projects are limited to 50% of the approved costs to a maximum of £5,000.
4. 2019/20 GRANTS
- 4.1 20 applications requesting total support of £162,892 have been received. A summary of all applications is set out in Annex 1.
- 4.2 The voluntary organisation grant budget for 2019/20 is £111,310.
5. VOLUNTARY ORGANISATION GRANTS WORKING GROUP
- 5.1 The working group met on 18 March 2019. The minutes of the meeting are attached at Annex 2.
- 5.2 The working group agreed to recommend supporting 20 voluntary organisations across the Borough with a total allocation of £105,500. The group recommend holding back approximately 5% of the funds available for any new applications that may arise during the year.
6. RECOMMENDATION
- 6.1 Approve the allocation of grants as recommended by the voluntary organisation grant working group as set out in Annex 2, totalling £105,500.

ACCOUNTING TECHNICIAN

DIRECTOR OF RESOURCES

PF22-19/SM/AC
22 March 2019

VOLUNTARY ORGANISATION GRANT APPLICATIONS RECEIVED 2019/20

Organisation Name	Brief description of Organisation	Grant Requested for 2019/20 £	Purpose of Grant request
B4RN for the Hodder Valley	Voluntary group recently set up to bring fibre optic broadband to properties in the Hodder Valley	£1,000	To fund the costs of printing mapping and wayleave agreements to create a plan and structure to install broadband
Carers Link Lancashire	Provides help, support and training to those who care for people who are ill, disabled or elderly	£2,000	To assist the organisation in providing registered carers with support, but will also assist them to identify "hidden" carers and provide outreach and support services and also awareness training for professionals across the Ribble Valley
Chipping Show	To promote agriculture, horticulture and tourism.	£500	To assist with the cost of putting on the Show and to help keep it going
Citizens Advice Bureau Ribble Valley	The service is independent and provides free, confidential and impartial advice to everybody	£82,191	To cover the core running costs of the organisation such as staff salaries, rent, insurance, information subscriptions and volunteer expenses
Clitheroe Community Bonfire & Fireworks	Plan and stage the Clitheroe Community Bonfire and Fireworks Display each November with all proceeds going to local charities	£1,000	To assist with the cost of the firework display which is about £5,000
Clitheroe Garden Club	Founded in 1976 to provide a focus for and encourage horticulture in the Ribble Valley	£50	To assist with the cost of their annual garden show
Goosnargh & Longridge Agricultural Show	To bring together the people of the Ribble Valley and surrounding areas to provide a great family day out for all ages	£500	To support the show day activities for schools, young people, including junior arts & crafts, junior horticulture, young sheep handlers, young WI section and young farmers
Hodder Valley Agricultural & Horticultural Society	To improve the standard of animal husbandry and horticultural practices and to foster and encourage interest amongst young people in agriculture and the countryside	£600	To assist the financing of the show and sponsorship of agricultural and horticultural classes

Organisation Name	Brief description of Organisation	Grant Requested for 2019/20 £	Purpose of Grant request
Home Start In East Lancashire	Charity which supports vulnerable and hard to reach families who are struggling with a wide variety of issues	£5,000	To support the infrastructure of the organisation and allow it to continue in the area. It will enable recruitment, training and supervision of volunteers
Lancashire's Best Kept Village Competition	Annual competition to encourage a high standard of care and maintenance in Lancashire villages and hamlets	Any support we can give	To assist in financing the competition. 2018 is its jubilee year and the organisers would like to publish a booklet promoting the competition and also replace some of the older trophies
Little Green Bus	The Charity's main activity is the provision of community transport services for mainly elderly and vulnerable people	£10,000	To support the community car scheme which provides door to door transport to and from vital medical appointments. This scheme costs almost £25,000 per year
Longridge Field Day Events	A longstanding voluntary organisation which arranges an annual spectacular event for the community of Longridge and surrounding villages	£500	To assist with the increased cost of road closures and health & safety requirements to ensure the safe running of the event
Ribble FM	A community radio station which aims to be "The voice of the valley", the main objective is being an umbrella organisation for all other charity and community organisations	£10,000	To help sustain the radio station. The station has to obtain 50% of its income from grants and donations in order to fulfil the terms of its OFCOM licence
Ribble Valley Crossroads Care	Charity which provides Carer Support Workers to care for people in their own homes to give their carers a break	£15,000	To assist with the high travel costs the charity incurs as its staff have to travel around the Ribble Valley to reach clients
Ribble Valley Shopmobility and Information Centre	To provide an equipment loan service to people with mobility problems to access shops, health and leisure in Ribble Valley.	£8,000	To assist with general running costs and the cost of widening doorways at their new premises

Organisation Name	Brief description of Organisation	Grant Requested for 2019/20 £	Purpose of Grant request
Ribble Valley Talking Newspaper	Ribble Valley Talking Newspaper has provided a recorded version of the Clitheroe Advertiser & Times for visually impaired residents since 1978	£500	To assist with the general running costs of the service
Royal Lancashire Agricultural Society	One of the country's oldest agricultural shows. After a chequered history over the past 8 years the show has returned to its previous home at Salesbury Hall	£1,000	To help fund the "Children's Zone" at the show for free of charge activities whilst attending the show. This cost over £7,000 last year
Sabden Holme Committee	A charity that exists to fund and organise community events for the residents of and visitors to Sabden such as the annual Community Bonfire and Carols round The Tree	£729	The charity is requesting £360.00 to train 2 trustees or volunteers in undertaking road closures to ensure the safe running of events. They would also like £369.19 to purchase an additional speaker plus cabling to ensure people can hear the organisers at the various events they hold in Sabden
The Foundation for Ribble Valley Families	To improve the social and emotional wellbeing of vulnerable families in the Ribble Valley	£20,000	Currently not taking on new referrals due to lack of funding. The grant would allow the delivery of one to one Fusion therapeutic life coaching to 80 new service users
Whalley Educational Foundation	Charity which owns and manages Whalley Old Grammar School Community Centre. They provide educational opportunities to all	£4,322	£1,100 towards the cost of a defibrillator for the outside of the building and £3,222 towards projectors and screens in 3 of the rooms
Total requested		£162,892	

**MINUTES OF VOLUNTARY ORGANISATION GRANTS WORKING GROUP MEETING
HELD ON 18 MARCH 2019 AT 3.00PM**

Present: Councillor Stephen Atkinson (Chairman)
Councillor Susan Bibby
Councillor Ken Hind
Councillor Mary Robinson

Also in attendance: Chief Executive, Director of Resources and Accounting Technician

1. Background

1.1 The Director of Resources explained to members the purpose of the working group which was to consider the 2019/20 voluntary organisation grant applications received and make recommendations to Policy and Finance Committee.

2. 2019/20 Applications

2.1 The Council had received 20 applications requesting total support of £162,862.

2.2 It was explained that the voluntary organisation grant budget for 2019/20 is £111,310 and that this had increased by inflation from the previous year.

2.3 Councillor Bibby declared an interest in Carers Link Lancashire. Cllr Robinson declared an interest in Little Green Bus. Councillors Robinson and Bibby queried whether or not they should declare an interest where they are involved in organisations as representatives of Ribble Valley Borough Council, such as the Citizens Advice Bureau. They were advised by the Chief Executive that where they were acting as representatives of the Council that was not necessary.

2.4 Councillor Atkinson suggested that the Ribble Valley is potentially Clitheroe centric and that it was essential to think about the whole of the Ribble Valley when considering matters such as these grant applications.

2.5 After considering the applications the group made the following suggestions;

- The Foundation for Ribble Valley Families is offered a grant of £5,000 subject to a new licence being agreed.
- Councillor Atkinson proposed keeping a balance of approximately 5% to fund any new grants that come in during the year especially supporting the rural strategy.

2.6 The group recommended the allocation of voluntary organisation grants as attached totalling £105,500.

Organisation Name	Recommended Grant for 2019/20
B4RN for the Hodder Valley	£1,000
Carers Link Lancashire	£2,000
Chipping Show	£500
Citizens Advice Bureau Ribble Valley	£52,500
Clitheroe Community Bonfire & Fireworks	£750
Clitheroe Garden Club	£50
Goosnargh & Longridge Agricultural Show	£500
Hodder Valley Agricultural & Horticultural Society	£500
Home Start In East Lancashire	£4,000
Lancashire's Best Kept Village Competition	£500
Little Green Bus	£10,000
Longridge Field Day Events	£500
Ribble FM	£500
Ribble Valley Crossroads Care	£15,000
Ribble Valley Shopmobility and Information Centre	£7,500
Ribble Valley Talking Newspaper	£500
Royal Lancashire Agricultural Society	£750
Sabden Holme Committee	£250
The Foundation for Ribble Valley Families	£5,000
Whalley Educational Foundation	£3,200
Total	£105,500

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 9

meeting date: 2 APRIL 2019
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 Council Tax and Business Rate debts.

1.2 Relevance to the Council's ambitions and priorities:

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

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

2 BACKGROUND

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. We only write debts off where all avenues of debt recovery have been fully explored.

Business Rates

2.2 As a matter of law, we are under obligation to take reasonable steps to collect Business Rates 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.

Council Tax

2.4 As a matter of law, we are under an obligation to take reasonable steps to collect council tax debts.

2.5 We do this by various means, including summonses, Attachment of Earnings, Attachment of Benefits, Attachment of Allowances, distraint of goods, bankruptcy, Charging orders 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 or are deceased with insufficient funds in the estate.

3 CURRENT POSITION

There are now two cases where a company has been dissolved, two cases where the company has been liquidated and one where the company has ceased trading and therefore we need to write off these debts. Annex 1 shows details of the debts we are seeking approval to write off against the collection fund – these total £727.25 Council Tax and £15,604.86 business rates.

4 FINANCIAL IMPLICATIONS

- 4.1 Where Council Tax debts are written off the costs are borne by the Council Tax collection fund and therefore fall on Council Tax payers.
- 4.2 The cost of business rate write offs are met in part by central government 50% and in part by local government, i.e. ourselves 40%, the county council 9% and the fire and rescue authority 1%.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £727.25 Council Tax and £15,604.86 Business Rates where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF18-19/ME/AC
21 March 2019

Write offs – NNDR

Year	Name		Amount £
LIQUIDATION			
Liquidation is the process by which a company (or part of a company) is brought to an end, and the assets and property of the company are redistributed. It is unlikely in these cases that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2017/18	DP Interior Design Ltd	Unit 8-9 Hawthorne Business Park, Lincoln Way, Clitheroe	3,376.65
2016/17	10Acia Ribchester Ltd	Kensington Suite, Asturian House, Asturian Gate, Ribchester	667.48
2016/17		1 st Floor, Asturian House, Asturian Gate, Ribchester	2,561.25
2016/17		Balmoral Suite Asturian House, Asturian Gate, Ribchester	1,707.50
Total			8,312.88

Year	Name	Property	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.			
2018/19	Signor Sassi Restaurant	1 st Floor Office, The Avenue, Brockhall Village, Old Langho, Blackburn	449.44
2018/19		No 1 Restaurant and Bar, Brockhall Village, Old Langho, Blackburn	2,444.07
2018/19	Gialla Limited	78-82 Whalley Road, Clitheroe	710.03
TOTAL			3,603.54

Year	Name		Amount £
CEASED TRADING			
Bailliffs attended registered office and have been unable to recover any funds so account returned.			
2018/19	Trattoria Lupo Ltd	78/82 Whalley Road, Clitheroe	3,688.44
Total			3,688.44

Write offs – Council Tax

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.			
2018/19	Signor Sassi Restaurant	Flat at The Avenue, Brockhall Village, Old Langho, Blackburn	7.25
2018/19	Gialla Limited	78-82 Whalley Road, Clitheroe	720.00
Total			727.25

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 10a

meeting date: 2 APRIL 2019
title: REFERENCE FROM COMMUNITY SERVICES COMMITTEE – 2019/20
CAPITAL PROGRAMME FURTHER SCHEME APPROVAL REQUEST
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To consider a recommendation from Community Services Committee to approve the inclusion of a further capital scheme within the 2019/20 capital programme.

2 BACKGROUND

2.1 Following recommendation by Special Policy and Finance Committee on 5 February 2019, Full Council approved the Council's five year capital programme for 2019/20 to 2023/24 on 5 March 2019. This included a 2019/20 capital programme budget of £1,912,440 for the Community Services Committee.

