

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

Meeting, Wednesday, 10th September, 2014
at 2.00 p.m. (Committee Room No. 4)

NOTE: Group Meetings at 1.15 p.m.

A G E N D A

PART ONE

1. To note any items which the Chairman considers to be of an urgent nature.
2. To receive notice from Members who may wish to move any delegated matter non-delegated and which will be decided by a majority of Members present and voting at the meeting.

3. Admission of Public and Press

To consider whether the public and press should be excluded from the meeting during consideration of any of the items on the agenda.

4. Declarations of Interest

To receive declarations by Members and/or co-optees of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the revised Code of Conduct, they are required to declare any disclosable pecuniary interests or other registrable interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Members may however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests.

5. To confirm the Minutes of the meeting held on 30th July, 2014 (copy attached) (Pages 1-9).
6. Apologies for Absence/Attendance of Substitute Members.

FOR DECISION

- (D/R)** 7. Recommendations of the Housing Management Forum, 28th August, 2014 (copy attached) (Pages 10-18).

- (R) 8. 2013-2014 Outturn and Budget Strategy (Pages 19-27).
- (D) 9. Council Finances and Performance Quarter 1 2014-2015 (Pages 28-37).
- (D) 10. 2015-2016 Budget Assumptions and Timetable (Pages 38-40).
- (D) 11. Issues and Options Draft Local Plan (Pages 41-43).
- (R) 12. Lowsy Point Beach Huts and Piel Island Cottages (Pages 44-45).
- (R) 13. War Pensions Disregard (Pages 46-47).
- (R) 14. Employer Pension Discretions (Pages 48-49).
- (R) 15. Administration of the Re-grading Policy (Pages 50-51).
- (R) 16. Cumbria Housing Partnership (Pages 52-55).
- (R) 17. The Council Plan 2014-2016 (Pages 56-57).
- (D) 18. Pay Policy Statement and Organisational Chart (Pages 58-59).
- (D) 19. Barrow and Dalton Town Centres Shop Front Grant Scheme 2014 (Pages 60-62)

PART TWO

- (D) 20. Universal Credit Update (Pages 63-66).

NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 3 OF PART ONE OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND ACCESS TO INFORMATION (VARIATION) ORDER 2006

- (R) 21. Housing Service Establishment (Pages 67-75).

NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 1 OF PART ONE OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND ACCESS TO INFORMATION (VARIATION) ORDER 2006

**NOTE (D) - Delegated
(R) - For Referral to Council**

Membership of Committee Councillors

Pidduck (Chairman)
Sweeney (Vice-Chairman)
Barlow
Bell
Biggins
Garnett

Graham
Guselli
Hamilton
Irwin
Richardson
Seward

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EXECUTIVE COMMITTEE

Meeting: Wednesday 30th July, 2014
at 2.00 p.m.

PRESENT:- Councillors Sweeney (Vice-Chairman), Barlow, Bell, Derbyshire, Garnett, Hamilton, Pemberton, Seward and M. A. Thomson.

The Chairman informed the Committee that Jeff Bright, Deputy Executive Director would be retiring after 24 years' service on 22nd August, 2014 and requested that the Committee's thanks and appreciation for the support over the years be placed on record.

31 – The Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985 and Access to Information (Variation) Order 2006 – Urgent Item

RESOLVED:- That by reason of the special circumstances outlined below the Chairman is of the opinion that the following item of business not specified on the agenda should be considered at the meeting as a matter of urgency in accordance with Section 100(B)(4)(b) of the Local Government Act 1972.

<u>Item</u>	<u>Reason</u>
Barrow Marina Village – Purchase of Two Freehold Interests: Plots 8 and 11 (With Option to Purchase Plot 9) (Minute No. 45)	To enable the sale to proceed as soon as possible. The next meeting of the Committee was not scheduled to be held until 10th September, 2014.

32 – The Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985 and Access to Information (Variation) Order 2006

Discussion arising hereon it was

RESOLVED:- That under Section 100A(4) of the Local Government Act, 1972 the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 (Minute No. 49) of Part One of Schedule 12A of the said Act.

33 – Declarations of Interest

Councillor Hamilton declared a Disclosable Pecuniary Interest in Agenda Item 16 – Enforcement of On-Street Parking Regulations (Minute No. 42). He was a Member of Cumbria County Council. He left the meeting during consideration of the item.

34 – Minutes

The Minutes of the meeting held on 25th June, 2014 were agreed as a correct record.

35 – Apologies for Absence

Apologies for absence were received from Councillors Graham, Irwin, Pidduck and Richardson.

Councillors Derbyshire, Pemberton and M. A. Thomson substituted for Councillors Irwin, Richardson and Pidduck respectively for this meeting only.

36 – Asset Management Strategy

The Director of Resources informed the Committee that the Asset Management Plan was currently being developed. As the previous Plan had now elapsed, the report had extracted the Asset Management Strategy, for separate publication which was in four elements: operational property; non-operational property; surplus property and property acquisition.

RESOLVED:- To approve the publication of the Asset Management Strategy as a stand-alone document until the production of the Asset Management Plan.

37 – Replacement Pay and Display Machines

The Executive Director reminded the Committee that the Council collected over £600k in pay and display ticket sales each year. The 22 machines currently in operation were up to 14 years old and repairs were regularly carried out by the Civil Enforcement Officers and also by the current supplier.

To secure the Council's income, prevent customer dissatisfaction when they can't buy tickets and, to reduce and not increase maintenance costs, the machines should be replaced.

The Parking and Admin Services Manager had sought the required number of quotations and performed an assessment to identify the potential supplier of new machines. The new machines had an alpha numeric keypad which would assist in the enforcement process as the tickets would be vehicle specific.

The purchase was not included in the current Capital Programme and the report sought Members approval to include the project.

The purchase could be funded from re-investing savings realised in the revenue budget this year from contract related savings of £50,070, and the use of £17,660 from reserves.

The project would then continue to follow the Council's Purchasing Procedure. The current machines were redundant and could be sold for spare parts as part of the

replacement programme. That would also save the Council any disposal costs and the estimated proceeds were included in the project costs.

RESOLVED:- To approve the use of the funding identified in the report for the replacement of the pay and display machines.

38 – Housing Market Renewal Programme – North Central Renewal Area Clearance Site

The Executive Director informed the Committee that the site created by the demolition of properties on Sutherland Street, Arthur Street and Marsh Street had been cleared during 2012. At a previous meeting, Members had agreed to grant Bridgehouse Property Consultants a period of six months exclusivity to work up a viable development in partnership with Leck Construction. That exclusivity period was subsequently extended for a further six months.

During that time, various investigation works had been carried out including: desktop and intrusive ground investigation studies; enquiries and initial negotiations with utilities concerning service requirements and potential diversion of existing services; and Initial discussions with the highways authority concerning requirements for highways alterations and street lighting.

A further approach had been made by Copperplane Ltd. That company owned approximately 50 privately rented properties in Barrow, and had done for about ten years. It had also carried out a number of small development projects, although none in Barrow. Interest in the site had been very limited since the site was cleared. It was therefore considered to be reasonable to incentivise potential developers by granting them a period of exclusivity to reduce their risk of incurring abortive costs in drawing up a detailed scheme and agreeing Heads of Terms.

As a substantial amount of background work had already been done, a period of three months' exclusivity with Copperplane was suggested.

RESOLVED:- To agree to enter into an exclusivity period of three months with Copperplane Ltd to allow them to draw up more detailed scheme proposals and agree Heads of Terms.

39 – Housing Market Renewal Programme – North Central Renewal Area – 287-329 Rawlinson Street

The Executive Director reminded the Committee that at a previous meeting, Members had agreed to carry out an external improvement scheme to the area of the North Central Barrow Renewal Area. A broad scope of works had been agreed, which would include improvements to front elevations, replacement rainwater goods, new back walls and gates and replacement of timber windows and front doors with PVC. It had been further agreed that the contracts that were in place at that time with Arcus Consulting (for professional services) and Thomas Armstrong Ltd (for the building works) covering Sub Areas A and E of the Renewal Area (the Thwaite Street and Silverdale Street areas) would be extended to cover the new phase of work.

The extension of the contractual arrangements with Arcus and Thomas Armstrong had been based on a cost estimate extrapolated from the costs of the work in Sub Areas A and E. Thomas Armstrong's detailed cost estimate was well in excess of the estimate presented to Members, and it was not therefore possible to proceed.

A new tender exercise for the professional services had now been undertaken, and Arcus Consulting had once again been appointed as the lowest tenderer. They had started to carry out the survey and scheme design works. The building works would be the subject of a separate tender exercise run by Arcus.

During the development of the project, it had become clear that to maximise the impact of the scheme, two further properties should be included in the scheme – 285 and 166 Rawlinson Street. These were both prominent corner properties which had a high impact on the streetscape in that area.

166 Rawlinson Street was currently owned by the Council. It had been bought some years ago because of its prominent location. However, it had not been possible to date to find either a buyer who would redevelop the property, or a suitable on-going use in Council ownership. The property was in very poor condition, and a number of potential purchasers had pulled out. It was proposed that to incentivise prospective purchasers, the property be included in the Group Repair scheme. The terms of the Council's private sector housing assistance policy would then allow a grant of up to £25,000 to be offered to contribute to essential external repairs.

RESOLVED:- (i) To note the progress of the project;

(ii) To include the properties 285 Rawlinson Street and 166 Rawlinson Street in the scheme; and

(iii) To agree in principle to assist the refurbishment of 166 Rawlinson Street with any potential purchasers using up to £25,000 of grant funding from that element of the Capital Programme in accordance with the Council's private sector housing assistance policy.

40 – Cluster of Empty Homes Fund - Landscaping Project

The Executive Director reminded the Committee that in May 2012, a bid had been submitted to the Government's Clusters of Empty Homes Fund. That had resulted in £3.442m being allocated to the Council to tackle the problem of empty homes within Barrow Island Flats. Of that sum, £1.15m had been allocated to improve the public realm in the vicinity of the Flats.

The landscaping element of the project was intended to help to make the flats more desirable and more lettable by improving the physical environment around the flats. The area concerned consisted principally of the highway surrounding the flats, and three areas of open space which were either owned or leased by the Council.

At the suggestion of the Government's Empty Homes Advisor, a competition had been set up to appoint suitably qualified landscape architects to be appointed to develop a design for the scheme. The Landscape Institute (the professional body for landscape architects) ran the competition on behalf of the Council. Members had agreed to appoint the winners of the competition and Farrer Huxley Associates (FHA) had been appointed.

FHA had developed their competition entry into a detailed scheme. Apart from the technical work required, that had involved considerable consultation with local residents, the County Council (in their role as the Highways Authority) and statutory undertakers. A planning application for the proposed scheme had now been submitted.

A tender process for the construction of the landscaping works had been started, initially by requesting expressions of interest through The Chest, the Council's procurement portal. FHA would manage the remainder of the tender process, produce a tender report and manage drawing up the contract with the Council.

RESOLVED:- (i) To note the progress of the project to date; and

(ii) To authorise the Executive Director, after consultation with the Chairman of the Executive Committee, to award the contract for landscaping works to the lowest tenderer in the current tender exercise in line with Standing Orders.

41 – Car Parking Enforcement – Morecambe Bay Hospitals Trust

The Executive Director informed the Committee that the Council had been approached in the early part of 2013 by Morecambe Bay Hospitals Trust regarding the possibility of a partnership arrangement through which the Council would administer and enforce car parking restrictions on the Furness General Hospital site at some point in the future. Since that first approach there had been a number of meetings between senior officers of the Council and the Trust with the aim of exploring this further to determine whether such an arrangement could be viable. Officers from Lancaster City Council and SLDC had also been involved in these meetings as the Trust had been speaking to them about the same arrangements at Lancaster and Westmorland General Hospitals.

The Trust had given all three Councils the understanding that, should they be interested in undertaking the work on their behalf, a short, partnership/shared service arrangement might be made. Initially, it was thought that the Councils could undertake the work for a two year period, issuing Penalty Charge Notices under the Traffic Management Act. A draft specification had been drawn up for the Council's to comment on, and that comment had been given.

At the latest engagement meeting in July 2014, the Trust had informed the Council's that they had received advice on procurement which meant that they would be required to advertise the work under European Procurement Legislation. The Trust would be looking to advertise their contract in three lots, (one for each hospital site), with a start date of 2015. That had changed the situation from the

partnership/shared service approach which the Council and the other Councils had been expecting, and had been working towards.

RESOLVED:- (i) To approve the submission of an expression of interest in undertaking car park restriction enforcement and associated administration at Furness General Hospital; and

(ii) To approve the submission of a tender for such work, provided that it was deemed in the Council's interest to do so.

42 – Enforcement of On-Street Parking Regulations

The Executive Director informed the Committee that the Council had not been formally notified of the location of the charged bays but understand there were 20 meters to be located on the periphery of the town centre's retail area.

Installation of the meters had also precipitated a review of how wider on-street parking enforcement was carried out across Cumbria and the County Council Cabinet had resolved to take the service back in-house rather than it being provided by District Councils in most cases. Cumbria County Council had also agreed to enter into discussions with the Council about continuing to provide on-street enforcement of traffic regulations including management and enforcement of the metered streets and had requested that a cost proposal for providing the services was submitted to them by 18th July.

The Council's on-street enforcement costs were offset against penalty charges, contractors waivers and a £60,000 annual underwriting sum paid by Cumbria County Council. Penalty charge income had reduced over the last three years meaning that the net cost to Cumbria County Council of on-street enforcement (excluding residents permits) was £7,922 in 2011/12, £29,492 in 2012/13 and there was a net subsidy from the Council of £14,961 in 2013/14.

Cumbria County Council had prepared a basic specification for the on-street enforcement function requiring Civil Enforcement Officer coverage seven days per week, 8.00 am to 8.00 pm with the Council continuing to process penalty charges. If the Council declined to participate, all on-street parking enforcement would be provided by Cumbria County Council through a contracted out service. That would mean two local authorities managing and enforcing parking in Barrow Borough: the Council for its own car parks and Cumbria County Council for on-street parking. Following discussions with the Council Leader, Officers had prepared and submitted an estimated cost for the Council providing on-street parking enforcement and management of meters to meet the Cumbria County Council deadline of 18th July. It had been made clear that the final decision would be held over until the meeting and that further refinement of cost would be required as the specification for the service was firmed up.

Officers had based cost estimates on the 2013/14 financial year. It was his view that it would be preferable to retain a single parking enforcement service for the Borough's public car parks and streets rather than fragmented across two local

authorities which would further confuse the public operationally and in terms of cost efficiency.

RESOLVED:- To agree to endorse the actions taken by your Officers.

43 – Award of Design and Build for New Coastal Revetment at West Shore, Walney Island

The Executive Director informed the Committee that the design and build tenders for the West Shore Park coastal defence had been received. The cheapest was substantially below the estimated cost. Tenders had been checked by the Council's consultants to ensure they would meet the specification. Several organisations would be contributing to the costs of the West Shore works and had committed resources based on a higher scheme cost. The reduced cost released £24,000 of the Boroughs estimated contribution and that should be used for other sea defence works on Walney Island.

RESOLVED:- (i) To approve the award of the contract to BAM Nuttall Ltd based on the selection criteria being for the most economically advantageous tender; and

(ii) To invest the £24,000 saved in the tender on increasing the density of the coastal defence in front of Bent Haw Tip, Walney Island.

44 – Replacement of Roa Island Jetty

The Executive Director informed the Committee that the current jetty at Roa Island was in a very dilapidated condition, and had been supported by a temporary scaffold for some time. It had been agreed in principle that the jetty be replaced, and planning consent and the other necessary permissions and licences had been obtained. The work needed to be carried out before the end of November for ecological reasons and was scheduled to take 16 weeks. The work had been tendered on the Council's behalf by the supervising engineers M & P Gadsden Ltd and it was recommended to appoint L&W Wilson as the lowest tenderers in the amended sum of £183,313.37.

RESOLVED:- (i) To note the progress of the project; and

(ii) To appoint L&W Wilson Ltd as the principal contractors for the replacement of Roa Island jetty.

45 – Barrow Marina Village – Purchase of Two Freehold Interests: Plots 8 and 11 (With Option to Purchase Plot 9)

The Executive Director informed the Committee that Officers had reached agreement with the landowner to sell their freehold interests to the Council. The three properties had been included in the Waterfront Master Plan and formed part of the wider site assembly in connection with the regeneration of the Barrow Marina Area with particular regard to the Marina Village Development. The purchase would be funded entirely from Council Capital resources.

RESOLVED:- (i) To agree to purchase the freehold of Plots 8 and 11 in accordance with the terms and valuations in the report by the Council's Valuer dated 18th July, 2014;

(ii) To agree an option to purchase the freehold interest at any time in Plot 9 with vacant possession; and

(iii) To agree that the acquisition cost of plot 8 and 11 including fees be funded from reserves.

REFERRED ITEM

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

46 – IT Services Strategic Plan 2014-2015

The Committee considered the IT Services Strategic Plan 2014-2015 which covered key issues such as the internal IT Service provision, its fit within the corporate framework and the Council's IT Development framework.

The Plan had been developed for 2014-2015 alone as a number of future updates had been identified during its compilation and many of those could be incorporated into the Strategy in the short term, providing a more comprehensive and robust Strategy document for future years.

The report highlighted the purpose of the IT Service, establishing of a Steering Group and ongoing IT development work.

RECOMMENDED:- To recommend the Council to approve the IT Services Strategic Plan 2014-2015.

47 – Local Council Tax Reduction Scheme 2015-2016

The Director of Resources reminded the Committee that 2013-2014 had been the first year of the Local Council Tax Reduction Scheme and the Council had adopted what was referred to as the default scheme; a scheme that mirrored council tax benefit. The Council had also approved the policy of uprating in line with housing benefit. The borough share of the support awarded was £855,599.38.

She informed the Committee that for 2014-2015, the Scheme had continued unchanged and the current estimated support awarded for the Borough share was £873,608.71.

The Scheme funding within the financial settlement was no longer shown separately. The overall reduction in revenue spending power of 5.88% had been applied to the amount of grant shown separately for 2013-2014; that was being used as a baseline.

For 2015-2016 the costs of maintaining the Scheme were similar to this year, with a potential increase in cost to the Council of £8k if the overall reduction in revenue spending power was as anticipated.

Using the current caseload information and 2014-2015 council tax figures, a cost neutral Scheme was considered.

The reductions could be modelled to have different values for different circumstances. The policies adopted in modelling a reduced Scheme would be consulted on and would form the local Scheme for the year as approved.

The Committee considered a number of risks that were detailed in the report.

RECOMMENDED:- To recommend the Council that the existing Scheme be continued for 2015/16.

48 – Universal Credit

The Committee considered a detailed report of the Director of Resources regarding Universal Credit. She informed the Committee that DWP had approached the Council in order to propose a Local Authority Delivery Partnership Agreement. That was an Agreement where the Council would provide parts of the Universal Credit journey to claimants and would receive some grant towards that. Further reports would be submitted in order to inform the committee's decision on whether to sign up to the Agreement.

RECOMMENDED:- To recommend the Council to delegate the signing of the Local Authority Delivery Partnership Agreement to the Executive Director, should the Executive Committee agree to sign up.

49 – Regrading Applications

The Director of Resources informed the Committee that Management Board had met on 13th June, 2014 to consider regrading applications.

RECOMMENDED:- To recommend the Council:-

- (i) To agree that post numbers DES192, DES193, DES194 and DES195 be regraded to Scale 2-3 (£14,880 to £16,998), and that the CEO's salary be increased to £16,215 per annum (Spinal Point 15) with effect from 29th March, 2014; and
- (ii) To agree that post number CTS020 be regraded to PO10; £35,784 with effect from 29th May, 2014.

The meeting ended at 4.00 p.m.

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

10th September, 2014

(D)/(R) AGENDA ITEM NO. 7

RECOMMENDATIONS

OF THE

HOUSING MANAGEMENT FORUM

28th August, 2014

***Subject to the protocol agreed by Council**

The recommendations of the meeting of the Housing Management Forum held on 28th August, 2014 are attached.

COPIES OF THE DETAILED REPORTS ON THESE ITEMS HAVE BEEN CIRCULATED PREVIOUSLY TO ALL MEMBERS OF THE COUNCIL.

The Council has agreed that the following protocol should operate:-

- The Executive Committee shall automatically agree any such recommendation or refer it back for further consideration.
- If on re-submission the Executive Committee is still unwilling to approve the recommendation, it is automatically referred to full Council for decision.