2.2 Any additional capital budget over and above what has already been approved for 2019/20 must be approved by Policy and Finance Committee before any expenditure can take place on such an additional budget.

3 REPLACEMENT OF LEASED CAR PARKING VAN – APPROVAL REQUESTED FOR INCLUSION IN THE 2019/20 CAPITAL PROGRAMME

3.1 Community Services Committee considered the following request for the inclusion of a further capital scheme within the 2019/20 capital programme at its meeting on 12 March 2019:

“The Council has two car parking vans. Currently, one is leased and one is purchased. The leased vehicle is programmed to be replaced in May 2019. The cost for the lease is £2,414 per year. A purchased replacement would be approximately £11,500. Bearing in mind the purchased van was replaced after 9 years it has been decided that the most economical solution would be to purchase, rather than lease, the replacement for the currently leased van.

This capital bid request proposes that the currently leased car parking van is replaced with a like for like vehicle at an estimated cost of £11,500 in 2019/20. It is proposed to finance the cost by contributions to capital resources from the Car Park Administration revenue budget.”

3.2 Community Services Committee resolved to “Recommend approval of the following additional capital budget for 2019/20 to Policy and Finance Committee - £11,500 for the Replacement of Leased Car Parking Van KR16 HFT scheme, to be funded by contributions to capital resources from the Car Park Administration revenue budget.”

3.3 This Committee is therefore requested to approve the additional 2019/20 capital budget of £11,500 for the Replacement of Leased Car Parking Van KR16 HFT scheme, as recommended by Community Services Committee.

4 RISK ASSESSMENT

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

- Resources – Inclusion of the additional request for the replacement car parking van in the 2019/20 capital programme will increase the funding required for the 2019/20 capital programme by £11,500. This increase will be financed by contributions from the Car Park Administration revenue budget.
- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and Diversity issues are examined as part of the capital bid appraisal process.

5 CONCLUSION

5.1 An additional capital bid has been recommended by Community Services Committee for inclusion in the 2019/20 capital programme, costing £11,500. This can be financed by contributions to capital resources from the Car Park Administration revenue budget.

6 RECOMMENDED THAT COMMITTEE

6.1 Approve the following additional capital budget for 2019/20 - £11,500 for the Replacement of Leased Car Parking Van KR16 HFT scheme, to be funded by contributions to capital resources from the Car Park Administration revenue budget.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF15-19/AC/AC
14 March 2019

For further background information please ask for Andrew Cook.
BACKGROUND PAPERS – None

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 10b

meeting date: 2 APRIL 2019
title: REFERENCE FROM PERSONNEL COMMITTEE – HUMAN RESOURCES CAPACITY
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To consider a request from Personnel Committee to agree to the approval of additional revenue budget of £11,950 in 2019/20 for additional staffing within the HR section, in order to address capacity issues.

2 BACKGROUND

2.1 Service committees manage their services within the budgets agreed at the beginning of the financial year. The budget was approved by Special Policy and Finance Committee on 5 February 2019 and by Full Council on 5 March 2019.

2.2 Any revenue or capital expenditure over and above what has already been approved must be agreed by this Committee.

3 PERSONNEL COMMITTEE 20 MARCH 2019

3.1 Personnel Committee considered a report submitted by the Director of Resources (attached at Annex 1) which gave details of a request for additional revenue budget of £11,950 for 2019/20 in respect of changing the staffing structure of the HR team in order to address capacity issues. It is envisaged that the additional costs would be met from general fund balances.

3.2 At its meeting, Personnel Committee approved the request and the resolution at the meeting is shown below:

RESOLVED: That Committee

1. approve the proposal to significantly increase the capacity in the HR section by creating a new full time post of Senior HR Administration Officer;
2. approve the necessary changes to the Council's establishment; and
3. recommend to Policy and Finance Committee to agree the financial implications and budgetary provision.'

4. RECOMMENDED THAT COMMITTEE

4.1 Approve the request for the additional revenue budget of £11,950

4.2 Approve the use of general fund balances to fund the additional revenue budget approval.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF24-19/LO/AC
26 March 2019

**RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO PERSONNEL COMMITTEE**

Agenda Item No. 7

meeting date: WEDNESDAY, 20 MARCH 2019
title: HUMAN RESOURCES CAPACITY
submitted by: JANE PEARSON – DIRECTOR OF RESOURCES
principal author: MICHELLE SMITH – HEAD OF HR

1. PURPOSE

1.1 To seek approval to address capacity issues within the Human Resources (HR) Section.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – the provision of an effective HR service ensures that the Council can meet the service needs of the Community.
- Corporate Priorities – the HR Section undertakes work that is fundamental to the efficient and effective deployment of staff across all areas of the council and contributes to our priority of being a well-managed council.
- Other Considerations - None.

2 BACKGROUND

2.1 At your November meeting I reported that we were experiencing significant capacity issues in the HR Section and it was agreed that I would bring a report back to you setting out how this shortfall in capacity could be addressed.

2.2 The HR Section is made up of the following posts:

1 x Head of HR (37hrs)
1 x HR Officer (Job Share FTE 37hrs)
0.5 x HR Administrator (18.5hrs)

This structure has been in place for over 10 years, and over that period we have seen a significant increase in workload across a range of HR disciplines eg recruitment, pro-active absence management and staff turnover, together with an increase in general staffing issues, which in turn increases administration work within the Section.

2.2 We also are also required to continually review and update our HR policies and procedures in line with ever changing and increasing employment legislation.

2.3 Workloads within the Section are consistently high (we do not experience any particular 'peaks and troughs' during a year) and all members of the team regularly work beyond normal contractual hours. Overall our roles are re-active and we have very limited capacity to address more pro-active work.

2.4 Whilst I am the designated Head of HR, my workload is not 100% dedicated to HR matters as my other role responsibilities include: management of Health and Safety, Corporate Policy and Performance, Corporate Communications and Central Administration services (Typing and Printing). I am also responsible for Member Development. In addition, I act as a Complaints Officer for the Council and take a key role in various corporate projects as required eg capital schemes for the replacement of Printing Equipment and central Telephony.

3 ISSUES

- 3.1 In September 2015, Personnel Committee approved a request to increase staffing within the Human Resources (HR) Section by way of the creation of a two year HR Modern Apprentice post. Upon completion of the apprenticeship the post holder would then have moved to a permanent HR Assistant post on the Establishment and provision was made for such in the 2017/18 budget. The post has remained within the budget since 2015.
- 3.2 Following approval we advertised for the HR Apprentice post but could not appoint to the post. We have also experienced recruitment difficulties for other Apprentice posts and have not been able to appoint a Lifeguard Apprentice or an IT Apprentice. This is despite extensive and repeated advertising.
- 3.3 In November 2018 I submitted a report to Personnel Committee to inform them of current workloads and capacity issues within the Section. In that report I provided statistics for the Section:

1 April 2017 – 31 March 2018

Dealt with 73 vacancies, processed 461 applications and carried out 211 interviews
58 staff appointed

Staff turnover was 14.99% (up from 10.66% in the previous year)

34 leavers during the period

*Average Days lost to sickness absence 9.35 days (up from 7.45 in the previous year)

*Average cost of absence £231,376 (an increase of £53,928)

6 Disciplinary cases

1 April 2018 – 30 October 2018

Processed 20 leavers

Dealt with 47 vacancies, currently a further 8 vacancies to be advertised

25 staff appointed

Processed 129 applications

Currently dealing with 7 cases of long term sickness absence (over 4 weeks absence) in accordance with our Absence and Capability procedures

Updated statistics since November 2018

17 posts advertised since 1 November 2018

Currently we have 17 vacancies which are either 'live' or waiting to be advertised.

Processed 9 leavers 1 October 2018 – 31 December 2018

Processed 7 leavers since Christmas.

Currently processing 4 leavers

Staff turnover has increased in the third quarter from 3% to 4.29% (our annual figure for 2017/18 was 14.99% up from 10.66% in 2016/17, and is currently at 10.29% for this year as at 31 December 2018)

*figures calculated on an annual basis

Other tasks carried out by the team include daily advice on a wide range of HR matters:

- Inductions for all new starters to ensure that staff receive a professional introduction to the Council and a positive impression on their first day.
- Exit Interviews for all resignations to identify any trends and address any potential issues around staff leaving the authority

- Comprehensive File Notes on individual staffing matters to ensure that all matters are handled professionally and within legislation so that staff are treated consistently and fairly and to protect the Council from any claims
- Compilation of Performance Management data/PI's to monitor performance across the Council on a range of HR matters
- Occupational Health referrals to ensure pro-active management of absence
- Committee reports to keep members informed
- Ongoing review of policies and procedures to ensure that the Council fully complies with legislation
- DBS checks to protect the Council and customers.
- Provision of a well-structured and high quality Work Experience programme in support of local schools and build strong relationships with them. To contribute to developing life skills that can enhance career opportunities for young people in the borough when they leave school. The work experience programme has also proved effective in encouraging young people to consider Local Government as a career and we have appointed staff in the past whose first taste of work was on a work placement here.

3.4 There are also areas of work that have been given less priority due to the commitments above e.g. Equalities, development of existing HR systems, investigation into Health and Well-Being initiatives that could help reduce sickness absence, more detailed analysis of any areas for improvement highlighted in staff surveys.

3.5 I have revisited the post structure that was approved in 2015 and spent some time working with the HR team to establish the specific capacity issues in the Section, based on monitoring and analysis of tasks, processes and workloads. This has demonstrated that the HR Officer post is currently overloaded because it is carrying out a range of admin and processing functions. At the same time, the p/t HR Administrator post is also overloaded because it is assisting with a number of higher level admin tasks/functions that fall outside the remit of the post.

3.6 We have then looked at what has changed since 2015 to date:

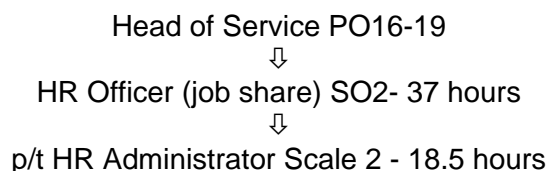
- Developing Case Law that needs to be adhered to when dealing with staffing matters.
- Ongoing changes in Employment legislation.
- Litigation culture which means we need to make sure all our actions and procedures are robust, that we give sound, professional advice and that the Council is protected.
- Customer expectations (both internally and externally) are more demanding , more regular challenge e.g. on recruitment and selection, more general HR queries that need a 'real time' response.
- Recruitment and selection process more onerous.
- We have increased our recruitment activity with much wider advertising and use of recruitment sites to address poor response rates.
- More interview testing to further enhance the rigour of our recruitment practices.

- Increase in staffing issues to pro-actively manage.
- Regular unplanned 'critical' events to deal with ie where something has happened that has to be managed/actioned immediately particularly if it is a H&S or Safeguarding issue.
- Increasing staff turnover.
- Real time deadlines.

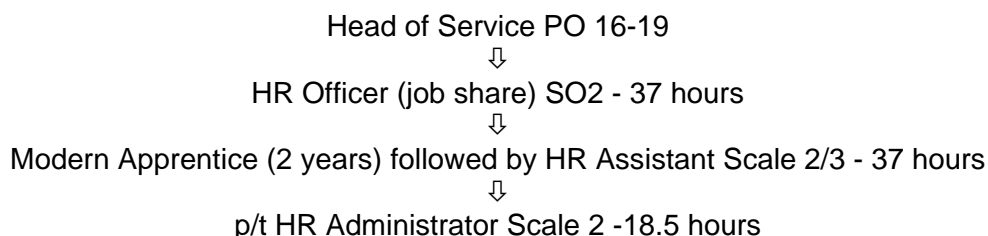
3.7 As a consequence, I believe that HR capacity/workload issues could be addressed best by increasing capacity within HR administration rather than at a technical HR Assistant level and change the previously approved role from HR Assistant to Senior HR Administrator. This would enable the HR Officers to deal with the higher level technical aspects of HR work without time being taken up with the accompanying administrative tasks. The Senior HR Administrator would then take on higher level administration tasks/functions.