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(i)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Appointment of Advisers: Housing Maintenance Contract</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was to request Members’ to agree the appointment of advisers to assist the Housing Service to consider the most appropriate approach to securing future delivery of a Housing Maintenance Contract.</p> <p>Recommendation:</p> <p>That Supplier 3 be appointed to assist the Council in considering the future options and if, or when necessary, in the procurement of a new Contract. Their appointment had regard to the involvement of the Adviser in delivering a range of other Investment works.</p>	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(ii)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Scrutiny of Void Standard Policy and Procedures</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was to provide Members with an update on progress with the Scrutiny Review of the Void Standard Policy and Procedures. The Scrutiny project had commenced in April, 2014 with the final draft of policy and procedures completed in July, 2014. Copies of the final drafts were attached to the Assistant Director – Housing’s report.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. To note the content of the Assistant Director – Housing’s report; 2. To note the four-stage scrutiny process for future scrutiny reviews within the Housing Service; and 3. To agree the final draft of the Void Standard Policy and Procedures which will form the operating basis for management of the void process by the Maintenance Team, Housing Options and External Contractors. 	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(iii)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Housing Management ICT Systems Review</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was inform Members that the Housing Department needed to carry out a review of the various information and management systems currently in use to consider whether they were capable of supporting aspirations for service delivery in the near and long term future and, if not, to develop a strategy that would develop that capability.</p> <p>Quotes had now been received and evaluated. The submission which best met and exceeded the criteria was Capita’s ICT & Transformation Consultancy. The Assistant Director – Housing recommended that Members approve this choice.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. To agree an initial review be carried out by an independent consultant with the additional resources required being met from the existing agreed Budget; and 2. That Capita’s ICT & Transformation Consultancy be approved. 	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(iv)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Housing Department Relocation to Town Hall</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was to inform Member’s that the Housing Department were expecting to move towards the end of October 2014 to the Town Hall. It would not be practical to facilitate the move without some disruption to normal service provision.</p> <p>The report sought agreement on the approach to the actual move to keep disruption to customers to a minimum.</p> <p>Recommendation:</p> <p>To agree to a reduced service as outlined in the report to enable Officers, equipment and systems to move into the Town Hall on dates to be confirmed.</p>	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(v)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: 2014 Housing Investment Programme – Devonshire Estate</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was to seek Members’ approval to undertake additional re-roofing works to the Devonshire Estate.</p> <p>Recommendation:</p> <p>To agree to fund the additional roofing work using any accrued surplus budget within the Housing Revenue account for the current year or, should there not be sufficient under-spend in the previously agreed Maintenance Investment Programme, by using additional monies from the Housing Revenue Account reserves if necessary so the additional work could be completed.</p>	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(vi)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Adelphi Court, Barrow-in-Furness</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was to request Members to consider an option to lease the above flats to a Supported Housing provider to meet an identified housing need in the Borough.</p> <p>Recommendation:</p> <p>To agree that the Council grants a five year lease to the Croftlands Housing Trust to provide supported accommodation for people with mental health issues on the terms outlined in the report.</p>	

HOUSING MANAGEMENT FORUM	(D)
Date of Meeting: 28th August, 2014	(vi)
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Sale of Land at Salthouse Road, Barrow-in-Furness</p> <p>Summary and Conclusion:</p> <p>The purpose of the Assistant Director – Housing’s report was to request Members to consider a request to purchase land on Roosegate Estate to construct garages nearby the previous Sandgate Public House.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. That the sale be progressed; 2. That it would be at the purchasers risk to obtain appropriate Planning Permission and carry out investigation works regarding the power line; 3. That the purchaser would pay for all of their own and the Council’s costs associated with the transfer of the land; and 4. That the garages should be developed within an appropriate timescale agreed with the Council. 	

EXECUTIVE COMMITTEE	(R) Agenda Item 8
Date of Meeting: 10th September, 2014	
Reporting Officer: Director of Resources	
<p>Title: 2013-2014 Outturn and the Budget Strategy</p> <p>Summary and Conclusions:</p> <p>This report summarises the outturn for 2013-2014 revenue, capital and treasury together with the position on the Council's financial reserves. The report also contains the subsequent revisions to the Medium Term Financial Plan, reserves and balances, and the capital programme. The new Reserves and Balances Policy which has been used to assess the financial reserves is also included along with an update on the Budget Strategy position at the end of year two of the four-year plan.</p> <p>Recommendations:</p> <p>Members are asked to recommend the Council:</p> <ol style="list-style-type: none"> 1. Note the outturn for 2013-2014. 2. Approve the 2013-2014 final budget as £13m. 3. Approve the Medium Term Financial Plan revisions. 4. Approve the removal of the budget support required from reserves for 2014-2015. 5. Note the Budget Strategy update. 6. Approve the Annual Treasury Management Review (Appendix 2). 7. Approve the Capital Programme for 2014-2015 to 2016-2017, including the projects added from the release of reserves (Appendix 4). 8. Note the amounts written off under delegation in relation to 2013-2014. 9. Approve the Reserves and Balances Policy (Appendix 5) and the General Fund balance contained therein. 10. Approve the grouping/classification of financial reserves as set out in Section G of the report in accordance with the Reserves and Balances Policy. 	

Report

This report sets out the outturn of 2013-2014 and the impact of this on the Budget Strategy and Medium Term Financial Plan, reserves and balances and the capital programme.

A. General Fund Revenue

The original budget was approved by full Council on 26th February, 2013 as £11.2m with a contribution to the restructuring reserve of £0.727m; the income being greater than the expenditure forecast for 2013-2014 as anticipated in the Budget Strategy.

The revised budget was approved by full Council on 4th March, 2014 as £12.8m with a contribution to the restructuring reserve of £1.141m. During the final quarter of the financial year further funding was received from central government which totalled £0.236, giving a final revenue budget of £13m.

The actual outturn for the General Fund was a contribution to the restructuring reserve of £2.532m. The Council's policy is to contribute this surplus into the restructuring reserve as set out in Budget Strategy and Medium Term Financial Plan, to fund forecast future budget deficits.

The actual cost reductions and additional income, excluding additional expenditure funded from earmarked grants, grants received and spent in the year, and technical accounting, compared to the original budget are shown in the following table:

Item	Total	One-off	Budget 2014-15	For review
	£000	£000	£000	£000
Staff related costs	117	5	67	45
Property costs	46	-	-	46
Supplies and services	308	121	39	148
Contracted services	87	-	87	-
External income	241	230	(4)	15
Housing benefits	110	110	-	-
Treasury portfolio	184	-	155	29
General grants and taxation	928	365	78	485
Internal charges to the HRA and capital	(216)	-	(216)	-
Cost reductions and additional income in 2013/14	1,805	831	206	768
Original approved contribution to reserves	727	727	-	-
Total added to the restructuring reserve for 2013/14	2,532	1,558	206	768

The table indicates where the cost reduction or additional income is considered to be one-off in nature, already rolled into the 2014-2015 revenue budget when it was originally set, or whether the item should be reviewed as it may be possible to reduce the 2014-2015 budget and future revenue budgets. These items will be looked at in detail as part of the 2014-2015 budget cycle. A more detailed analysis is set out in **Appendix 1**.

B. Medium Term Financial Plan

The impact of the outturn on reserves and on the 2014-2015 and future revenue budgets has been projected into the Medium Term Financial Plan (MTFP). The MTFP has also been updated to reflect the Weekly Collection Support Scheme, Business Rate Retention and estimated future reductions in Revenue Support Grant. The revised MTFP is shown in the following table:

	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
Previous MTFP net expenditure	10.889	10.829	11.033	10.677	10.235
Recurring savings	(0.120)	(0.115)	(0.114)	(0.109)	(0.124)
Recurring costs	-	0.250	0.250	0.250	0.250
Revised MTFP net expenditure	10.769	10.964	11.169	10.818	10.361
Previous MTFP revenue financing	(10.294)	(9.771)	(9.787)	(9.949)	(10.118)
Revisions	(0.475)	(0.163)	(0.192)	(0.219)	(0.243)
Revised MTFP revenue financing	(10.769)	(9.934)	(9.979)	(10.168)	(10.361)
Net shortfall/(surplus)	-	1.030	1.190	0.650	-

For 2014-2015, the budget was balanced with support from reserves of £0.484m and taking the recurring items from the outturn has removed this requirement; balancing the budget without the use of reserves.

The requirement for ongoing budget support is held as the restructuring reserve and the requirement for the MTFP is £2.87m. The Council's financial reserves are set out in Section G.

C. Budget Strategy 2012-2013 to 2015-2016

The four year Budget Strategy aimed to achieve a balanced budget for 2015-2016 against the significant reductions in Government funding that began in 2011-2012. During the second year of the Strategy, 2013-2014, the Council has taken on the responsibilities of the localisation of council tax support and the local retention of business rates; significant factors that were not present when the Strategy was originally prepared.

The Budget Strategy projected a budget deficit by 2015-2016 of £5.1m if no action was taken. The projections with the policies set out in the Strategy showed surpluses in the first two years and a balanced budget for the last two years. The surpluses generated were to be used to fund transformation and the costs associated with implementing the Strategy policies (largely voluntary redundancy and service reviews).

Members opted to implement the Budget Strategy policies when setting the 2012-2013 budget and this has realised the contributions to reserves that are required to take the Council's finances through another period of uncertain Government settlements, plus the risks associated with increasing levels of funding being raised locally.

The Council has been fortunate in being able to apply for Efficiency Support Grant for 2013-2014 and 2014-2015. This grant has been used instead of earmarked reserves to fund the ongoing transformation and efficiencies that are required to reduce and maintain budget levels that match the available funding each year and will continue to do so.

The aim of the 2012-2013 to 2015-2016 Budget Strategy has been achieved; the 2015-2016 budget is projected to balance without the use of reserves.

Projecting ahead in the MTFP has highlighted that the challenge to Council finances will continue into the medium and long term, largely from a reducing settlement and increasing costs (inflationary pressures). However, in respect of the current Budget Strategy, part of the income generation policy was to increase council tax at or under the Government cap. Now that the MTFP based on the Strategy policies has produced a balanced budget position for 2015-2016, it will not be necessary to apply a council tax increase; this is built into the MTFP projections in Section B.

D. Annual Treasury Management Review

The annual treasury management review is presented in **Appendix 2**. The main points to highlight for 2013-2014 are:

- Total long term external debt remains at £39.5m.
- Short term investments of £11m were held at 31st March, 2014.
- The Capital Financing Requirement is £46.8m.
- The treasury portfolio is under-borrowed by £7.3m.
- The authorised limit was not breached.

E. Capital Programme

The capital report is presented in **Appendix 3**. The main points to highlight for 2013-2014 are:

- £7.4m - spend financed by:
 - Capital receipts - £1.9m
 - Major Repairs Reserve - £1.9m
 - General Fund borrowing - £1.6m
 - Revenue grants and reserves - £1.4m
 - Capital grants - £0.6m
- Capital resources at the year-end consisted of:
 - Capital receipts - £0.2m
 - Capital grants - £4.1m; of which Clusters of Empty Homes £3m

Capital expenditure runs over a multi-year programme and when 2013-2014 was closed, the projects and associated funding were re-profiled accordingly. Whilst

presenting the re-profiled projects, the appended report also includes new projects that have been added since the last capital report of 22nd January, 2014, these are:

- Market Hall asbestos removal and work on the beam joints - £40k;
- Pay and display ticket machine renewal - £69k;
- 102 Abbey Road internal refurbishment - £350k (this is a proposed project at this time); and
- £2m - for projects to be funded by the release of reserves (Section G):
 - The completion of the Renewal Area programme
 - Group Repair Greengate Street - £0.6m
 - Group Repair Rawlinson Street - £0.65m
 - Shop Front Grants £0.25m scheme
 - Barrow Island environmental improvements to Maritime Streets £0.2m
 - Refurbishment of public buildings £0.3m

The new capital programme is shown in **Appendix 4**. The programme requires £0.526m of future capital receipts to be fully funded and this position will continue to be monitored and revised as necessary. The 2014-2015 to 2016-2017 programme totals £15.5m:

- 2014-2015 - £8.0m
- 2015-2016 - £4.1m
- 2016-2017 - £3.4m

F. Amounts Written Off

All write offs during 2013-2014 have been approved under the delegation to the Director of Resources, no individual write offs were over £25k. The bad debt provisions remain sufficient to cover the potential losses from the debts currently owed to the Council. The write offs for 2013-2014 and the provisions held are shown in the following table:

Accounts Receivable		Council Tax	
At 1 st April	£257k	At 1 st April	£283k
Written off	(£33k)	Written off	(£32k)
Increase/(decrease) in provision	(£44k)	Increase/(decrease) in provision	£17k
At 31st March	£180k	At 31st March	£268k
Housing Rents and Charges		NNDR	
At 1 st April	£372k	At 1 st April – borough share	£494k
Written off	(£126k)	Written off	(£31k)
Increase/(decrease) in provision	£329k	Increase/(decrease) in provision	£69k
At 31st March	£575k	At 31st March	£532k

2013-2014 is the first year that the Housing Revenue Account bad debt provision includes water charges; rent collection has also been impacted from welfare reform changes and together these have increased the bad debt provision.

Water is an element of dwelling rent and is therefore part of the rent raised and collected. It then becomes part of the rent outstanding and goes into the bad debt provision calculation. It is important to provide a headline figure for the collection of water charges, but this is not available from the rent system. The headline figure has been derived as follows:

- the water charges raised of £837k;
- less the payments for water to United Utilities at £672k;
- the 2010-2013 average increase in the bad debt provision for rents excluding water charges is £92k; the likely 2013-2014 contribution to the bad debt provision for water charges is therefore £111k; and
- there is an advisory post funded from the water charge income as well of £22k.

The estimated impact on the Housing Revenue Account for water charges in 2013-2014 is a surplus of £32k.

G. Reserves and balance

The General Fund reserves and balance at 31st March, 2014 are shown in the following table:

Financial Reserve	31st March 2014
General Fund balance	£2.000m
General Fund reserve	£1.548m
Restructuring reserves	£5.329m
Earmarked reserves	£1.888m
Total	£10.765m
Ring-fenced reserves	£0.646m
Earmarked revenue grants	£0.786m
Total	£12.197m

The General Fund outturn position has increased reserves further than anticipated. This has coincided with the finalising of the new Reserves and Balances Policy, attached at **Appendix 5**.

The Reserves and Balances Policy sets out the regulatory requirements for financial reserves and explains the duty imposed on the Council and the chief finance officer (section 151 officer). The types of reserves are explained and the financial reporting for compliance with the code of practice. The Policy also sets out the principles used in assessing the adequacy of reserves; this practice is widely used and is based on an assessment of risks that are reviewed annually. These risks are quantified to arrive at the minimum level.

The Council also holds a number of earmarked reserves are grouped into; restructuring, renewals, insurance, losses and other earmarked reserves.

Given that it is part way through 2014-2015 and reserves have already been committed, the review of reserves is illustrated after the movements for this year. The following table shows the projected reserves position at 31st March, 2015:

Financial Reserve	31st March 2015	
General Fund balance		£2.328m
Restructuring reserves		
• MTFP restructuring reserve	£2.870m	£3.120m
• Transformation reserve	£0.250m	
Renewals reserve		£0.823m
Insurance reserve		£0.100m
Losses reserve		£0.590m
Other earmarked reserves		
• Budget contingency reserve	£0.250m	£0.626m
• Apprenticeships reserve	£0.204m	
• Welfare support reserve	£0.172m	
Total		£7.587m

The Council also carries ring-fenced reserves that typically consist of Government grants and tied funds that the Council cannot make use of, outside the conditions laid down. The projected reserves position for these items is shown in the following table:

Ring-Fenced Reserve	31st March 2015
Woodbridge Haven reserve	£0.074m
James Freel Close reserve	£0.458m
Earmarked revenue grants reserve	£0.552m
Total	£1.084m

Together these total £8.671m, which is projected to run down to the minimum level of financial reserves by March 2020; this is shown in **Appendix 6**.

The review of reserves identified that the Council can release funding to continue its Capital Strategy and current policies in relation to improve the quality of housing, the public realm and Council owned properties. The recommended investment level is £2m which will fund:

- The completion of the Renewal Area programme
 - Group Repair Greengate Street - £0.6m
 - Group Repair Rawlinson Street - £0.65m
- Shop Front Grants £0.25m scheme
- Barrow Island environmental improvements to Maritime Streets £0.2m
- Refurbishment of public buildings £0.3m

The use of these reserves is built into the capital programme in Section E.

H. Housing Revenue Account

The original budget was approved by full Council on 26th February, 2013, as a balanced budget; the income matching the expenditure forecast. The revised budget was approved by full Council on 4th March, 2014, with a contribution to the fund balance of £10k; the income being greater than the expenditure forecast.

The actual outturn for the Housing Revenue Account was an addition to the fund balance of £386k.

The main reasons for the surplus are:

- Void major improvement scheme rescheduled into 2014/15 - £187k
- Reduced share of Corporate Management costs - £61k
- Staff turnover savings - £52k
- Net additional rent related income - £50k
- Income from Cumbria housing planned maintenance framework - £36k

The Council held £2.974m in the Housing Revenue Account reserve and balance at 31st March 2014:

- Fund balance - £2.377m
- Major repairs reserve - £0.597m

£0.187m of the Housing Revenue Account fund balance is already committed to ongoing housing maintenance and £0.25m has been approved for moving into the Town Hall.

I. Collection Fund

The Collection Fund balance was a net surplus of £135k at 31st March, 2014, made up of a surplus on council tax of £819k and a deficit on NNDR of £684k. 2013-2014 was the first year of council tax support and in setting the expected collection of income for the year reports were not available from the system (in 2012-2013) so best estimates were used, the ongoing effect of this was included in the 2014-2015 budget. The council tax surplus is payable in 2015-2016 to Cumbria County Council, the Police and Crime Commissioner for Cumbria and the General Fund; split against their 2014-2015 precepts. The NNDR deficit will be recovered from central government, Cumbria County Council and the General Fund in 2014-2015.

The 2013-2014 result is allocated as follows:

- Council tax £819k surplus distributed in 2015-2016
 - Cumbria County Council £598k
 - Barrow Borough Council £114k
 - Police and Crime Commissioner £107k

- NNDR £684k deficit recovered in 2014-2015
 - Central Government £342k
 - Barrow Borough Council £274k
 - Cumbria County Council £68k

As part of the Business Rates Retention Scheme, the Council is liable for successful appeals against business rates in the proportionate share; 50% Central Government, 40% for this Council and 10% for Cumbria County Council.

The Council has created a provision for unsettled appeals as at 31st March 2014 of £409k.

(i) Legal Implications

The recommendation has no legal implications other than the requirement to receive an Annual Treasury Management report before the 30th September.

(ii) Risk Assessment

The recommendations have no significant risks other than those already set out in the existing Medium Term Financial Plan and as set out in the Reserves and Balances Policy.

(iii) Financial Implications

The financial implications are set out in the report.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Statement of Accounts 2013-2014

Appendix 1

Analysis of 2013-2014 changes since the budget was set

Item	Total	One-off	Budget 2014/15	For review
	£000	£000	£000	£000
Staff related costs:	117	5	67	45
Employer National Insurance contributions	57	-	57	-
Staff training and conferences	37	-	-	37
Pension costs	10	-	10	-
Staff transport	8	-	-	8
Staff turnover	5	5	-	-
Property costs:	46	-	-	46
Supplies and services:	308	121	39	148
Computers and telephones	112	-	39	73
Homeless support	71	71	-	-
Review of bad debt provision	50	50	-	-
Office supplies	48	-	-	48
Other supplies and services	27	-	-	27
Contracted services:	87	-	87	-
Inflation on contracted services	54	-	54	-
Leisure venue building cleaning costs	33	-	33	-
External income:	241	230	(4)	15
Commercial rent portfolio	79	-	79	-
Additional grants and contributions	55	55	-	-
Cemetery and crematorium income	47	47	-	-
Cluster of Empty Homes revenue grant	42	42	-	-
Park Leisure Centre income	29	-	29	-
Development control income	24	-	-	24
Land charge search fees	23	-	-	23
The Forum income	22	22	-	-
Elections funding	18	18	-	-
Bulky household collections	(12)	-	-	(12)
Building control income	(16)	-	(16)	-
Soccer Centre income	(51)	-	(51)	-
Off street car parking income	(65)	-	(45)	(20)
Other income	46	46	-	-
Housing benefits:	110	110	-	-
Overpayment recoveries	86	86	-	-
Subsidy claimed	24	24	-	-
Treasury portfolio:	184	-	155	29
Capital programme revisions in the year	127	-	127	-
Interest earned on investments	57	-	28	29
General grants and taxation:	928	365	78	485
Business rates retention scheme	274	44	-	230
Small business rate relief grant	255	-	-	255
Additional Efficiency Support Grant	176	176	-	-
New burdens grants from Government	102	24	78	-
Efficiency Support Grant rescheduled into 2014/15	99	99	-	-
Redistribution of funds from Government	22	22	-	-
Internal charges to the HRA and capital	(216)	-	(216)	-
Cost reductions and additional income in 2013/14	1,805	831	206	768
Original approved contribution to reserves	727	727	-	-
Total added to the restructuring reserve for 2013/14	2,532	1,558	206	768

Annual Treasury Management review

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2013-2014. This report meets the requirements of both the Code of Practice for Treasury Management and the Prudential Code for Capital Finance in Local Authorities.

During 2013-2014 the reporting requirements were that the Council should receive an annual treasury strategy in advance of the year, quarterly updates and this annual review.

The regulatory environment places responsibility on Members for the review and scrutiny of the treasury management policy and activities. This report is important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the policies agreed by Members.

The treasury position at 31st March, 2014 is shown in the following tables:

General Fund	Total debt	Investments	Net debt
2013-2014			
31/3/2014 principal	£13.4m	(£11.0m)	£2.4m
Average rate	4.37%	0.55%	
Average life	30.7 years	0.2 years	
Capital Financing Requirement	£23.5m		
Under borrowed by	(£10.1m)		
2012-2013			
31/3/2013 principal	£13.4m	(£6.5m)	£6.9m
Average rate	4.37%	0.50%	
Average life	31.7 years	0.2 years	
Capital Financing Requirement	£23.1m		
Under borrowed by	(£9.7m)		

Housing Revenue Account	Total debt
2013-2014	
31/3/2014 principal	£26.1m
Average rate	3.32%
Average life	17.1 years
Capital Financing Requirement	£23.3m
Over borrowed by	£2.8m

2012-2013	
31/3/2013 principal	£26.1m
Average rate	3.32%
Average life	18.1 years
Capital Financing Requirement	£24.4m
Over borrowed by	£1.7m

1. The Borrowing Requirement and Debt

The Council's underlying need to borrow to finance capital expenditure is called the Capital Financing Requirement (CFR).

The original budget compared to the outturn is shown in the following table:

31/3/2013 Actual CFR		31/3/2014 Budget CFR	31/3/2014 Actual CFR
£23.1m	General Fund	£27.1m	£23.5m
£24.4m	Housing Revenue Account	£24.1m	£23.3m
£47.5m	Total	£51.2m	£46.8m

The General Fund Capital Financing Requirement is lower than anticipated as a consequence of the 2012-2013 outturn coming in below the January 2013 estimate and a reduction in borrowing to financing the capital programme; this was a result of the capital re-programming reported to Members during 2013-2014.