3.8 The current HR structure is shown below compared with the structure agreed by this committee in October 2015 and the structure now being proposed:

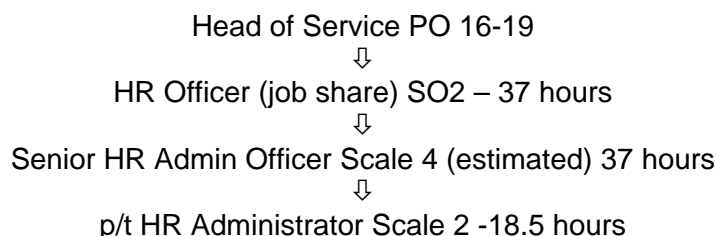
CURRENT STRUCTURE



STRUCTURE as per Committee approval 2015



PROPOSED REVISED STRUCTURE



3.8 The proposed new structure would increase capacity below the Head of Service level by 67%.

3.9 Revised job descriptions for all three HR posts are attached at Appendix A and show where duties would be amended to reflect the changes proposed above.

3.10 It is anticipated the new Senior HR Admin post will be graded at Scale 4 however this is subject to job evaluation.

3.11 CMT considered the proposed new structure at its meeting on 6 March 2019 and support the changes subject to this Committee's approval.

4 RISK ASSESSMENT

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

- **Resources** – Provision has already been made in the 2019/20 budget for a full time Apprentice of £8,420. As per the previously agreed structure this would increase ultimately to the top of scale 3 (currently £19,171 plus oncosts at 25%).
- The additional cost of the new structure if approved and subject to Job Evaluation would be:

	2019/20	ultimately
	£	£
Bottom of scale 4	19,554	21,166
Plus oncosts	4,888	5,291
	24,442	26,457
Part year 2019/20	20,369	
Current budget for this post	8,420	23,964
Therefore additional cost	£11,949	£2,493

- **Technical, Environmental and Legal** – potential for legal challenge or sanction if our policies and procedures are not up to date or if we are non-compliant.
- **Political** - No political implications identified.
- **Reputation** - The reputation of the authority as a good employer is may be affected if we are unable to deliver a professional and timely service.
- **Equality & Diversity** - No equality and diversity implications identified.

5 RECOMMENDATION

5.1 To approve the proposal to significantly increase the capacity in the HR section by creating a new full time post of Senior HR Admin Officer.

5.2 Approve the necessary changes to the Council's Establishment, subject to;

5.2 Policy and Finance committee agreeing the financial implications and budgetary provision.

MICHELLE SMITH
HEAD OF HR

JANE PEARSON
DIRECTOR OF RESOURCES

BACKGROUND PAPERS

None.

For further information please ask for Michelle Smith, extension 4402.

Ribble Valley Borough Council RESOURCES DEPARTMENT

JOB DESCRIPTION

1. **JOB TITLE:** P/T HR OFFICER (JOB SHARE)
2. **REFERENCE:**
3. **SALARY SCALE:** S02 (SCP 32-34) pro rata
4. **RESPONSIBLE TO:** HEAD OF HR
5. **JOB PURPOSE:** TO DELIVER A RESPONSIVE AND PROFESSIONAL HR SERVICE TO ALL DEPARTMENTS
6. **MAIN DUTIES:**
 - 6.1 ~~Maintaining~~ **Responsible for** HR and training records for all employees.
 - 6.2 To provide a day-to-day HR service and respond to staff, **managers, Heads of Service, CMT** and outside body queries on terms and conditions of employment and employment law. Providing professional advice as appropriate and within own discretion.
 - 6.3 Development and creation of policy documents to adhere to relevant legislation or support corporate strategies, as required.
 - 6.4 To manage recruitment (**including responsibility for recruitment advertising and the interview process**) and selection up to Senior Officer/Principal Officer level, advise on selection decisions ~~and carry out employee induction at all levels.~~
 - 6.5 **To be responsible for the proactive management of fixed term contracts and funded and casual contracts.**
 - 6.6 **To be responsible for DBS checks and verification of documents.**
 - 6.7 **To manage employees 'off payroll' under IR 35 rules.**
 - 6.8 **To be responsible for managing the leaver process including exit interviews.**
 - 6.9 Monitoring sickness absence ~~including liaison with Occupational Health~~ and production of relevant statistical analysis and creation of regular reports for CMT and Personnel Committee.
 - 6.10 **To proactively manage short and long term absence including working through the capability procedure and disciplinary procedure to include attendance and preparation of meeting plans, notes of meetings, letters etc where appropriate.**
 - 6.11 **To monitor long term conditions of disabilities potentially impacting on performance or overall capability.**
 - 6.12 **To be responsible for referrals to occupational health including referral forms, supporting documentation and follow up meetings.**
 - 6.13 ~~Supervising~~ **To be responsible for the maternity/paternity/adoption leave arrangements in conjunction with Heads of Service and managing all maternity/paternity/adoption leave.**

- 6.14 To advise on, attend and minute disciplinary meetings including preparation of evidence packs and actions following decision including managing dismissals/exits where necessary.
- 6.15 To manage unsatisfactory performance initiating formal capability procedure where appropriate.
- 6.16 To advise on appeals and assist with process.
- 6.17 To be responsible for leave/unpaid queries, deal with flexi infringements and any resulting actions.
- 6.18 To prepare reports for meetings of the Personnel Committee and ~~other committees~~ attending such meetings as required to present reports and ~~take minutes~~ (evening meetings are the norm).
- 6.19 ~~Providing careers advice whenever required~~
- 6.20 ~~Early retirement and counselling wherever necessary/required.~~
- 6.21 Overall responsibility for maintenance and development of the computerised HR/Payroll system, including report writing and production of management information.
- 6.22 Responsible for liaison between the pension scheme providers and payroll section regarding pensions and how it affects staff.
- 6.23 To liaise with the Health and Safety Advisor on any workplace adjustments required arising from absences, injuries, capability issues.
- 6.24 To assist with the implementation and monitoring of corporate risk management within the authority including attendance at meetings and assisting with risk management audits where appropriate.
- 6.25 To manage qualification training requests and those associated with career graded/scale barred posts.
- 6.26 To be responsible for any GDPR actions as required.
- 7. To be responsible for ensuring the data quality of all information related to the duties of the post.
- 8. To adhere to the Council's policies including equal opportunities and health and safety.
- 9. Such other duties of a similar responsibility level as may be allocated to the post from time to time.

NB. In order to ensure that Job Descriptions are kept up to date, all employees are required to review their roles regularly through the staff performance appraisal scheme. Staff are required therefore to take a reasonable and flexible approach to changes arising from the challenges facing the Council.

Signed (Postholder): _____ Dated: _____

Signed (Head of Service): _____ Dated: _____

**Ribble Valley Borough Council
RESOURCES DEPARTMENT**

JOB DESCRIPTION

1. **JOB TITLE:** SENIOR HR ADMINISTRATOR
2. **REFERENCE:** RESOURCES DEPARTMENT
3. **SALARY SCALE:** TO BE CONFIRMED
4. **RESPONSIBLE TO:** HEAD OF HR
5. **JOB PURPOSE:** TO BE RESPONSIBLE FOR A FULL ADMINISTRATION SERVICE TO THE HR FUNCTION, ACROSS A RANGE OF DISCIPLINES AND ACTIVITIES AND ALLOCATION OF TASKS TO THE P/T HR ADMINISTRATOR
6. **MAIN DUTIES:**
 - 6.1 To oversee the maintenance of computerised and paper based record systems for all members of staff.
 - 6.2 To produce reports using the Frontier CHRIS Human Resources payroll/HR system, including statistical monitoring for reports to Personnel Committee, and statistical returns for Central Government.
 - 6.3 To prepare quarterly Local HR Performance Indicators for reporting to CMT and Personnel Committee.
 - 6.4 To research and collate data for Freedom of Information requests and prepare draft responses.
 - 6.5 To be responsible for all North West Employer's Organisation (NWEO) Basecamp activity including: initiating requests, collating responses and producing report for Head of HR on findings; researching and responding to requests from other authorities.
 - 6.6 To be responsible for input and analysis of salary data on NWEO's E-Paycheck system.
 - 6.7 To provide a comprehensive recruitment administration service including:
 - creating job adverts within tight deadlines;
 - liaison with media regarding costings, and deadlines, eg papers or online and arranging for purchase orders to be raised where required
 - responsible for content of job packs and arranging/overseeing issuing of packs to applicants;
 - responsibility for vacancy distribution to various internal/external organisations and to prescribed deadlines;
 - arranging interviews, booking rooms and preparing interview questions
 - preparing interview tests where required, managing test administration on the day of interview
 - responsible for administration of the whole recruitment system from origination of advert to application.
 - responsible for interview letters, regrets and reference letters.
 - deal with enquiries from prospective candidates and recruitment sites

- 6.8 To be responsible for the vacancy section of the Council's website and all other online media.
- 6.9 To be responsible for employee induction for all new starters including casuals and work experience placements.
- 6.10 To be responsible for content of appraisal packs.
- 6.11 To monitor DBS database and rechecks and new starters to ensure all staff have current disclosure.
- 6.12 To be responsible for monitoring and administering probationary periods for all new starters in line with legislative requirements and chasing up all outstanding documentation.
- 6.13 To process all leavers eg calculation of leave, arranging exit interviews and circulation of exit information.
- 6.14 To oversee maintenance of a computerised database of training records for all staff.
- 6.15 To provide administrative support for all aspects of training and development, eg administration of requests to attend training courses and checking relevant authorisations, co-ordination of events, organisation of events on the day, distribution of joining instructions, and records of attendees. Creation of evaluation processes and analysis of data for reporting to Head of HR.
- 6.16 To be responsible for the work experience scheme and school liaison e.g mock interviews/careers events/school and community projects.
- 6.17 To be responsible for update and monitoring of HR pages on Intranet.
- 6.18 To be responsible for the annual return of Register of Officer Interest forms to achieve 100% return.
- 6.19 To be responsible for the annual return of Equality Monitoring forms, to achieve 100% return.
- 6.20 To be responsible for confidential archiving.
- 6.21 To be responsible for filing of all letters, correspondence and documents for the HR Section, requiring high levels of confidentiality and discretion including checking return of signed documents and chasing outstanding documentation.
- 6.22 To be responsible for the annual pension surgery and annual employer visits.
- 6.23 To assist with managing absence procedures and absence policy.
- 6.24 To be responsible for coordinating updates to Who's Who, the People Directory and Backchat.
- 6.25 To be responsible for the Eye Test policy – deal with requests, address any queries from staff, liaison with opticians and creation of annual report to CMT.
- 6.26 To assist with any GDPR responsibilities/actions.
- 6.27 To be responsible for first aid training for the Council, monitoring of first Aid certificates to ensure all qualified staff retain their certificate in line with set time frames and arrange appropriate training prior to expiry of certificate. Book training for relevant staff.

7. To be responsible for ensuring the data quality of all information related to the duties of the post.
8. To adhere to the Council's policies including equal opportunities and health and safety.
9. Such other duties of a similar responsibility level as may be allocated to the post from time to time.

NB. In order to ensure that Job Descriptions are kept up to date, all employees are required to review their roles regularly through the staff performance appraisal scheme. Staff are required therefore to take a reasonable and flexible approach to changes arising from the challenges facing the Council.

Signature of Postholder: _____ Date: _____

Signature of Head of Service: _____ Date: _____

**Ribble Valley Borough Council
RESOURCES DEPARTMENT**

JOB DESCRIPTION

1. **JOB TITLE:** PART-TIME HR ADMINISTRATOR
(18.5hrs per week)
2. **REFERENCE:** RESOURCES DEPARTMENT
3. **SALARY SCALE:** SCALE 2 (SCP RANGE 10-13) PRO RATA
4. **RESPONSIBLE TO:** HEAD OF HR
5. **JOB PURPOSE:** TO PROVIDE A FULL ADMINISTRATION SERVICE TO THE HR FUNCTION, INCLUDING TRAINING AND DEVELOPMENT AND HEALTH AND SAFETY.
6. **MAIN DUTIES:**
 - 6.1 Maintain computerised and paper based record systems for all members of staff.
 - 6.2 ~~Interrogate and produce reports using the Frontier CHRIS Human Resources payroll/HR system, including statistical monitoring for reports to Personnel Committee, and statistical returns for Central Government.~~
 - 6.3 Assist with the provision of a comprehensive recruitment administration service including:
 - ~~creating advertisements and liaison with advertising agency on design, layout and costings, all within tight deadlines;~~
 - **processing advertisements all within tight deadlines**
 - preparing job packs and sending to applicants ;
 - ensure vacancies are distributed electronically or manually to various internal/external organisations and to prescribed deadlines;
 - arranging interviews **and booking rooms and preparation of interview rooms;**
 - tracking and monitoring of the whole recruitment system from origination of advert to interview.
 - **responsibility for monitoring and auctioning HR email address**
 - 6.4 To assist with the maintenance and updating of the vacancy section of the Council's website **and all other online media e.g recruitment websites.**
 - 6.5 **To prepare, collate and maintain supplies of appraisal packs**
 - 6.6 ~~Monitor and administer~~ **To assist with the administration of** probationary periods for all new starters, and in line with legislative requirements.
 - 6.7 To assist with the maintenance of the **computerised** database of training records for all staff.
 - 6.8 To ~~provide~~ **assist with** administrative support for all aspects of training and development.
 - 6.9 Assist HR Officer the **Senior HR Administrator** with ~~co-ordination and facilitation of Modern Apprenticeship scheme and Work Experience Placements.~~
 - 6.10 Responsible for development/update and monitoring of HR pages on intranet.
 - 6.11 Check weekly approvals/actions from CMT meetings and forward any actions to

relevant person within the section.