The Housing Revenue Account Capital Financing Requirement is lower than anticipated as a consequence of the 2012-2013 outturn coming in below the January 2013 estimate due to an increased voluntary revenue provision (set aside to repay debt) in 2012-2013.

2. Borrowing Outturn

No new loans were taken out, no loans matured or were repaid and no rescheduling was performed. The Council's total debt portfolio remained at £39.5m.

3. Investment Outturn

The Council's investment policy is governed by DCLG guidance, which has been implemented in the annual investments strategy since 2012. The policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data.

The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.

The Council maintained an average balance of £13.8m of internally managed funds. Invested funds and funds held for daily cashflow needs, earned an average rate of return of 0.44%; £77k. The comparable performance indicator is the average 7-day LIBID rate, which was 0.35%.

4. Prudential and Treasury Indicators

During 2013-2014 the Council complied with all legislative and regulatory requirements. In addition to the Capital Financing Requirement, the key prudential and treasury indicators detailing the impact of capital activities during the year are as set out in the following table:

2012-2013 Actual		2013-2014 Budget	2013-2014 Actual
£3.6m	Capital expenditure – General Fund	£5.3m	£5.3m
£1.9m	Capital expenditure - HRA	£2.3m	£2.1m
£39.5m	Total external debt	£43.2m	£39.5m
(£6.5m)	Investments – all under a year	(£8.0m)	(£11.0m)
£33.0m	Total net borrowing	£35.2m	£28.5m

In order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Gross borrowing should not exceed the 2013-2014 Capital Financing Requirement, plus the expected changes for the next two years; this allows the Council some flexibility to borrow in advance of the immediate capital need. The gross borrowing of £39.5m is below the 2013-2014 Capital Financing Requirement of £46.8m.

The authorised limit is the affordable borrowing limit required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level and has not done so.

The operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is above the boundary is acceptable. The limits for 2013-2014 are shown in the following table:

	General Fund	HRA	Council
Authorised limit	£21.6m	£36.4m	£58.0m
Maximum gross borrowing	£13.4m	£26.1m	£39.5m
Operational boundary	£19.9m	£26.1m	£46.0m
Average gross borrowing	£13.4m	£26.1m	£39.5m

The financing costs as a proportion of net revenue stream indicates the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream:

2012-2013 Actual		2013-2014 Budget	2013-2014 Actual
11%	General Fund	14%	11%
27%	Housing Revenue Account	20%	18%

There is no incremental impact of capital decisions on council tax or housing rent levels to be reported.

The maturity structure of the Council's external borrowing is shown in the following table:

31/3/2014	PWLB	31/3/2014
£1m	Between 2 and 5 years	£2m
£5m	Between 5 and 10 years	£5m
£5m	Between 10 and 15 years	£5m
£7.35m	Between 15 and 20 years	£6.85m
£8.5m	Between 20 and 25 years	£8.239m
£0.239m	Between 25 and 30 years	-
-	Between 30 and 35 years	-
£8.795m	Between 35 and 40 years	£12.39m
£3.595m	Between 40 and 45 years	-
£39.479m		£39.479m

There were no investments beyond 364 days and all investments held at the year-end matured by the 22nd August, 2014.

The Council had no exposure to variable rates in 2013-2014 as all debts and investments were held at fixed rates. The limit for exposure to fixed rates is up to 100% of the portfolio; up to 30% for variable rates.

Capital Report

1. Capital Programme

The Capital Programme for 2013-2017 was last reported to the Executive Committee on the 22nd January, 2014.

This report includes the capital programme outturn for 2013-2014, capital programme variations and re-profiling.

The major (over £10,000) variations to the Capital Programme since the last report are as follows:

1.1 Outturn 2013-2014

- £1,670,918 - re-profiled from 2013-2014 to 2014-2015.
- Capitalised Planned Maintenance - £365,175 underspend.
- Housing IT - £38,412 underspend.
- Disabled Facilities Grants - £187,075 underspend.
- Retentions - £25,000 underspend.
- Miscellaneous Projects - £82,361 expenditure not meeting definition of capital transferred to revenue.
- Link Road final account confirmed - £29,988 funding transferred to Asset Investment Fund.
- 104 Abbey Road final account confirmed - £35,153 funding transferred to Asset Investment Fund.

1.2 Re-profiling

- Coastal Defence West Shore Park - £575,000 re-profiled from 2013-2014 to 2014-2015.

1.3 Revised Funding

- Barrow Island Environmental Improvements Cluster of Empty Homes funding - £63,000 2013-2014 & £1,072,000 2014-2015.
- James Freel Close Business Units roofing 2014-2015 - £110,000 approved by Executive Committee 22/01/2014.
- Farm Street Play Area (The Rec) - £157,584 Big Lottery funding approved 06/02/2014 & £46,258 WREN funding approved 29/04/2014.
- Coastal Defence Work West Shore Park - £24,000 Environment Agency funding for additional works 2013-2014.
- Coastal Defence Work West Shore Park revised costs funding reduced by - £165,000 reported to Executive Committee 30/07/2014.
- IT Equipment & Development - £600,000 Cabinet Office funding for move to Individual Electoral Registration (IER).
- Rural Regeneration Roa Island Jetty additional funding - £30,000 agreed Executive Committee 30/07/2014.
- Marina Village - £640,000 funded from reserves approved Executive Committee 30/07/2014.

- Town Hall office alterations and refurbishment - £62,697 capital funding balance of costs funded from HRA & Efficiency Support Grant.
- Refuse & recycling containers DCLG funding transferred to revenue - £250,000.

1.4 New Capital Bids

- Market Hall - £40,000 asbestos removal and new beam joints.
- Car parking Pay & display machines - £68,926 approved by Executive Committee 30/07/2014.
- 102 Abbey Road refurbishment - £350,000 funded from Efficiency Support Grant.

1.5 Reserves

It is proposed to use £2,000,000 of reserves for the following projects:

- Town Centre Shop Front Grants - £100,000 2014-2015 and £150,000 2015-2016.
- Barrow Island Environmental Improvements Highway Works Maritime Streets - £200,000 2015-2016.
- Group Repair Greengate Street - £600,000 2015-2016.
- Group Repair Rawlinson Street - £150,000 2015-2016 and £500,000 2016-2017.
- Public Buildings Investment Fund - £150,000 2015-2016 and £150,000 2016-2017.

1.6 Borrowing

As a result of 2013-2014 project underspends and a reduction in costs for Coastal Defence - Work West Shore Park, the overall borrowing requirement has reduced from £4,002,710 to £3,423,590.

1.7 Usable Capital Receipts

Projected usable capital receipts have been revised as follows:

- 2014-2015 - £250,000
- 2015-2016 - £145,000
- 2016-2017 - £131,000

2. Capital Programme 2013-2014 to 2016-2017

The summarised Capital Programme is set out in table 1:

Table 1: Investment	2013-14 £	2014-15 £	2015-16 £	2016-17 £
Public Housing	1,930,745	1,817,000	1,817,000	1,817,000
Private Housing	412,925	618,967	600,000	600,000
Housing Market Renewal	1,565,921	1,435,852	950,000	500,000
Public Buildings	2,097,589	672,902	245,000	150,000
Other Public Assets	1,361,336	2,499,918	250,000	100,000

Community Initiatives	68,158	663,952	-	-
Retentions	-	24,025	25,000	25,000
Asset Investment Fund	-	241,741	250,000	250,000
Total Capital Programme	7,436,674	7,974,357	4,137,000	3,442,000

The proposed financing for the Capital Programme is set out in table 2:

Table 2: Financing	2013-14 £	2014-15 £	2015-16 £	2016-17 £
Borrowing	1,600,000	-	890,000	933,590
Government Grants	808,292	2,908,235	560,000	560,000
HRA MRR	1,930,745	1,817,000	1,817,000	1,817,000
Private Contributions	12,714	105,000	-	-
Earmarked Reserves	1,206,105	3,094,052	323,931	-
Revenue	-	50,070	-	-
Capital Receipts	1,879,818	-	546,069	131,410
Total Capital Programme	7,436,674	7,974,357	4,137,000	3,442,000

3. Capital projects

Capitalised Planned Maintenance: The planned maintenance programme aims to continue improvements to ensure the Council satisfies the Government's requirements for Decent Homes. Where there are planned major works to Council dwellings such as rewiring, heating, bathrooms and kitchens, this expenditure is capitalised and financed by the major repairs allowance. This is funded from the Major Repairs Reserve.

Disabled Facilities Grants: These are awarded for essential adaptations to give a disabled person better freedom of movement around the house. This work includes widening doors or installing ramps, providing a specially adapted room in which it is safe to leave a disabled person unattended and improving accessibility and facilities around the home. This project is supported by an annual grant from the DCLG.

Private Sector Housing Condition Survey: Every 5 years the Council collects information about owner occupied and privately rented properties to inform the Housing Strategy and prioritise actions and investment. The current survey is being carried out as a Cumbria-wide exercise.

Central Property Refurbishments: This project is for the refurbishment of Renewal Area properties to a condition fit for their sale on the open market.

Group Repair – Marsh Street, Central Area E & Central Area A, Rawlinson Street Corridor and Greengate Street: These are part of the North Central Renewal Area where the Council is committed to a 10 year programme of works. Group repair schemes are major external renovation and refurbishment of whole streets or blocks.

Central Area A includes 107 properties on Thwaite Street, Brewery Street and Whitehead Street. Area E includes 135 properties within the Renewal Area

boundary on Arnside Street, Lindal Street, Harrison Street, Lord Street and Silverdale Street. The proposed works would be similar in nature to those already carried out on Sutherland Street (evens) and Marsh Street (odds). The exact specification will be determined to maximise impact following property surveys and will depend on the condition of the property and the budget available.

The Rawlinson Street Corridor between Abbey Road and Greengate Street is on the boundary of the Renewal Area, and is currently a retail area secondary to the Town Centre core. It is also an important secondary thoroughfare. As such the appearance of the corridor is important to the general vibrancy of the Town Centre. The number of viable retail businesses on Rawlinson Street has reduced in recent years, and it may be appropriate for a number of premises to change use from business to residential. The capital scheme proposed will enhance the Town Centre shop front grant scheme in this area, promote appropriate changes in use and provide discretionary grants for residential fabric improvements.

Barrow Island Environmental Improvements: this is the project to improve the public realm in the vicinity of Barrow Island Flats thus making the flats more desirable and therefore more lettable. The project is funded from Cluster of Empty Homes Fund allocated to the Council to tackle the problem of empty homes within Barrow Island Flats

Cemetery: This is the project for the new grave section at Barrow Cemetery.

Crematorium: This project is to replace the monitoring equipment during 2014-2015 and reline the cremators during 2015-2016.

Dock Museum: this project is for the works required to the land and car parking associated with the sale of the adjacent land.

Forum 28: This project comprises the works to the toilets and motorised lighting bars and sound system for the main theatre and wheelchair lift.

Leisure Centre: This is the project for the Soccer Centre.