- 6.12 Filing of all letters, correspondence and documents for the HR Section, requiring high levels of confidentiality and discretion.
 - 6.13 Provide general clerical support to the department as required.
 - 6.14 Preparation of notes and circulation of actions from HR team meetings.
 - 6.15 To assist with archiving and scanning of leaver files.
 - 6.16 ~~Prepare quarterly Local HR Performance Indicators.~~
 - 6.17 ~~Responsible for monitoring and updating~~ Collating of Register of Officer Interest forms for the Council.
 - 6.18 ~~Co-ordinate~~ Assist with First Aid training for the Council.
 - 6.19 Collation of accident forms, updating accident reporting spreadsheet and filing of all forms.
 - 6.20 To assist with administration of Eyesight Test Policy.
 - 6.21 To assist with annual return of Equality Monitoring forms.
 - 6.22 Assisting with set up for Pension surgeries and other events e.g in-house training
 - 6.23 Assist with GDPR responsibilities/actions
- 7. To be responsible for ensuring the data quality of all information related to the duties of the post.
 - 8. To adhere to the Council's policies including equal opportunities and health and safety.
 - 9. Such other duties of a similar responsibility level as may be allocated to the post from time to time.

NB. In order to ensure that Job Descriptions are kept up to date, all employees are required to review their roles regularly through the staff performance appraisal scheme. Staff are required therefore to take a reasonable and flexible approach to changes arising from the challenges facing the Council.

Signature of Postholder: _____ Date: _____

Signature of Head of Service: _____ Date: _____

REF: MS/CMS/PERSONNEL/200319

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No. 11

meeting date: 2 APRIL 2019
title: DRAFT CYCLE OF COMMITTEE MEETINGS 2019/20
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 2019/20.

1.2 Relevance to the Council's ambitions and priorities:

One of the Council's stated aims 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 draft meeting cycle is drawn up at this time of year for the forthcoming municipal year ie 2019/20

2.2 It is subject to final approval at the Annual meeting on 14 May 2019.

2.3 Some meeting dates 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 for 2018/19. All the committees are the same and the order in which the meetings are held largely remain the same also.

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

- Meeting dates being arranged around the Easter holidays
- Meeting dates avoiding the LGA conference and half term holidays
- the 'summer' cycle being condensed as far as possible to avoid July/August;

3.3 All meetings commence at 6.30pm with the exception of the first cycle of meetings where it is proposed the meetings should start at 6.00pm to accommodate a committee information briefing – particularly for new members on the committee– at the start of each meeting.

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 2019/20.
- 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 14 May 2019.

ADMINISTRATION OFFICER

CHIEF EXECUTIVE

BACKGROUND PAPERS

Meeting Cycle 2018/19

For further information please ask for Olwen Heap, extension 4408

REF: OMH/P&F020419

Ribble Valley Borough Council
Meeting Cycle 2019/20
(14 May 2019 – 12 May 2020)

MEETINGS	Day	TIME	1 ST CYCLE 2019	2 ND CYCLE 2019	3 RD CYCLE 2019	4 TH CYCLE 2020	5 TH CYCLE 2020
Community Services	Tues	6.30pm	28 May	3 Sept	29 Oct	7 Jan	10 March
Planning and Development	Thurs	6.30pm	23 May	5 Sept	31 Oct	9 Jan	12 March
Personnel	Wed	6.30pm	12 June	18 Sept	6 Nov	15 Jan	18 March
Health & Housing	Thurs	6.30pm	6 June	12 Sept	7 Nov	16 Jan	19 March
Licensing	Tues	6.30pm	4 June	10 Sept	12 Nov	28 Jan	24 March
Economic Development	Thurs	6.30pm	13 June	19 Sept	14 Nov	23 Jan	26 March
Policy & Finance	Tues	6.30pm	18 June	24 Sept	19 Nov	21 Jan + 4 Feb	31 March
Parish Liaison	Thurs	6.30pm	20 June	26 Sept	21 Nov	30 Jan	2 April
Planning & Development	Thurs	6.30pm	27 June + 1 August	3 Oct	28 Nov	6 Feb	9 April
Accounts & Audit	Wed	6.30pm	24 July		27 Nov	12 Feb	8 April
Full Council	Tues	6.30pm	9 July	15 Oct	17 Dec	3 March	28 April

2019

Offices Closed

Spring Bank : 27 May 2019
August Bank : 26 August 2019
Christmas : 25 - 31 December 2019

Annual Council : 14 May 2019

2020

Offices Closed

New Year : 1 January 2020
Good Friday : 10 April 2020
Easter Monday : 13 April 2020
May Day : 4 May 2020

Annual Council : 12 May 2020

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.12

meeting date: TUESDAY, 2 APRIL 2019
title: ANNUAL REVIEW OF STANDING ORDERS (PART 4 OF THE COUNCIL'S CONSTITUTION)
submitted by: CHIEF EXECUTIVE
principal author: SOLICITOR

1 PURPOSE

- 1.1 To revise the Council's Standing Orders (Part 4 of the Council's Constitution) to ensure clarity.
- 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.
 - Other considerations – It is important that our constitution is kept up-to-date.

2 BACKGROUND

- 2.1 Section 37 of the Local Government Act 2000 provides that every Local Authority is required to prepare and keep up to date a constitution containing amongst other things a copy of its Standing Orders.
- 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.
- 2.3 The Council's Head of Legal and Democratic Services, in her role as Monitoring Officer undertakes a review of the Council's Standing Orders each year. Standing Orders 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 in March 2018.
- 3.2 Following the review, just one area has been identified as requiring a change to the drafting to ensure clarity of meaning and completeness. This relates to Standing Order 26.26 where 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.
- 3.3 To bring Standing Order 26.26 in line with the Council's practice as at Standing Order 13.11 relating to members speaking at Council, there needs to be a time limit

imposed of not more than 5 minutes, except with the consent of the committee or sub-committee.

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 change and supports it.

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 change as outlined in 3.3 of the report.

6.2 Refer the suggested change to the Council with a recommendation for their approval.

STEPHEN BARKER
SOLICITOR

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

Constitutional documents which are set out on the Council's website.

For further information please ask for Stephen Barker on extension 3216.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 13

meeting date: 2 APRIL 2019
title: INDEPENDENT PANEL REPORT ON REVIEW OF MEMBERS' ALLOWANCES SCHEME
submitted by: DIRECTOR OF RESOURCES
principal author: MICHELLE HAWORTH – PRINCIPAL POLICY AND PERFORMANCE OFFICER

1 PURPOSE

- 1.1 To consider the report of the independent remuneration panel on members' allowances following their review of the current scheme.
- 1.2 To make recommendations regarding the new scheme to Full Council on 30 April 2019.

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 The Council is required to agree and publicise its members' allowance scheme each year and have an independent review at least every 4 years. A panel was established in December 2018 with a view to completing their review for the 2019/20 municipal year.
- 2.3 The Council, in revising the existing scheme, must have regard to the recommendations made by the panel. Final recommendations on the future scheme will be approved by Full Council in April.

3 OUTCOME OF REVIEW OF MEMBERS' ALLOWANCES SCHEME

- 3.1 The independent panel have met a number of times and also interviewed the three councillors who are group leaders, Councillors Atkinson, Knox and Hill as part of their review.
- 3.2 In summary the panel recommends no major changes to the scheme - no changes to the level of the Annual Basic Allowance and no changes to the majority of the Special Responsibility Allowances. However, the panel recommends the removal of Special Responsibility Payments made to the Vice Chairmen of Committees and instead propose a payment of £100 to be paid as a one off for each meeting chaired due to the absence of the Chairman for the entire meeting.
- 3.3 The panel recommends minor changes to the payment of Travel and Subsistence allowances. For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.
- 3.4 The full report of the panel is attached at Annex 1 which sets out their findings and full recommendations.
- 3.5 This Committee needs to consider the independent panel's report and decide whether to accept the recommendations of the panel and/or make any further

recommendations for Full Council to consider at the meeting on 30 April 2019 when the new Members' Allowances scheme will be agreed for the new municipal year.

4 PUBLICITY

- 4.1 As soon as reasonably practicable after receiving the Independent Remuneration Panel's report the Council must make it available for public inspection. A notice must be publicised in the local press describing the main features of the panel's recommendations and specifying the amounts of each allowance. The notice must also state that copies of the Panel's report are available for public inspection.
- 4.2 Once the Council has approved the Scheme for Members' Allowances it must make arrangements for its publication by:-
- ensuring that copies of the scheme are available for public inspection; and
 - publishing a notice in the local press describing the main features of the scheme and specifying the amounts payable in respect of each allowance mentioned in the scheme.
- 4.3 There should be an indication of any differences from the recommendations in the report of the Independent Remuneration Panel.
- 4.4 The Council is also required to publish the amount of allowances paid to each Member as soon as practicable at the end of each financial year.

5 COST OF SCHEME

- 5.1 The Council's full year budget for 2019/20 for members' allowances is £225,350. The recommendations of the Independent Panel would result in a saving of £3,641.75 pa due to the removal of the vice chairman's allowances.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Considers the attached report of the Independent Remuneration Panel on Members' Allowances.
- 6.2 Decides upon a revised Scheme for Members' Allowances to recommend to Full Council on 30 April 2019.
- 6.3 Thank the Independent Remuneration Panel for their work in formulating proposals for a revised scheme.

Michelle Haworth
PRINCIPAL POLICY AND
PERFORMANCE OFFICER

Jane Pearson
DIRECTOR OF RESOURCES

PF17-19/MH/AC
21 March 2019

For further information please ask for Michelle Haworth

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
ON MEMBERS ALLOWANCES**

APRIL 2019

THE INDEPENDENT REMUNERATION PANEL

DAVID MORRIS – Retired Chief Executive – Ribble Valley Borough Council

IAN LLOYD – Retired Senior Partner – Mortimers Estate Agents, Clitheroe

KEITH POWER – Director - North West Employers

REV ANDY FROUD – Vicar – St Mary Magdalene's Church, Clitheroe

Officers:

- Marshal Scott, Chief Executive
- Jane Pearson, Director of Resources
- Diane Rice, Legal Services Manager
- Michelle Haworth, Principal Policy and Performance Officer

1 PURPOSE OF THE INDEPENDENT PANEL

1.1 The Independent Panel was established under the Local Authorities (Members Allowances) (England) Regulations 2003 to formulate and recommend to the Council a revised scheme of allowances for elected members that would reflect their duties and responsibilities under the Council's Constitution.

2 TERMS OF REFERENCE

2.1 To review the existing scheme and propose a scheme for members allowances which:

- recognises the roles, duties and responsibilities of members both as decision makers and community representatives under the Council's Constitution;
- is easy to understand by councillors and the public;
- is simple to operate;
- includes provision for annual review without the need for fundamental change;
- considers what other allowances, such as travel and subsistence, should be paid, and in what circumstances, and whether a dependents carers allowance should be paid; and
- considers provision for different levels of allowances reflecting the responsibilities of the post holder or group of post holders and standing according to the political composition of the Council.

2.2 The Independent Panel is also asked to make other recommendations as it considers necessary.

3 PRESENT MEMBERS ALLOWANCE SCHEME

3.1 The Council's present members allowance scheme was approved by the Council in April 2015. In reaching its decision members took account of the report of an

Independent Panel that had been established. Allowances have been updated under the agreed formulae on an annual basis.

3.2 The existing scheme of Members Allowances (2018/2019) is shown below:

- A Basic Allowance for all members of £3,643 per year
- The Special Responsibility Allowances to be:-
 - Leader – 4 x basic allowance £14,572 pa
 - Deputy Leader – 2.5 x basic allowance £9,107.50 pa
 - Leader of the Opposition – 2 x basic allowance £7,286 pa
 - Committee Chairman – 1.5 x basic allowance £5,464.50 pa
 - Planning & Development Committee Chairman 2 x basic allowance £7,286pa
 - Committee Vice Chairman – £520.25 pa
- Dependent Carers Allowance – National Living Wage per hour
- No member to be entitled to more than one special responsibility allowance.
- Travel & subsistence to be paid in accordance with Schedule 'B':
 - Not exceeding 999c – 46.9p per mile
 - 1000cc and above – 52.2p per mile.
- These allowances are updated annually in line with any increase based upon the National Salary increases of Local Government Staff.

4 THE EVIDENCE CONSIDERED

4.1 The panel met on three occasions and considered the legal background to the payment of members' allowances, the terms of reference, political composition of the Council, the present committee arrangements, attendance at committee meetings, attendance at outside bodies, total costs of expenses and allowances, and the current members allowance scheme.

4.2 The Annual Basic Allowance is increased each year in line with the National Salary increases of Local Government Staff. Since May 2015 to April 2019 the Annual Basic Allowance will have increased by 6%.

OTHER LOCAL AUTHORITIES

4.3 The Panel obtained current details of members allowance schemes from 6 other comparable local authorities and the 11 other Lancashire District local authorities.

INTERVIEWS WITH COUNCILLORS

4.4 The Panel interviewed the three councillors who are group leaders, Councillors Atkinson, Knox and Hill. Each councillor was asked the same set of questions:

- Do you feel that there have been any changes in the last four years which the panel should consider whilst conducting this review?
- Do you think that the panel should consider the payment of special responsibility allowances to the Leader of the Opposition or to all group leaders?
- Currently, with the exception of Planning, all chairmen receive the same allowance. Do you feel some committee chairmen carry more responsibility than others, and should this be recognised in the allowance scheme?

4.5 The responses were noted and subsequently discussed by the Panel. See paragraph 5.16.

5 CONCLUSIONS

5.1 The Panel have reached the following conclusions:

5.2 There have been no substantial changes to the responsibilities of members since the last review in 2015. However, there has been the addition of the Economic Development Committee.

5.3 The current Annual Basic Allowance is a little lower when compared to similar local authorities and Lancashire District Local Authorities.

5.4 Only 1 of the 6 similar local authorities and only 3 of the 11 Lancashire District Local Authorities pay a lower Annual Basic Allowance than this Council.

5.5 However, some of this Council's Special Responsibility Allowances are significantly higher when compared with similar local authorities and the Lancashire District Local Authorities.

5.6 Special Responsibility Allowances Comparisons are as follows:

Similar Local Authorities (x6)

- Leader - only one pays more than this Council
- Deputy Leader – only one pays more than this Council
- Leader of the Opposition - none pay more than this Council. Three authorities pay all group leaders (amount dependent on how many are in the group)
- Committee Chairman – none pay more than this Council
- Committee Vice-Chairman - one pays more than this Council
- Chairman of Planning Committee – none pay more than this Council (all meet on at least 12 occasions throughout the year – more frequently than other committees)

Lancashire District Councils (x11)

- Leader - only two pay more than this Council
- Deputy Leader - only two pay more than this Council and two make no payments
- Leader of the Opposition - none pay more than this Council. Nine authorities pay all group leaders (amount dependent on how many are in the group)
- Committee Chairman - none pay more than this Council
- Committee Vice-Chairman - seven pay more than this Council but not to all vice chairmen, two only make payments when chairing, and two make no payments
- Chairman of Planning Committee – none pay more than this Council (all meet on at least 10 occasions throughout the year – more frequently than other committees)

5.7 The higher amount of Special Responsibility Allowance for the Chairman of the Planning and Development Committee compared to other service committee chairmen is justified. This committee meets eleven times per year and deals with a large number of complex issues, numerous technical matters and considerable public interest as well as “pressure” from applicants and objectors.

5.8 The current calculation of Special Responsibility Allowances is achieved by multiplying the Annual Basic Allowance by a prescribed multiplier. This is easy to

understand, is simple to operate and rewards those Councillors who have particular responsibilities.

- 5.9 At present 17 councillors receive a Special Responsibility Allowance.
- 5.10 The Full Council meets six times a year. Annually there are eleven Planning and Development Committee meetings and six Policy and Finance Committee meetings. The Community Services Committee, Personnel Committee, Health and Housing Committee, Economic Development Committee, Licensing Committee and Parish Council Liaison Committee all meet five times in a year. The Accounts and Audit Committee meets four times in a year.
- 5.11 There are a total of 57 meetings in a year. During 2017/2018 the attendance at meetings by councillors averaged 84.2%, with four councillors having 100% attendance and ten councillors having less than 75% attendance.
- 5.12 During 2017/18 and 2018/19 to date the Chairmen of the various committees have only been absent on eight occasions.
- 5.13 35 councillors are members of Outside Bodies. The membership of Outside Bodies is considered to be part of the councillor's role as community representatives.
- 5.14 The current Travel and Subsistence Allowances are the same as the allowances paid to Council Officers.
- 5.15 The current seats on the Council by Political Parties are:-
- Conservatives - 30
 - Liberal Democrats - 4
 - Independent Conservatives - 4
 - Labour - 1
 - Vacant seat - 1

The Conservative Party has a substantial majority.

- 5.16 Considerations from interviews with group leaders
- Planning Committee meets more often than other committees and this should be reflected in the Special Responsibility Allowances.
 - Leader of the Opposition - the Panel felt that the allowance is justified considering the workload and this should be properly recompensed. The Leader of the Opposition performs an important scrutiny role, 'the conscience of the Council'. The Panel also considered the payment of a special responsibility allowance to all group leaders, not just the leader of the main opposition group. The justification for paying a Special Responsibility Allowance to other group leaders was considered weak.
 - The Panel considered the workloads of the different committees and considered the payment of different levels to different committees. For example there was the feeling that Accounts and Audit Committee now has an increased level of responsibility. However, the Panel decided not to recommend any changes at present.
 - The Panel considered recommending reducing the Leader's allowance and the Deputy Leader's allowance and increasing the basic allowance but decided not to recommend any changes.

- The role of a vice chairman is very dependent on the person and their level of engagement. It was noted vice chairmen rarely have to chair committee meetings.

6 UNANIMOUS RECOMMENDATIONS OF THE PANEL

Annual Basic Allowance

- 6.1 The Panel recommends no change to the level of the Annual Basic Allowance, payable to all councillors, presently £3,643. This to be increased annually in accordance with the National Salary Increases of Local Government Staff.

Special Responsibility Allowances

- 6.2 The Panel recommends the following Special Responsibility Allowances based upon an appropriate multiplier of the Annual Basic Allowance as detailed in the following table:

RESPONSIBILITY	CURRENT		RECOMMENDED	
	Multiplier	Annual Amount	Multiplier	Annual Amount
Leader	X 4	14,572	X 4	14,572
Deputy Leader	X 2.5	9,107.50	X 2.5	9,107.50
Leader of the Main Opposition Group	X 2	7,286	X 2	7,286
Chairman of Planning and Development Committee	X 2	7,286	X 2	7,286
Chairman of Community Services Committee, Health and Housing Committee, Economic Development Committee, Personnel Committee, Licensing Committee, and Accounts and Audit Committee	X 1.5	5,464.50	X 1.5	5,464.50
Vice Chairmen	N/A	520.25	100 only applicable when chairing the meeting due to the absence of the Chairman for the entire meeting	One off payment for each meeting chaired

Comments on the above

- 6.3 As far as group leaders are concerned the Panel recommends that Special Responsibility Payments are made to the leader of the majority group, the deputy leader of the majority group and to the leader of the main opposition group only.
- 6.4 The Panel recommends the removal of Special Responsibility Payments made to the Vice Chairmen of Committees. A payment of £100 to be paid as a one off for each meeting chaired due to the absence of the Chairman for the entire meeting. This

recommendation is consistent with the previous recommendation made by the Panel in 2015.

- 6.5 The Panel recommends that no Councillor is entitled to more than one Special Responsibility Allowance.
- 6.6 The Panel recommends that the Majority Group Leader is also Chairman of the Policy and Finance Committee and the Deputy Majority Group Leader is also the Vice Chairman of the Policy and Finance Committee.

Dependents Carers Allowance

- 6.7 The Panel recommends no changes to the payment of the National Minimum Wage per hour for the cost of arranging for the care of children, elderly relatives or disabled relatives requiring full-time care whilst Councillors are conducting their approved duties.

Travel and Subsistence Allowance

- 6.8 The Panel recommends minor changes to the payment of Travel and Subsistence allowances (which is attached as an Annex 2).
- 6.9 For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.

Suspension of a Councillor

- 6.10 The Panel recommends no changes in that payment of any allowances should be withheld by the Council where a councillor is suspended or partially suspended from his/her responsibilities or duties as a member of the Council.

Other Recommendations

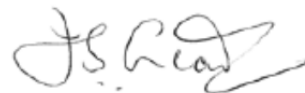
- 6.11 The Panel recommends that:
- The Annual Basic Allowance and the Special Responsibility Allowances continue to be paid in 12 equal, monthly instalments.
 - The Panel considers that the details of “approved duties”, which are eligible for travel and subsistence allowances, should be provided to all councillors.

7 COST OF THE RECOMMENDED MEMBERS ALLOWANCES SCHEME

- 7.1 There are no changes recommended to the Annual Basic Allowance therefore costs of the Basic Allowance is unchanged.
- 7.2 The changes to the Annual Special Responsibility Allowances recommended would result in a saving of £3,641.75 pa.



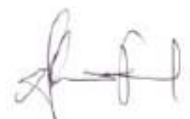
David Morris



Ian Lloyd



Keith Power



Rev Andy Froud

**RIBBLE VALLEY BOROUGH COUNCIL
MEMBERS' ALLOWANCES SCHEME**

SCHEDULE 'B' – TRAVELLING AND SUBSISTENCE ALLOWANCES

TRAVEL COSTS

(a) Car Mileage

The rate for travel by a councillor in a private vehicle shall not exceed:

Cylinder capacity	Rate per mile
Not exceeding 999c	46.9p
1000cc and above	52.2p

The above rates will be revised in accordance with the rates determined by the National Joint Council for Local Authorities, or otherwise in accordance with locally agreed rates applicable to Ribble Valley employees.

Travel within a 50 mile radius of BB7 2RA

Reimbursement at the Car Mileage Rate.

Alternatively Public Transport can be booked ideally through the Council's Procurement Assistant.

Travel outside a 50 mile radius of BB7 2RA

For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.

(b) Public Transport

Where public transport is used, costs will be reimbursed on the production of the relevant receipts.

(c) Car Sharing

Where a councillor brings another councillor or councillors to approved duties he/she shall be entitled to a passenger allowance of 5p per mile for each passenger.

(d) Bicycles

When a councillor uses a bicycle the rate shall not exceed 20p per mile. This rate shall be revised in accordance with the maximum allowance for income tax purposes as determined by HMRC.

(e) Other Travel Expenses

Expenditure incurred on tolls, ferries or car parking fees, may be claimed on production of receipts.

SUBSISTENCE

Overnight Accommodation

Where the nature of the duties being undertaken result in a councillor being absent from his/her usual place of residence overnight accommodation will be booked and paid directly by the borough council.

In exceptional circumstances where it is not possible for the borough council to make a direct booking on behalf of a councillor, the actual receipted cost of accommodation including breakfast will be reimbursed to the councillor. Such reimbursement will be subject to a maximum allowance per night as follows:

Area	
London	£162.48
Elsewhere in the UK	£138.07

These maximum allowances are reviewed each April using the retail price index.

DAY SUBSISTENCE

For an absence of more than 4 hours from the normal place of residence, councillors may claim reimbursement in respect of actual receipted expenditure incurred on subsistence subject to the following maximum allowances:

Period	
For a period greater than four hours but less than eight hours	£24.35
For a period greater than eight hours but less than twelve hours	£40.60
For a period greater than twelve hours	£56.85

These maximum allowances are reviewed each April using the retail price index.