Market Hall: There are two projects within this heading. Asbestos removal and replace beam joints and refurbishment of market hall and new toilets.

Public Conveniences: This project is for the demolition of the toilets block at Duke Street, Askam

Roof Top Car Park: This is the project looking to resolve the waterproofing issues on the roof top car park.

Town Hall: There are two projects within the Town Hall. The continuing project addressing the refurbishment of the building and fabric and alterations and refurbishment to offices to accommodate the Housing Department

Craven House: This is two projects re-roofing Craven House and refurbishment of fourth floor.

Farm Street Play Area (The Rec): This project is the complete refurbishment of Farm Street Play Area funded from Big Lottery & Waste Recycling Environmental Limited (WREN).

Barrow Park: This project is to resurface the roads and pathways not included in the Lottery funded works and renew sections of deteriorating fencing.

Forge Close & James Freel Business Units: There are three projects within this heading. The project for the sewer and highway remedial works to enable the adoption by Cumbria County Council and United Utilities. Unit 9 roof works and refurbishment works to business units.

Town centre shop front grants: This scheme supports the creation of attractive and customer friendly town centres in Barrow and Dalton which enable shopkeepers to work effectively together to market their town centres in order that they can compete effectively with out of town shopping. The scheme is targeted at small retailers in Barrow Town Centre and Dalton Town Centre and is open to small independent businesses only with less than 50 employees.

Miscellaneous properties: This project is the demolition of a Smallholding property

Abbey Road THI : Townscape Heritage Initiative Lottery grant programme for the repair and regeneration of eligible buildings of special architectural character

102 Abbey Road: The original work on 102 Abbey Road included the front elevation (masonry repairs, including re-pointing all stone and brick in lime and street frontage reinstatement), re-roofing pitched roofs, re-covering flat roofs and the provision of car parking. The current project is the refurbishment of the building into a lettable condition.

School Street Former Presbyterian Church: This project is for the purchase and demolition of the property.

Link Road: This project was for the construction of the Link Road; retentions and minor outstanding works remain to be paid in 2014-2015.

Marina village: This long-term project is a continuation of the acquisition and demolition of properties in preparation for the Marina village development.

IT equipment & development: This project provides for the updating of the Councils computers and also for the development of systems and hardware to maintain a supportable and robust IT environment.

Refuse & recycling containers: This is a continuing project for the replenishment of the refuse & recycling containers in use throughout the Borough.

CCTV: This project is for the purchase of replacement CCTV cameras in Barrow and Dalton and new monitoring and recording equipment.

Car Parking Pay & Display Machines: This project is for the purchase of 22 replacement pay & display ticket machines.

Ireleth Road Watercourse: the Council is the owner of the land beneath Abbey Heights and is responsible for the replacement of collapsed pipes alongside A595 Ireleth Road.

Coastal Defence Work West Shore Park: This is the project for the installation of 20 year temporary sea defences at the West Shore Park.

Rural Regeneration – Piel Island: This is the project for the Ship Inn refurbishment. The works relate to the south west elevation where the visitor centre will be. The visitor centre will house the furniture and exhibits from the Barrow by Design project which is managed by Art Gene.

Rural Regeneration – Roa Island Jetty: This is the project to replace the degrading precast reinforced concrete jetty with a new shorter timber jetty.

Rural Regeneration – Coastal Protection: The Council carried out a condition survey of all coastal defence assets in 2010 which is being used to prioritise capital works to Council maintained defences at three locations in the borough.

Retentions: This is a provision for payments that become due once the retention period of a contract has ended and the works are signed off.

Asset Investment Fund: This is the balance of capital resources available to finance the programme. It must be noted that the proposed programme contains a level of usable capital receipts which must be realised before all resources can be committed.

4. Capital Financing

Borrowing: The Councils borrowing is controlled by the Prudential Code which promotes effective financial planning which considers the range of options for revenue funding and capital investment by:

- Establishing whether the Council considers it affordable and prudent to bear additional future revenue costs associated with additional investment;
- Establishing whether the use of existing or new revenue resources to finance capital investment should have precedent over other competing needs for revenue expenditure; and

- Establishing the scope for capital investment to generate future revenue savings or income, taking into account the risks associated with such proposals.

The costs of the borrowing included in the proposed Capital Programme are included in the Medium Term Financial Plan.

Government Grants:

Disabled facilities grant: This funding is received from the DCLG to be used to help disabled people to live as comfortably and independently as possible in their own homes through the provision of adaptations. Entitlement to a disabled facilities grant is mandatory for eligible disabled people and the grant provides financial assistance for the provision of a wide range of housing adaptations ranging from stair lifts, level access showers and home extensions.

Area Based Grant: This is grant received by the Council in a previous year that is committed to finance the capital programme. It was received as a non-ring fenced revenue grant and is held as an earmarked reserve until it is used to finance the related capital expenditure.

Cluster of Empty Homes funding: this is government funding allocated to the Council to tackle empty homes within Barrow Island flats. The funding is allocated to Barrow Island Environmental Improvements

Lottery funding: Lottery funding is project specific and the funding in the programme for 2013-2014 & 2014-2015 relates to Farm Street Play Area

DEFRA: This funding is for Coastal Defence Work West Shore Park for 2013-2014.

Cumbria County Council and Other Local Authorities: This is funding for 2014-2015

- Coastal Defence Work West Shore Park - £75,000
- Link Road - £57,286

Private Contributions: This is funding for:

- Abbey Road THI - £6,305 2013-2014
- CCTV Equipment - £9,000 2013-2014
- Coastal Defence Work West Shore Park 2013-2014 - £150,000

Earmarked Reserves: This is funding for

- Group Repair Central Area A & E - £122,290 from earmarked grants
- Market Hall - £50,650 from Market reserve
- Market Hall - £30,000 from Efficiency Support Grant
- Town Hall - £62,697 from Efficiency Support Grant
- Town Hall - £259,490 from public buildings reserve
- Roof Top Car Park - £30,000 from Efficiency Support Grant
- Craven House - £600,000 from Efficiency Support Grant
- Forge Close /James Freel Close Business Units - £321,775 from ring-fenced reserves
- 102 Abbey Road - £350,000 from Efficiency Support Grant
- Marina Village demolition - £33,330 from Woodbridge Haven Reserve

- Marina Village - £640,000 from reserves
- IT Equipment & Development - £105,090 from Efficiency Support Grant
- Car Parking Pay & Display machines - £17,660

- £2,000,000 from reserves subject to approval as follows:
 - Town Centre Shop Front Grants - £250,000
 - Barrow Island Environmental Improvements Highway Works Maritime Streets - £200,000
 - Group Repair Greengate Street - £600,000
 - Group Repair Rawlinson Street - £650,000
 - Public Buildings Investment Fund - £300,000

HRA major repairs reserve: The major repairs reserve is specific to the HRA and will continue to be used for capital financing for the initial years of the HRA self-financing regime. The annual contribution to the reserve from the HRA represents the capital cost of keeping stock in its current condition. This is the same as using the annual cost of replacing building components as they reach the end of their useful life as a reasonable estimate of depreciation.

Usable capital receipts: The Council generates capital receipts by disposing of surplus land and buildings plus sales under the Right to Buy legislation. Capital receipts may only be used for financing the Capital Programme or may be set aside to repay debt.

The balance of usable capital receipts brought into 2013-2014 was £1,865,207 and capital receipts in 2013-2014 were £166,090; these are committed to finance the Capital Programme.

The Capital Programme assumes future usable capital receipts of:

- 2014-2015 £250,000
- 2015-2016 £145,000
- 2016-2017 £131,000

A total of £526,000 usable capital receipts remains to be realised during the life of the Capital Programme.

Capital receipts are closely monitored as the proposed Capital Programme is reliant on usable capital receipts for financing each year. Where capital receipts are not achieved, projects will be reviewed and prioritised against the financing available.

Capital Programme 2013-2017

Capital projects:	2013-14 Outturn	2014-15 Budget	2015-16 Budget	2016-17 Budget
Capitalised planned maintenance	1,930,745	1,817,000	1,817,000	1,817,000
Total Investment in public housing	1,930,745	1,817,000	1,817,000	1,817,000
Disabled facilities grants	412,925	600,000	600,000	600,000
Private Sector Housing Condition Survey	-	18,967	-	-
Total Investment in private housing	412,925	618,967	600,000	600,000
Central Property Refurbishments	800	-	-	-
Group Repair - Marsh Street	14,181	-	-	-
Group Repair - Central Area A & E	1,477,259	74,533	-	-
Rawlinson Street Corridor	11,055	288,945	-	-
Group Repair - Greengate Street	-	-	600,000	-
Group Repair - Rawlinson Street	-	-	150,000	500,000
Barrow Island Environmental Improvements	62,626	1,072,374	200,000	-
Investment in Housing Market Renewal	1,565,921	1,435,852	950,000	500,000
Total Investment in housing	3,909,591	3,871,819	3,367,000	2,917,000
Cemetery	275,510	1,800	-	-
Crematorium	-	56,000	45,000	-
Dock Museum	199,866	40,068	-	-
Forum 28	112,829	11,520	-	-
Leisure Centre	600,000	-	-	-
Market Hall	101,117	220,512	-	-
Public Conveniences	-	21,082	-	-
Roof Top Car Park	103,321	126,679	50,000	-
Town Hall	704,946	195,241	-	-
Public Buildings Investment Fund	-	-	150,000	150,000
Total Investment in Public Buildings	2,097,589	672,902	245,000	150,000
Craven House	600,000	-	-	-
Barrow Park	-	46,400	-	-
Farm Street Pay Area (The Rec)	-	203,842	-	-
James Freel Close Business Units	53,230	268,870	-	-
Town Centre Shop Front Grants	-	129,724	150,000	-
Miscellaneous Properties	-	15,000	-	-
Abbey Road THI	14,191	-	-	-
102 Abbey Road	-	376,618	-	-
School Street Former Presbyterian Church	48,855	-	-	-
Link Road	-	57,286	-	-
Marina Village	377,256	673,330	-	-
IT Equipment & Development	256,693	568,307	60,000	60,000
Refuse and Recycling Containers	-	52,725	40,000	40,000
CCTV Equipment	11,111	38,890	-	-
Car Parking Pay & Display Machines	-	68,926	-	-
Total Investment in other public assets	1,361,336	2,499,918	250,000	100,000
Ireleth Road Watercourse	7,214	397	-	-
Coastal Defence Work West Shore Park	24,198	425,802	-	-
Rural Regeneration - Piel Island	-	578	-	-
Rural Regeneration - Roa Island Jetty	-	213,175	-	-
Rural Regeneration - Coastal Protection	36,746	24,000	-	-
Total Investment in Community Initiatives	68,158	663,952	-	-
Retentions	-	24,025	25,000	25,000
Asset Investment Fund	-	241,741	250,000	250,000
Total	7,436,674	7,974,357	4,137,000	3,442,000

Funding of Capital Programme:	2013-14 Outturn	2014-15 Budget	2015-16 Budget	2016-17 Budget
Borrowing Requirement Non Housing	1,600,000	-	890,000	933,590
DCLG Grant	568,134	1,159,928	560,000	560,000
Area Based Grant	173,855	100,805	-	-
Cluster Empty Homes	62,626	1,072,374	-	-
Lottery & WREN	2,677	203,842	-	-
DEFRA & Environment Agency	-	239,000	-	-
Cumbria County Council	-	132,286	-	-
Private Contributions	12,714	105,000	-	-
HRA MRR	1,930,745	1,817,000	1,817,000	1,817,000
Contributions from Earmarked Reserves	1,206,105	3,094,052	323,931	-
Contributions from Revenue	-	50,070	-	-
Usable Capital Receipts	1,879,818	-	546,069	131,410
Total	7,436,674	7,974,357	4,137,000	3,442,000



Reserves and Balances Policy

Legislative and Regulatory Framework

The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Local authorities may also ' earmark' specific parts of the General Fund reserve; these are referred to as Earmarked Reserves.