WHEN TRAVEL AND SUBSISTENCE CAN BE CLAIMED

Appropriate travel and subsistence allowances may be claimed in accordance with the above details where such travelling and/or subsistence has been undertaken in connection **with one or more of the following duties**:

- (a) The attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority or a Committee or Sub-Committee of the Authority or a joint Committee of the Authority and one or more local authorities within the meaning of section 270(1) of the Local Government Act 1972 or a Sub-Committee or such a joint committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.

Examples of instances when Councillors can claim travel and subsistence

Claimable	Not Claimable
Committee meetings	Political Group meetings
Full Council meetings	Constituency work/visits
Sub Committee meetings	Adhoc visits to council offices
Authorised Working Group meetings eg Budget Working Group	Car Parking fees for visits to/meetings at council offices
Chairman's briefings	
Political Group meetings with CMT	
Approved site visits	
Approved training	
Approved attendance at conferences	
Attendance at outside bodies as a nominated representative of the council	

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: 2 APRIL 2019
title: RETURNING OFFICERS' SCALE OF FEES 2019/20 – 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 2 May 2019 and any other local elections or referenda that might arise in 2019/20.

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.

4 RETURNING OFFICERS SCALE OF FEES 2019/20

4.1 The recommended Scale of Fees for 2019/20 are set out below:-

Returning Officer

For Borough Elections the fee to be as follows:-

	£
Per contested ward	198.70
Per uncontested ward	99.35

For Parish Elections the fee to be as follows:-

	£
Per contested ward	99.35
Per uncontested ward	49.68

Deputy Returning Officer

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

Presiding Officers

	£
Borough Elections	212.00
Parish Elections	212.00
Combined [20% uplift]	255.00

Poll Clerks

	£
Borough Elections	128.00
Parish Elections	128.00
Combined [20% uplift]	153.00

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 £85.00 per 100 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 Fees

An overall allowance for the Count and General Clerical Duties of £114.15 per ward per 1,000 elections or part thereof for both Borough and Parish Elections.

Where an election is uncontested the fee will be £39.90 per ward.

The Council 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 2 May 2019 is £120,000. The actual cost of the Elections will ultimately depend on the number of contested seats.

5.2 Technical, Environment 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 2019/20 Borough and Parish Elections as set out in Section 4 of this report.

CHIEF EXECUTIVE

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 15

meeting date: 2 APRIL 2019
 title: CAPITAL PROGRAMME 2019/20
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

- 1.1 To inform members of the schemes which have been approved for inclusion in this Committee's 2019/20 capital programme.

2 BACKGROUND

- 2.1 As members will be aware, this Committee proposed a five year capital programme for 2019/20 to 2023/24 at its meeting on 20 November 2018. As it stood at that time the draft capital programme across all the committees was unaffordable. The proposals have since been reviewed by Budget Working Group and Corporate Management Team in order to arrive at an affordable programme for 2019/20 to 2023/24.
- 2.2 Following recommendation by Special Policy and Finance Committee on 5 February 2019, Full Council approved the five year capital programme for 2019/20 to 2023/24 on 5 March 2019.
- 2.3 The Council's overall capital programme for the five year period 2019/20 to 2023/24 totals £8,123,530 for all committees. The total for this Committee is £672,950 over the five year life of the programme. £196,250 of this relates to the 2019/20 financial year.

3 CAPITAL PROGRAMME 2019/20 – APPROVED SCHEMES

- 3.1 For this Committee there are five approved schemes in the 2019/20 capital programme, totalling £196,250. These are shown in the table below.

Scheme	Budget for 2019/20 £
Re-design of the Corporate Website	30,000
Corporate Firewall	15,000
Committee Administration IT System	20,100
Replacement PCs	47,100
<i><u>Budget moved from 2018/19</u></i>	
Lift Replacement at Council Offices	84,050
Total – Policy and Finance Committee	196,250

- 3.2 The detailed information for each scheme is shown in **Annex 1**.

3.3 The 2019/20 approved capital programme includes the following changes to the proposals seen by this Committee at its meeting in November 2018:

- The Committee Administration IT System scheme has been brought forward from 2023/24 to 2019/20 to allow web-based access, storage and management of Council documents for members and officers as soon as possible. Bringing forward the scheme has reduced the budgeted cost from £21,700 to £20,100.
- The Replacement PCs scheme has been brought forward from 2023/24 to 2019/20 to ensure all the Council's PCs are enabled to use Windows 10 from 2020 onwards. Bringing forward the scheme has reduced the budgeted cost from £51,000 to £47,100.
- £84,050 of budget on the Lift Replacement at Council Offices scheme was approved to be moved from the 2018/19 capital programme to the 2019/20 capital programme when the 2018/19 revised estimate capital budget was set by this Committee on 22 January 2019. The budget moved into 2019/20 is for the main contract work on the lift, which is now expected to begin in summer 2019.

3.4 During the closure of our capital accounts there may be some slippage on schemes in the current year, 2018/19. One of the tasks of the Budget Working Group will be to review any requests for slippage on capital schemes within the 2018/19 capital programme. A report will be brought to this Committee at a future meeting, giving details of any slippage.

3.5 Responsible officers will complete and update capital monitoring sheets for each scheme, which will be reported regularly to members to give an indication of progress.

4 CONCLUSION

4.1 This Committee has a capital programme for 2019/20 of five schemes, totalling £196,250.

4.2 Any slippage on schemes in the 2018/19 capital programme will be added onto the 2019/20 capital programme.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF14-19/AC/AC
15 March 2019

For further background information please ask for Andrew Cook.
BACKGROUND PAPERS – None

Re-design of the Corporate Website

Service Area: ICT

Submitted by: Lawson Oddie

Brief Description of the Scheme:

The last major re-design of the corporate website took place in 2014, by 2019/20 the current site will be 5 years old and website styling, best practice and functionality will have moved on greatly since 2014.

The current site will be showing its age, and be less engaging to members of the public.

Revenue Implications:

None above the existing budgeted revenue charges.

Timescale for Completion:

5 months based on the previous re-design.

Any Risks to Completion:

Staff absence, limited experienced resources, supplier going out of business.

Capital Cost:

2019/20 £
30,000

Corporate Firewall

Service Area: ICT

Submitted by: Lawson Oddie

Brief Description of the Scheme:

The current corporate firewall was replaced in 2014. New security threats from the internet are emerging at a rapid rate and technology must keep pace. In order to protect RVBC from cyber threats we will need to enhance our firewall/internet gateway.

Revenue Implications:

None above the existing budgeted revenue charges.

Timescale for Completion:

2-3 months depending on hardware availability.

Any Risks to Completion:

Staff absence, limited experienced resources, supplier going out of business, fluctuation of the pound against the dollar, hardware availability.

Capital Cost:

2019/20
£
15,000

Committee Administration IT System

Service Area: Committee Services

Submitted by: Diane Rice

Brief Description of the Scheme:

This system will provide web-based access, storage and management of Council documents for members and officers.

Members will be able to:

- set up bespoke access to the committee papers and other documents that suits their individual needs
- add in personal notes on documents
- store all this information on their iPads; and
- link in with social media communication channels.

A small number of additional iPads will support committee administration in the Civic Suite.

The scheme will also potentially streamline committee admin, reducing costs for printing and delivery, moving away from paper based committee documents.

Revenue Implications:

Year 1: Restricted App annual costs, £3,100.

Year 2 onwards: Annual support and maintenance and Restricted App annual costs, £10,300.

Possible future printing and delivery reduced costs but no accurate estimate available.

Timescale for Completion:

2019/20.

Any Risks to Completion:

Technological advances may mean a different solution is required.

Capital Cost:

2019/20 £
20,100

Replacement PCs

Service Area: ICT

Submitted by: Lawson Oddie

Brief Description of the Scheme:

We have just recently had notification that extended support for Windows 7 will cease on 14 January 2020. Without such support we are unable to operate such PCs on the council network. Based on our current desktops this move to Windows 10 will affect 169 PCs and the majority (115) will either not support Windows 10 or the performance would be very poor.

Whilst some PC replacements can be accommodated in the lead up to January 2020, some other PCs will be approaching end of life.

This bid proposes the replacement of 115 PCs with those of a specification that should help assure an anticipated usable life of around 5 years.

Further considerations and planning may require a change in the phasing of these replacements and PC specifications.

Revenue Implications:

None identified.

Timescale for Completion:

Required to be in place by January 2020.

Any Risks to Completion:

Available ICT team resources - This is a very sizeable project and ideally work should begin in April 2019 for completion by January 2020.

Capital Cost:

2019/20 £
47,100

Lift Replacement at Council Offices

Service Area: Council Offices

Submitted by: Adrian Harper

Brief Description of the Scheme – 2019/20 UPDATE:

The Lift Replacement at Council Offices scheme was approved for inclusion in the 2018/19 capital programme, with a budget of £87,000. £84,050 of this budget was approved to be moved from the 2018/19 capital programme to the 2019/20 capital programme when the 2018/19 revised estimate capital budget was set by this Committee on 22 January 2019, as follows:

- The work specification needs to be completed before the scheme is put out to tender. The work specification is expected to be completed in 2018/19 at an estimated cost of £2,950. However, the time then required for the tendering and contractor selection means that no spend will take place on the main contract work before the end of 2018/19. Thus, the 2018/19 revised estimate budget is reduced to £2,950 and the remaining budget of £84,050 is moved to the 2019/20 capital programme.

Revenue Implications:

None.

Timescale for Completion:

Spring 2019: Out to tender. Summer 2019: Install new lift.

Any Risks to Completion:

-

Capital Cost:

2019/20
£
84,050

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLIICY AND FINANCE COMMITTEE

Agenda Item No 16

meeting date: 2 APRIL 2019
 title: REVENUE MONITORING 2018/19
 submitted by: DIRECTOR OF RESOURCES
 principal author: VALERIE TAYLOR

1 PURPOSE

1.1 To let you know the position for the period April 2018 to February 2019 of this year's revised revenue budget as far as this committee is concerned.

1.2 Relevance to the Council's ambitions and priorities:

Community Objectives – none identified

Corporate Priorities - to continue to be a well managed Council providing efficient services based on identified customer need. To meet the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money.

Other Considerations – none identified.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period to the end of February. You will see an overall overspend of £66,113 on the net cost of services. Please note that underspends are denoted by figures with a minus symbol. After allowing for transfers to/from earmarked reserves and the useable capital receipts reserve there is an overspend of £61,863.

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
CEXEC	Chief Executives Department	0	1,119,946	1,116,361	-3,585	A
CIVCF	Civic Functions	56,980	37,070	34,788	-2,282	A
CIVST	Civic Suite	0	20,116	19,844	-272	G
CLOFF	Council Offices	0	167,397	189,743	22,346	R
CLTAX	Council Tax	356,830	47,472	58,817	11,345	R
COMPR	Computer Services	0	83,576	83,429	-147	G
CORPM	Corporate Management	339,200	0	0	0	G
COSDM	Cost of Democracy	459,640	221,392	217,536	-3,856	A
CSERV	Corporate services	155,220	15,710	12,124	-3,586	R
DISTC	District Elections	60	60	1,037	977	G
ELADM	Election Administration	6,640	0	0	0	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
ELECT	Register of Electors	77,590	30,096	44,613	14,517	R
EMERG	Community Safety	64,060	6,601	4,140	-2,461	A
ESTAT	Estates	80,960	-20,594	-11,300	9,294	R
FGSUB	Grants & Subscriptions - Policy and Fin	167,190	127,034	133,980	6,946	R
FMISC	Policy & Finance Miscellaneous	30,640	58,757	62,086	3,329	A
LANDC	Land Charges	23,630	-54,176	-48,763	5,413	R
LICSE	Licensing	27,280	-93,475	-96,975	-3,500	A
LUNCH	Luncheon Clubs	14,300	12,073	0	-12,073	R
NNDRC	National Non Domestic Rates	54,130	18,547	-11,184	-29,731	R
OMDEV	Organisation & Member Development	0	0	560	560	G
PARIS	Parish Elections	4,260	4,260	4,255	-5	G
RESOR	Resources Department	0	1,794,237	1,843,622	49,385	R
SUPDF	Superannuation Deficiency Payments	96,650	83,357	83,341	-16	G
WWOCO	World War One Commemoration	0	0	3,515	3,515	A
Net cost of services		2,015,260	3,679,456	3,745,569	66,113	

Transfers to/from Earmarked Reserves and Useable Capital Receipts Reserve				
Elections Earmarked Reserve	22,990	0	0	0
Revaluation Reserve	2,110	0	0	0
Vat Shelter Reserve	39,710	0	0	0
Pensions Triennial Revaluation Reserve	33,060	0	0	0
IT Equipment Reserve	-12,140	-12,140	-12,140	0
Repairs and Maintenance Earmarked Reserve	-7,140	-7,140	-7,140	0
Release of Resources from the Useable Capital Receipts Reserve	0	0	-4,250	-4,250
Total after Transfers to/from Earmarked Reserves and Useable Capital Receipts Reserve	2,093,850	3,660,176	3,722,039	61,863

2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas, which currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.