There are a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:

- the balanced budget requirement: sections 31A, 42A of the Local Government Finance Act 1992, as amended
- Director of Resources' duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement
- the legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the Director of Resources / proper officer has responsibility for the administration of those affairs section 151 of the Local Government Act 1972
- the requirements of the Prudential Code.

These requirements are reinforced by section 114 of the Local Government Finance Act 1988 which requires the Director of Resources in England and Wales to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. Indeed, the authority's full council must meet within 21 days to consider the s114 notice and during that period the authority is prohibited from entering into new agreements involving the incurring of expenditure.

Whilst it is primarily the responsibility of the local authority and its chief financial officer to maintain a sound financial position, external auditors will confirm that there are no material uncertainties about going concern. Even where as part of their wider role auditors have to report on an authority's financial position, it is not their responsibility to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.



CIPFA's Prudential Code requires Director of Resources in local authorities to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long term revenue commitments. Indeed, in considering the affordability of its capital plans, the authority is required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years.

Types of Reserve

When reviewing medium term financial plans and preparing annual budgets local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Financial Reporting for Reserves

The IFRS-based *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) introduced the Movement in Reserves Statement to local authority financial statements in the 2010-2011 financial year. This Statement presents the movement in the year of the reserves of the authority analysed into usable reserves, (such as General Fund, HRA Balances and earmarked reserves) and unusable reserves.

Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements. These reserves, which are not resource-backed and cannot be used for any other purpose, are described below:

Revaluation Reserve

- The Revaluation Reserve - this is a reserve that records unrealised gains in the value of property, plant and equipment. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or when assets are revalued downwards or disposed of. Local authorities might benefit from these gains in the future from the continued use of the assets or from their sale. The Reserve contains only revaluation gains accumulated



since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Adjustment Accounts

- The Pensions Reserve – this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes in accordance with those schemes' requirements and the net change in the authority's recognised liability under the Code's adoption of IAS 19 – *Employee Benefits*, for the same period. A transfer is made to or from the pensions reserve to ensure that the charge to the General Fund reflects the amount required to be raised in taxation. For example, the debit balance on the Reserve shows that an authority has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
- The Capital Adjustment Account - this is a specific accounting mechanism used to reconcile the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system. Statute requires that the charge to the General Fund is determined by the capital controls system. For example, the credit balance on the Account shows that an authority has generally financed capital investment in advance of receiving the benefits of that investment. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.
- The Financial Instruments Adjustment Account – this is a specific accounting mechanism used to reconcile the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the Housing Revenue Account Fund. For example, the debit balance on the Account shows that an authority has incurred expenses on borrowings that the Government has permitted it to spread over future years.
- Collection Fund Adjustment Account – this is a specific accounting mechanism used to reconcile the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement to those amounts required to be charged by statute to the General Fund. For example, the credit balance on the Account shows that more tax has been collected on behalf of the authority and the precepting bodies (and central government for non-domestic rates income) than an authority is permitted to transfer out of the Collection Fund by 31 March.
- The Accumulated Absences Adjustment Account – this is a specific accounting mechanism used to absorb the differences that would otherwise arise on the General Fund and Housing Revenue Account Balances from

accruing for compensated absences earned but not taken in the year, this is annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Fund Balances is neutralised by transfers to or from the Account.

Other such reserves may be created in future where developments in local authority accounting result in timing differences between the recognition of income and expenditure under proper accounting practice and under statute or regulation.

In addition authorities will hold the following usable reserves:

- Major Repairs Reserve –this reserve records the unspent amount of HRA balances for capital financing purposes in accordance with statutory requirements for the Reserve.
- Capital Receipts Reserve – this reserve holds the proceeds from the sale of assets, and can only be used for those purposes specified in the capital finance and accounting regulations.
- Capital Grants Unapplied Reserve – this reserve holds capital grants that have been received but have yet to be used to finance capital expenditure. Amounts are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

The Code recommends that earmarked reserves are reported on the face of the Movement in Reserves Statement. Particularly significant movements might need to be reported individually on the face of the Statement to ensure key messages are presented clearly to users.

When establishing reserves, local authorities need to ensure that they are complying with the Code and in particular the need to distinguish between reserves and provisions.

The introduction of the IFRS-based Code on 1 April 2010 has meant that grant income should be recognised in the Comprehensive Income and Expenditure Statement (and therefore against the General Fund or HRA Balances for revenue grants) where grant payment is unconditional or grant conditions have been satisfied. The Code Guidance Notes recommend that where these grants have been received prior to the expenditure having taken place authorities should consider establishing earmarked reserves. This will ensure that amounts are set aside from the General Fund and HRA balances in earmarked reserves to provide financing to meet the requirements of the grant. The amounts set aside will be posted back from earmarked reserves to meet General Fund and HRA expenditure in future years. It is likely therefore that since the introduction of the IFRS-based Code there is an increased tendency to hold earmarked reserves.

The statutory reporting regime described earlier and effective financial management underpin the need for clear, transparent reporting arrangements for reserves and therefore in addition to the financial reporting requirements above, it is recommended that for each earmarked reserve held by a local authority there should be a clear protocol setting out:

- the reason for / purpose of the reserve;
- how and when the reserve can be used;
- procedures for the reserve's management and control; and
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

Principles to Assess the Adequacy of Reserves

In order to assess the adequacy of unallocated general reserves when setting the budget, Director of Resources should take account of the strategic, operational and financial risks facing the authority. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings. Statutory provisions require authorities to review at least once in a year the effectiveness of their system of internal control, which will include risk management. The CIPFA/SOLACE framework *Delivering Good Governance in Local Government* details an approach to giving assurance that risk, control and governance matters are being addressed in accordance with best practice.

The Codes of Audit Practice make it clear that it is the responsibility of the authority body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks should be assessed in the context of the authority's overall approach to risk management.

Budget Assumptions	Financial standing and management assessment/impact
The treatment of inflation and interest rates.	<p>The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates and so on). Rises in the prices of some commodities, such as fuel, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases.</p> <p>Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.</p>

Budget Assumptions	Financial standing and management assessment/impact
Estimates of the level and timing of capital receipts.	The authority's track record in budget and financial management including the robustness of the medium term plans. Authorities will also need to take into account changes in the property market, and adjust estimates and assumptions for reserves accordingly.
The treatment of demand led pressures.	The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.
The treatment of planned efficiency savings/productivity gains.	The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.	The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.
The general financial climate to which the authority is subject.	External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used. Any plans for using reserves will need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.

Whilst many of these factors relate to setting the annual budget, the level of risk and uncertainty associated with these factors will be relevant in determining an appropriate level of reserves.

Authorities have been faced by increasing financial pressures since 2008. This has been followed by a period of significant reduction in government funding which is anticipated to continue for some time; the spending review 2013 announced that the government will reduce total spending in 2015/16, 2016/17 and 2017/18 in real terms at the same rate as during the spending review 2010 period. Demands on local government services continue to increase.

In addition to reduction in government funding other pressures include:

- councils striving to constrain council tax increases,
- reductions of income,
- new service demands and responsibilities such as:
 - the localisation of non-domestic rates retention, and
 - council tax support
- severe weather and floods.

Furthermore, events such as the losses in Icelandic banks and the problems in global financial markets are likely to mean that Councils will focus on cautious investment strategies. Council budgets and reserves have remained under pressure and are likely to continue to do so for some time.

The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The Director of Resources may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority. The Audit Commission Report (December 2012) *Striking a Balance* makes a number of recommendations to both Director of Resources and elected members to better assist councils in their decision making.

The advice should be set in the context of the authority's risk register and medium term plans and should not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term.

Events such as the floods and severe weather that occurred in 2014 and previously in the floods during the summers of 2007 and 2008 have emphasised the need for authorities to be prepared for major unforeseen events. Adequate insurance cover combined with appropriate levels of reserves will enable authorities to manage the demands placed on them in such circumstances. However, these arrangements need to take account of all possible scenarios. An example quoted in the Audit Commission report *Staying Afloat* is that the total cost of the flooding was reduced where authorities had specifically considered the impact of a wide scale, serious



event affecting many assets, and had taken appropriate action, for example, negotiating insurance policies that capped the total excesses linked to one event.

Part of the risk management process involves taking appropriate action to mitigate or remove risks, where this is possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. A balance will need to be found between maintaining adequate levels of reserves and investing in risk reduction measures. This balance should form part of the risk management process and be considered as part of the annual budget process.

Emergency financial assistance from central government may be available to assist authorities in dealing with the immediate consequences of major unforeseen events, normally under the Emergency Financial Assistance to Local Authorities scheme (commonly known as the 'Bellwin' scheme). However, there is no automatic entitlement to financial assistance, and where financial assistance is given, it will not cover all of the costs even in exceptional circumstances. Authorities should plan to have access to sufficient resources (through reserves, insurance or a combination of both) to cover the costs of recovering from events that are likely to be unavoidable.

When considering the level of reserves, it would be appropriate for authorities to take into account the likely level of Government support that would be available, and to consider how the balance would be funded in the event of an unforeseen event occurring.

Flooding, the effects of severe weather and the impact of the problems experienced by the global financial markets are examples of external risks which local authorities may need to take into account in setting levels of reserves and wider financial planning. An assessment of external risks should not be limited to those issues, but should range more widely, to take account of all significant external risks identified through the authority's risk management processes.

Director of Resources Reporting

The Director of Resources director has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Director of Resources. To enable the Council to reach its decision, the Director of Resources should report the factors that influenced their judgement, and ensure that the advice given is recorded formally.

Where the Director of Resources's advice is not accepted this should be recorded formally in the minutes of the Council meeting.

It is recommended that:

- the budget report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the addition to/withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure
- this should be accompanied by a statement from the Director of Resources on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the authority's medium term financial strategy
- a statement reporting on the annual review of earmarked reserves should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balances.

Reserves Held

The Council will not hold a general reserve as this is accounted for within the General Fund balance. General reserves have no restriction on their use and can be used to smooth the impact of significant pressures across years, offset the budget requirement in year, and to mitigate the risks of unexpected events or emergencies. The restructuring reserve is used to smooth budget pressures over the medium term.