2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.

2.5 In summary the main areas of variances that are **unlikely to rectify themselves** by the end of the financial year are shown below:

Description	Variance to end February 2019 £
<p>Luncheon Clubs (LUNCH) – Luncheon Clubs, grants to voluntary, community and social enterprise groups A budget of £13,170 has been allocated in the 2018/19 financial year to provide grant assistance to luncheon clubs.</p> <p>No grants had been paid out by the end of February 2019 and the budget variance will not resolve in this financial year as the total of grants to be awarded before the end of March 2019 are estimated to be in the region of £2,500.</p>	-12,073
<p>Council Tax (CLTAX) – Court Costs The court costs invoiced to the council for the issuing of liability orders have reduced down from £3 per liability order to £0.50 per liability order, resulting in a favourable budget variance that will not resolve by the end of the financial year. The reduced costs per order will be built into future budget estimates.</p>	-2,559
<p>Policy and Finance Miscellaneous (FMISC) – National Fraud Initiative The council has been invoiced £2,100 from the Cabinet Office for the cost of national fraud initiative data matching which has been carried out during the financial year, the cost of which will fall on general fund balances.</p>	£2,100

Description	Variance to end February 2019 £
<p>Register of electors (ELECT) – Data Protection This variance is due to an above inflationary increase to the annual cost of the council’s data protection registration.</p>	£2,426
<p>World War One Commemoration (WWOCO) – Purchase of equipment and materials Expenditure to project a poppy onto Clitheroe Castle when commemorating the 100th anniversary of the end of the first world war, the cost of which will be met from general fund balances.</p>	£3,515
<p>Policy and Finance Miscellaneous (FMISC) – Audit fees This variance is due to an above inflationary increase to the annual cost of the council’s external auditor’s certification of the Housing Benefit Subsidy Claim, a variance which will therefore not resolve by the end of the financial year.</p>	£3,691
<p>Resources (RESOR) – Tuition fees Expenditure on departmental tuition fees up to the end of the financial year will be lower than that allowed for in the budget estimate. This is mainly due to a timing difference between the recruitment of new employees and the expenditures to be incurred once any training requirements are identified.</p> <p>There has been a delay in the recruitment of the new Senior Auditor and although Two Senior Accountants have recently been recruited into posts and training needs are to be assessed over the short-term, any expenditure for all three posts will fall into the new financial year.</p>	-£3,816
<p>Resources (RESOR) – Non-recurring purchases of equipment and materials Costs associated with the implementation of the new online payments facility (as approved at this Committee in November 2018) are higher than initially anticipated. Expenditure above that estimated will be met from general fund balances.</p>	£4,389
<p>Corporate services (CSERV) – Promotional activities A new 11 mile Quaker trail following points of interest from Barley to Clitheroe is currently being developed with Pendle Council. As lead authority Pendle Council are drawing up the budget requirements, but at this stage no funds have been committed to the project and it is likely that the budget variance will not clear by the end of the financial year.</p>	-£2,275

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an overspend of £66,113 to February 2019 of the financial year 2018/19. After allowing for transfers to/from earmarked reserves and the useable capital receipts reserve there is an overspend of £61,863.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD21-19/VT/AC
21 March 2019

Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
NNDRC/8649z	National Non Domestic Rates/Storm Eva S31 Grant (Tranche 2)	0	0	-30,786	-30,786		<p>This is final funding received from MHCLG in support of our Business Rates support following the floods in 2015.</p> <p>The government paid this council a final grant at the end of 2017/18 which was equivalent to the monies due in total to all precepting bodies, rather than just the share due to this council.</p>	The variance will clear itself by the end of the financial year.
LUNCH/4678	Luncheon Clubs/Grants to Voluntary, Comm & Soc Ent Orgs	13,170	12,073	0	-12,073		<p>Applications for support from luncheon clubs in this financial year are lower than that allowed for in the budget.</p>	The budget manager is currently discussing grant requirements with five luncheon clubs to whom it is estimated that £2.5k will be allocated in total before the end of the financial year.

Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CEXEC/0100	Chief Executives Department/ Salaries	889,090	823,386	817,549	-5,837		Vacancy savings in the roles of Licensing Assistant, Elections Assistant, Committee services & Complaints Officer and Building Control Technician are greater than that allowed for in the budget.	Any savings will reduce the net cost of the department that is recharged out to other service areas as part of the year-end closedown process.
CEXEC/2976	Chief Executives Department/ Reference Books	8,190	7,511	12,819	5,308		A payment in advance of the next financial year has been made for online subscription to the Westlaw and practical law services.	The expenditure will be moved into the correct financial year as part of the year-end closedown process.
RESOR/3301	Resources Department/ Security Phones	1,550	1,421	7,192	5,771		Expenditure includes a payment in advance for 2019/20 enterprise licenses.	An adjustment will be entered at year-end to move the expenditure into the correct financial year.

Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CEXEC/3090	Chief Executives Department/Legal	4,910	4,501	10,481	5,980		Expenditure on specialised legal advice in excess of £7k that wasn't anticipated when the budget was revised.	The Chief Executives departmental recharge to other service areas at the year-end will be adjusted to reflect the final net cost of the department for 2018/19, including the additional legal costs incurred under this cost centre.
FGSUB/3013	Grants & Subscriptions - Policy and Fin/Subscriptions	12,000	10,834	17,671	6,837		A commitment for £5.5k in respect of 2019/20 Local Government Association subscriptions.	An adjustment will be entered at year-end to move the expenditure into the correct financial year.

Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
RESOR/0100	Resources Department/ Salaries	1,379,020	1,264,148	1,271,288	7,140		Additional staffing costs as a result of a number of changes within the resources department.	The resources departmental recharge to other service areas at the year-end will be adjusted to reflect the final net cost of the department for 2018/19, including the additional costs incurred under this cost centre.
ELECT/2998	Register of Electors/ Software Maintenance	12,970	12,970	25,985	13,015		A payment for software maintenance has been made in advance of the 2019/20 financial year.	An adjustment will be entered at year-end to move the expenditure into the correct financial year.
RESOR/2998	Resources Department/ Software Maintenance	71,520	70,119	88,310	18,191		A payment and a commitment for software support and maintenance of the financial system and the ICON system have been made in advance of the 2019/20 financial year.	Adjustments will be entered at the year-end to move the expenditures into the correct financial year.

Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLOFF/2432	Council Offices/Electricity	63,350	58,073	84,659	26,586		Actuals include an invoice for backdated electricity costs, the settlement of which is currently in dispute.	Negotiations to settle the dispute are currently ongoing and the situation will continue to be monitored.
CLTAX/2998	Council Tax/Software Maintenance	18,980	18,980	37,344	18,364		The variance relates to payment of an invoice for Northgate system software maintenance and support for the 2019/2020 financial year.	An adjustment will be entered at year-end to move the expenditure into the correct financial year.

Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance
RESOR/1023	Resources Department/Corporate Training	15,620	14,319	9,714	-4,605		The corporate training budget is below estimate to the end of February. A commitment for further ICT training is due to be finalised before the end of March and enquiries are currently ongoing concerning the possibility of running an online GDPR course and a pre-retirement course. The budget will be assessed at year end to ensure that expenditure is allocated into the correct financial year.
CLOFF/2402	Council Offices/Repair & Maintenance - Buildings	28,300	25,634	21,062	-4,572		Repair and maintenance costs for the council offices are lower than budgeted for to the end of February. Given the responsive nature of property repairs and maintenance costs the budgets are managed at a corporate level. A virement will likely be used to move resources to other repairs and maintenance codes where possible.
RESOR/1013	Resources Department/Tuition Fees	6,960	6,381	2,565	-3,816		Expenditure on employee training has been lower than that allowed for in the budget to the end of February. This is mainly due to timing differences between the recruitment of new employees and subsequent expenditures on any training requirements identified which are now to take place in the new financial year.

Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance
COMPR/3006	Computer Services/Government connect	21,100	16,220	13,421	-2,799		The invoice of £3.5k for the final quarter of the financial year has not yet been received. An estimated creditor will be entered at the end of the financial year if necessary.
CLTAX/3275	Council Tax/Court Costs	7,540	3,467	909	-2,559		The court cost of issuing liability orders has reduced from £3 per order down to £0.50 per order from July 2018. The reduced cost will be used to inform future estimates.
EMERG/2881	Community Safety/Purchase of Equipment & Materials	5,500	5,042	2,566	-2,476		Further commitments for equipment and materials have been entered in March which will mitigate some of this variance before the end of the financial year.
CSERV/3277	Corporate services/Promotional Activities	5,220	2,935	660	-2,275		A new Quaker trail is being launched in partnership with Pendle Council. The budget is currently being drawn up by Pendle Council as the lead authority, but at this stage no funds have been committed to the project.

Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance
FMISC/5035	Policy & Finance Miscellaneous/National Fraud Initiative	0	0	2,100	2,100		Cost of data matching under the National Fraud Initiative, expenditure which wasn't anticipated when the budget was estimated. The expenditure will inform future budget estimates.
LICSE/8437u	Licensing/Premises Licences	-62,410	-61,255	-59,155	2,100		The budget is estimated on a four-year average. Actual income received in year will be used to inform future estimates.
ESTAT/2402	Estates/Repair & Maintenance - Buildings	3,500	3,209	5,474	2,265		Unanticipated repair costs have been incurred following vandalism at a council owned property. A virement will likely be used to move resources from other repairs and maintenance codes where possible.
ELECT/3100	Register of Electors/Data Protection	560	514	2,940	2,426		Above inflationary increases to the annual cost of the council's data protection registration.

Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance
WWOCO/2881	World War One Commemoration/Purchase of Equipment & Materials	0	0	3,515	3,515		Expenditure projecting a poppy onto Clitheroe Castle commemorating the 100th anniversary of the end of the First World War. The cost will be met from general fund balances.
FMISC/5025	Policy & Finance Miscellaneous/Audit Fees - Grants	7,500	7,500	11,191	3,691		Payment to Grant Thornton external auditors for Certification of the Housing Benefit Subsidy claim is higher than the inflationary increase budgeted for.
COMPR/2997	Computer Services/Hardware Maintenance Agreements	5,290	4,750	8,534	3,784		Payments made in advance of 2019/20 and to be adjusted for at the end of the financial year.
RESOR/2976	Resources Department/Reference Books	3,690	3,383	7,270	3,887		Payment made in advance of 2019/20 for the CIPFA publications subscription. To be adjusted for at the end of the financial year.
ESTAT/3269	Estates/Disposal Costs	0	0	4,250	4,250		Disposal costs relating to the sale of land at Peel Street car park. Costs initially to be charged to the cost of the service, but there will be a subsequent release of funds from the Usable Capital Receipts Reserve to fund this expenditure.

Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Indicator	Reason for Variance
RESOR/2809	Resources Department/Non Recurring Purchases of Equipment etc.	16,180	16,180	20,569	4,389		Consulting and project management costs associated with the expansion of the council's on-line payments facility (approved at P&F Committee November 2018). The costs for this element of the project will be met from general fund balances.
NNDRC/2998	National Non Domestic Rates/Software Maintenance	4,730	4,730	9,336	4,606		Payment of £4.2k made in advance of 2019/20 for supply and maintenance of the Northgate system. To be adjusted for at the end of the financial year.
LANDC/2998	Land Charges/Software Maintenance	4,980	4,980	9,662	4,682		Payment of £4.7k made in advance of 2019/20 for supply and maintenance of the Land charges system. To be adjusted for at the end of the financial year.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 17

meeting date: 2 APRIL 2019
 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 processing times and overpayment recovery.

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 20 March 2019:

	£000	£000	2018/19 %	2017/18 %
Balance Outstanding 1 April 2018		585		
NNDR amounts due	20,201			
Plus costs	4			
Transitional surcharge	200			
Write ons	14			
	20,419			
Less				
- Transitional relief	-397			
- Exemptions	-292			
- Charity, Rural, Community Amateur Sports Clubs Relief	-1,142			
- Small Business Rate Relief	-3,072			
- Revaluation 2017, Pub, SSB and Other reliefs	-112			
- Interest Due	0			
- Write Offs	-56			
	-5,071	15,348		
Total amount to recover		15,933		
Less cash received to 20 March 2019		-15,126	94.9	95.2
Amount Outstanding		807	5.1	4.8

NB The figures included in the table include not only those charges for 2018/19 but also those relating to previous years, but we are required to report to the Ministry of Housing, Communities & Local Government (MHCLG) 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 2019 is 96.85% compared with 97.21% at 28 February 2018.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 20 March 2019:

	£000	£000	2018/19 %	2017/18 %
Balance Outstanding 1 April 2018		948		
Council Tax amounts due	46,467			
Plus costs	85			
Transitional relief	3			
Write ons	3			
	46,558			
Less - Exemptions	-691			
- Discounts	-4,160			
- Disabled banding reduction	-55			
- Council Tax Benefit	6			
- Local Council Tax Support	-1,815			
- Write offs	-24			
	-6,739	39,819		
Total amount to recover		40,767		
Less cash received to 20 March 2019		-39,754	97.5	97.3
Amount Outstanding		1,013	2.5	2.7

NB The figures included in the table include not only those charges for 2018/19 but also those relating to previous years, but we are required to report our in year collection rate to the MHCLG. 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 at 28 February 2019 is 98.35% compared to 98.32% at 28 February 2018.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 25 March 2019 is:

	£000	£000
Amount Outstanding 1 April 2018		494
Invoices Raised	3,191	
Plus costs	1	
		3,192
Less write offs		1
Total amount to recover		3,685
Less cash received to 25 March 2019		3,258
Amount outstanding		427

Aged Debtors	000s	%
< 30 days	95	22
30 - 59 days	14	3
60 - 89 days	7	2
90 - 119 days	1	0
120 - 149 days	7	2
150+ days	303	71
	427	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 overpayment data.

Housing Benefit Right Time Indicator 2018/2019

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 2018 – 31 December 2018	Average Performance
6.9 days	4.96 days	20 days per IRRV

New claims performance

Target for year	Actual Performance 1 October 2018 – 31 December 2018	Top grade 4 for all LA's 2007/08
20 days	15.25 days	Under 30 days

6 HOUSING BENEFIT OVERPAYMENTS

- 6.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations. Performance for the period 1 October 2018 - 31 December 2018:

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.	93.59
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.	13.28

Performance Measure	%
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.	0.67

7 CONCLUSION

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

Mark Edmondson,

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF16-19/ME/AC
20 March 2019

For further information please ask for Mark Edmondson.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 7 NOVEMBER 2018

Present: Cllrs: K Hind (Chair), S Atkinson, A Brown, S Hirst, J Rogerson, R Swarbrick, Chief Executive, Director of Community Services, Director of Resources, Director of Economic Development and Planning, Head of Financial Services, Head of Revenues and Benefits.

1 Apologies

Cllr: A Knox

2 Minutes of meeting held on 3 October 2018

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

2.2 There was a discussion around car parking charges, the potential for periods of free parking and the logistics/infrastructure needed in order to be able to monitor and manage parking. Potential financial impacts from lost income were circulated at the meeting. It was confirmed by members that there was no intention to bring in any changes for the forthcoming year.

3 Council Tax Base

3.1 Members were taken through a report on the setting of the Council Tax base for 2019/20. The report included the history around charges made for second homes and empty properties.

3.2 Legislation had received royal assent on 1 November 2018 that would allow Billing Authorities greater freedoms in the charges that are levied on long term empty homes. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 would increase the premium that Billing Authorities could impose on properties that have been vacant i.e. unoccupied and unfurnished for more than two years from 50% to 100%.

3.3 Additionally, from 1 April 2020 for properties that have been vacant for more than 5 years the premium could be increased to 200% and from 1 April 2021 the premium could be increased to 300% for properties that have been unoccupied for more than 10 years.

3.4 It was highlighted that the legislation did not apply to second homes or those exempt from Council Tax.

3.5 Following consideration of the details in the report and after discussion around the likely impacts of introducing any changes, Budget Working Group thought that the recommendation to Policy and Finance Committee should be that these changes should not be introduced for 2019/20, but that perhaps the council should see how other local authorities perform over the following 12 months.

3.6 The report also showed the movements on the council's taxbase over the years, and the taxbase that would be set for 2019/20 would be 23,209 (an increase of 1.3%, or 307 on that for 2018/19 (22,902).

3.7 Policy and Finance Committee would decide whether the council should consider the new council tax flexibilities provided by the new legislation at their meeting on 20 November 2018.

3.8 There was a general discussion around the Collection Fund and the calculation of the Surplus and Deficit on this account and the impacts for precepting bodies. It was agreed that details of the Collection Fund and the calculation of the surplus/deficit would be brought back to a future meeting.

4 Autumn Statement

- 4.1 The Director Resources took members through a report which detailed some of the key impacts on local government from the Autumn Statement.
- 4.2 A number of changes around Business Rates were announced and it was highlighted that the council should be recompensed through S31 grants for any adverse financial impacts.
- 4.3 Other discussions were held around S106 monies and also around the announcements for supporting high streets. It was important that a regular review was kept for any forthcoming consultations and bidding opportunities.
- 4.4 A briefing document from the Local Government Association on the Budget was circulated and members were also directed to the HM treasury website for the full autumn statement.

5 Local Government Finance: Review of Governance and Processes

- 5.1 Members were taken through a report summarising the outcome of the *Local Government Finance: Review of Governance and Processes*. A full copy of the reported findings was provided.
- 5.2 It was highlighted that in the report was a consideration of the overall approach to annual decisions on the local government finance system, with a recommendation, which had been accepted by the Minister, that the provisional settlement should take place around 5 December and the final settlement no later than 31 January.

6 Earmarked Reserves

- 6.1 A report had been provided for members on the council's Earmarked Reserves. The report gave details of the different categories of reports that were held and the movement over the last five years. The annex to the report provided a breakdown by each individual reserve and the movements both in and out of the reserves.
- 6.2 The report identified the key uncertainties affecting the level of earmarked reserves, particularly around the withdrawal of RSG, the uncertainty around the future of New Homes Bonus and the Fair Funding Review and Business Rates Growth.

7 Any Other Business

- 7.1 There was a discussion around Voter ID and elections.

8 Date and Time of Next Meeting

4pm Wednesday 12 December 2018 in Committee Room 1

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 17 JANUARY 2019

Present: Cllrs: S Atkinson (Chair), A Brown, R Swarbrick, Chief Executive, Director of Community Services, Director of Resources, Head of Financial Services.

1 Apologies

Cllrs: S Hirst, A Knox and J Rogerson. Director of Economic Development and Planning.

2 Minutes of meeting held on 7 November 2018

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

3 Provisional Local Government Finance Settlement 2019/20

3.1 A report was presented by the Director of Resources on the Provisional Local Government Finance Settlement 2019/20. It was explained that the information presented was in respect of the provisional settlement, with the final settlement expected to be laid before the House of Commons in February.

3.2 The report gave key information around:

- Provisional Settlement Funding Assessment - £1,440,600 for 2019/20.
- New Homes Bonus - no change to the baseline for 2019/20, but still uncertainty going forward.
- Business Rates - confirmation that the new Lancashire Pilot pool had officially been designated by MHCLG, subject to any parties withdrawing within the 28 days after the Provisional Local Government Finance Settlement date of 13 Dec 2018. Extra growth retained for this council was indicated as £360k.
- Levy Account Adjustment – the Government had announced that there was a surplus on the levy account (where levies from authorities payable on growth are used to compensate those authorities below their safety net threshold). This was to be distributed and this council were to benefit by £20,446.
- Negative Revenue Support Grant – this would be eliminated by the Government for 2019/20 via foregone business rate receipts. Negative RSG for this council would have been £109k.
- Rural Services Delivery Grant – the council's initial allocation for 2019/20 of £86,603 would be increased to £107,921.
- Social Care – whilst not directly impacting this council, there was extra funding announced of £650m in 2019/20 for local authorities.
- Council Tax Referendum Principles – for this council there was the ability to increase council tax by up to 3% or up to and including £5, whichever is higher.
- Spending Power – the Government's calculation of 'Spending Power' for this council was identified as being £6,754,763 in 2019/20.

3.3 There was a discussion about the Government's calculation of 'Spending Power' and the principles that it was based on. The Chair made reference to the efficiencies of the Council in respect of the increase in households compared to the increase in the level of council tax income over past years. There was also a discussion on Job Evaluation and market forces on pay.

3.4 The 2019 Spending Review was discussed, it confirming the overall local government resourcing from 2020/21, with the government working towards significant reform, including:

- updated, more robust and transparent distribution methodology following the review of relative needs and resources.
 - reforms to business rates retention, including resetting business rates baseline.
- 3.5 The deadline for the consultations regarding these areas was 21 February 2019 and it was agreed that a draft response would be brought to the next meeting.

4 Revenue Budget 2018/19 and 2019/20 Latest Position

- 4.1 An update on the revised budget for 2018/19 and the budget position for 2019/20 was provided to members by the Director of Resources. The main variances from original estimate to revised estimate 2018/19 were provided within the report. Overall, revised committee budgets were forecast to be £144,900 above the original estimate.
- 4.2 The use of general balances also showed a likely decrease from taking £170,738 to taking £54,388. Net resources being added to Earmarked reserves were forecast to decrease from adding £1,416,194 to adding £1,339,693.
- 4.3 Looking forward to the 2019/20 original estimate, committee expenditure was set to increase by £491,660 compared to the original estimate for 2018/19. Again the main variances were provided within the report.
- 4.4 Looking at earmarked reserves, there was a forecast of £303,459 less being added, compared to the original estimate 2018/19.
- 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 on Business Rates. It was explained that a clearer forecast for Business Rates should be available over the next week, once the NNDR1 return had been finalised.
- 4.6 Members were asked for a number of decisions to be made in order to further progress the budget for 2019/20:
- **Use of balances.** Members confirmed the use of balances of £82,376 to support the revenue budget.
 - **Council Tax.** Members agreed to progress on the basis of a zero increase in the council's Band D council tax (£150.69).
 - **New Homes Bonus.** Members agreed to leave the amount used to fund the revenue budget at the current level of £1,105,000.
 - **Business Rates Growth.** Members agreed to increase the amount of business rate growth/retained levy under pooling up to £675,514 per annum.
- 4.7 Members agreed that the Revenue Budget report to Special Policy and Finance Committee was to be prepared on the basis of the responses to the above questions.

5 Five Year Capital Programme to Date

- 5.1 The Head of Financial Services updated members on the latest position with regard to the five year capital programme. All bids had been considered, together with the new Edisford Sports Complex bid and the additional scheme as proposed by Community Services Committee.
- 5.2 CMT had reviewed which schemes to now take forward and add to the five year capital programme 2019/20-2024/25. A number of recommendations had been made and members were taken through each of these.
- 5.3 Suggested funding for the resulting five year capital programme was also provided, which was supported by members.

- 5.4 The budget working group agreed with the proposals in the report, with the minor adjustment that the Castle Repointing scheme also be moved from 2019/20 to 2020/21 to give more time to identify external funding in order to allow the scheme to progress.
- 5.5 Members agreed that the five year capital programme report to Special Policy and Finance Committee was to be prepared on the basis of what had been presented, with the additional adjustment for the castle Repointing scheme.

6 Any Other Business

- 6.1 The requirement for the statutory meeting with Representatives of Business Rates Payers was discussed, and it was agreed that this would be held after the next Budget Working Group meeting.

7 Date and Time of Next Meeting

3.15pm to 4.00pm Monday 11 February 2019 in Committee Room 1 meeting of the Budget Working Group, followed by

4.00pm Monday 11 February 2019 - statutory meeting with Representatives of Business Rates Payers.

Apologies were given in advance by the Director of Community Services.