Earmarked reserves are usually created and held for one of the five main reasons below:

1. Service restructuring – to fund the costs of organisational changes so that the beneficial impact of savings achieved may be immediately realised in revenue budgets.
2. Renewals – to enable services to plan and finance an effective programme of equipment replacement and planned property maintenance. These reserves are a mechanism to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets.
3. Insurance – to meet the estimate of future claims to enable the Council to meet excesses not covered by insurance.
4. Losses – such as breaching the partial exemption VAT threshold, uninsured losses and other liabilities.
5. Other earmarked reserves will be set up from time to time to meet known or predicted liabilities, such as future predicted budget demand pressures.

The Council has the following financial reserves:

1. Service restructuring
 - a. Restructuring reserve – this reserve holds the budget support identified in the Medium Term Financial Plan.
 - b. Transformation reserve – this reserve holds the funds set aside for efficiency changes.
2. Renewals
 - a. Renewals reserve – this reserve holds the revenue funds set aside for capital projects and cyclical renewal of major items.
3. Insurance
 - a. Insurance reserve – this reserve holds the funds set aside for excesses payable over the medium term.
4. Losses
 - a. Losses reserve – this reserve holds the funds set aside for the partial exemption VAT threshold, the MMI scheme of arrangement and any uninsured losses.
5. Earmarked reserves
 - a. Contingency reserve – this reserve holds the funds set aside to cover one-off items that are not set in the revenue budget.
 - b. Apprenticeships reserve – this reserve holds the funds set aside for the five apprentice positions created in 2014-2015.
 - c. Welfare support reserve – this reserve holds the funds set aside to support discretionary housing payments and assistance from

Holding Reserves

The Council recognises the need to hold and maintain reserves but also recognises the opportunity cost of holding balances as reserves. For this reason it is important to set out clearly, and regularly review, the framework through which reserves are managed.

The management of financial reserves is a key tool of the Council's overall strategy which has two key objectives:

- achieving stable and sustainable budgets throughout the medium term; and
- ensuring resources are effectively focussed on priorities.

Underpinning the achievement of these objectives is the recognition of the need to manage risk. This could be the increased risks of volatility in planning assumptions in uncertain economic times, or the risks to Government funding as a result of significant future funding reviews.



Building Reserves

The Director of Resources is authorised to annually review and recommend the appropriate level of revenue balances during the budget setting process and at the end of the financial year. The Director of Resources will take into consideration all relevant factors at the time of the review. The bases and reasons for recommending a certain level will be reported to committee as part of the budget setting process and/or as part of the final accounts reporting stage.

Earmarked reserves may be established, as part of setting the budget, for a specific purpose to be used in the future. Or they can be created at the end of the financial year if the final outturn allows the creation of a new reserve or the addition to an existing reserve.

Adding funds into financial reserves is the responsibility of full Council.

Using Reserves

Revenue balances can be used to meet the cost of emergencies, unexpected events or un-budgeted statutory items. The Director of Resources can authorise this type of expenditure but must report it to committee at the earliest opportunity.

Revenue balances may be used to supplement un-budgeted but necessary expenditure that could impact on service delivery if not incurred. The Director of Resources can authorise this expenditure up to a limit of 1% of the net revenue budget after consultation with the Executive Director. The Director of Resources must also ensure that such expenditure would not have a detrimental effect on the overall finances of the Council.

Earmarked reserves can only be used for the purpose for which they were created. The Executive Committee, however, can change the use of the earmarked reserve if it so wishes or move funds between reserves but cannot increase the overall reserves of the Council.

Earmarked reserves created for general use must have the Executive Committee approval before they are used for a specific purpose.

The Executive Committee, on the recommendation of the Director of Resources, can eliminate or reduce the funds in the earmarked reserves by adding them to the revenue balances.

Other Protocols

Any under spending on the revenue budget is not permitted to be carried forward to the following year. It will revert back to the revenue balance.



This policy will be subject to periodic review and approval by the Executive Committee and where necessary, full Council.

Minimum Reserves

The following Section sets out the risk based Assessment of the level of the General Fund balance. The calculation covers the previous General Fund balance and general reserve, with the general reserve no longer being held separately.

The General Fund balance for 2014-2015 should be at least £2.28m and preferably being held above that level as far as possible.

The losses reserve also has a minimum level as the items that this covers are not included in the General Fund balance; these are different in nature and do not lend themselves to risk analysis, being fully payable when they are triggered. The losses reserve includes the partial exemption VAT threshold £122k, the MMI scheme of arrangement £218k and any uninsured losses £250k.

The Housing Revenue Account minimum level calculated differently to the General Fund. In previous years a blended risk factor of 5% has been applied to the gross expenditure (or gross income as it is a balanced budget). However, given the challenges that welfare reforms create for rent collection, it is prudent to increase the risk factor to 10%. This makes the 2014-2015 HRA minimum balance £1.2m.

The Housing Revenue Account has maintained balances above the minimum level for a number of years. The levels will be reviewed annually and for both the introduction of Universal Credit and the investment plans in the 30-year Business Plan.

The following Section sets out the calculation of the General Fund balance for 2014-2015 based on the estimated impact of the risks facing the Council and the likelihood of the financial impact if it materialises.

Risk Based Assessment of the Level of General Fund Balances

Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises fees and charges	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of a downturn in the economy, but could also be as a result of poor weather or new competition. All fees and charges income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are set based on previous experience and to reflect any new requirements.		
		Calculated Risk	
Specific Areas	Estimated Income £	Likelihood Percentage	Balance Required £
Pay and display ticket sales	639,980	10%	63,998
Development and building control	328,900	10%	32,890
Land charges income	110,260	20%	22,052
Recycling income	530,000	10%	53,000
Indoor market	264,330	5%	13,217
Leisure income	814,520	10%	81,452
Commercial property income	1,397,280	5%	69,864
Total			336,473

Risk Area	Comments including any mitigation factors		
Demand led budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets are reviewed as part of the budget monitoring process.		
		Calculated Risk	
Specific Areas	Estimated Exposure £	Likelihood Percentage	Balance Required £
Housing benefit maximum risk based on not meeting minimum threshold for Local Authority errors.	99,751	90%	89,776
Total			89,776

Risk Area	Comments including any mitigation factors		
Changes since the budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
		Calculated Risk	
Specific Areas	Estimated Exposure £	Likelihood Percentage	Balance Required £
Staff pay	4,676,750	1%	46,768
Contractual inflation	6,704,460	1%	67,045
Utility inflation	718,710	1%	7,187
Total			121,000

Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under recovery of expenditure and income	This calculation is based on the Council's net revenue budget and services to cushion the impact of uneven cash flows.		
	Calculated Risk		
Specific Areas	Estimated Exposure £	Likelihood Percentage	Balance Required £
Gross income	38,614,310	1.5%	579,215
Gross expenditure	39,078,070	1.5%	586,171
Total			1,165,386

Risk Area	Comments including any mitigation factors		
Other risks	Potential risk that savings will not be realised, that contract renewals require additional funding, that under-borrowing for cashflow purposes cannot be maintained and that the MMI scheme of arrangement calls a further levy from creditors.		
	Calculated Risk		
Specific Areas	Estimated Exposure £	Likelihood Percentage	Balance Required £
Service saving options	1,216,890	20%	243,378
Major contract renewals	3,854,990	5%	192,750
Borrowing costs	5,000,000	2.5%	125,000
Total			561,128

Level of Balances for General Fund based on risk

2,273,763

Financial Reserves - projected balances

	31/03/2014	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
General Fund balance (plus general reserve)	3,547,649.29	2,328,127.40	2,328,127.40	2,328,127.40	2,328,127.40	2,328,127.40	2,328,127.40
Restructuring reserves - MTFP restructuring	4,918,892.81	2,870,000.00	2,870,000.00	1,840,000.00	650,000.00	-	-
Restructuring reserves - transformation	-	250,000.00	200,000.00	150,000.00	100,000.00	50,000.00	-
Renewals reserve (public buildings & cremator)	545,843.92	823,193.92	359,263.92	259,263.92	159,263.92	59,263.92	-
Insurance reserve (excesses only)	285,517.46	100,000.00	80,000.00	60,000.00	40,000.00	20,000.00	-
Losses reserve (VAT, MMI & uninsured)	750,000.00	590,392.16	590,392.16	590,392.16	590,392.16	372,240.33	372,240.33
Other earmarked reserve: budget contingency	-	250,000.00	160,000.00	120,000.00	80,000.00	40,000.00	-
Other earmarked reserve: apprenticeships	250,000.00	204,150.00	124,710.00	44,480.00	-	-	-
Other earmarked reserve: welfare support	244,900.00	171,552.00	94,582.00	17,612.00	-	-	-
Other earmarked reserve: sports facilities	56,290.00	-	-	-	-	-	-
Other earmarked reserve: grants to bodies	58,000.00	-	-	-	-	-	-
Other earmarked reserve: CCTV	107,249.12	-	-	-	-	-	-
	10,764,342.60	7,587,415.48	6,807,075.48	5,409,875.48	3,947,783.48	2,869,631.65	2,700,367.73
<u>Ring-fenced reserves</u>							
Woodbridge Haven reserve	64,010.91	74,040.91	74,040.91	74,040.91	74,040.91	74,040.91	74,040.91
James Freel Close reserve	582,601.69	458,251.69	458,251.69	8,251.69	8,251.69	8,251.69	8,251.69
Earmarked revenue grants reserve	786,300.22	551,354.10	151,354.10	-	-	-	-
	1,432,912.82	1,083,646.70	683,646.70	82,292.60	82,292.60	82,292.60	82,292.60
Total	12,197,255.42	8,671,062.18	7,490,722.18	5,492,168.08	4,030,076.08	2,951,924.25	2,782,660.33

The ring-fenced reserves may increase as well, when new grant are received and carried to future years.

This projection reflects the grants known of at the time of reporting.

The minimum General Fund balance is £2.28m and the losses reserve £0.59m and £0.37m if a further MMI levy is paid.

EXECUTIVE COMMITTEE	(D) Agenda Item 9
Date of Meeting: 10th September, 2014	
Reporting Officer: Director of Resources	
<p>Title: Council Finances & Performance Q1 2014-2015</p> <p>Summary and Conclusions:</p> <p>This report provides a summary of the Council's finances and performance for 2014-2015, as at the end of June 2014. The report includes all revenue, capital and treasury items which include: the General Fund, the Housing Revenue Account, the Collection Fund and also the financial reserves.</p> <p>Recommendations:</p> <p>Members are recommended to:</p> <ol style="list-style-type: none"> 1. Note the quarter 1 financial information. 2. Approve the reserve movements, contributing £258,220 to the restructuring reserve as set out in Section D. 3. Note the progress on the Council's priorities. 	

Report

A. General Fund revenue budget

The General Fund revenue budget was set on 4th March, 2014, as £10.638m.

The budget has been revised to £12.057m as shown in **Appendix 7**. The increased revenue financing comes from:

Item	Change £	Total £
Original revenue financing		10,638,490
Efficiency Support Grant	1,175,000	
New Burdens funding	12,130	
Business Rate Retention Scheme items	231,340	1,418,470
Revised revenue financing		12,056,960

The net expenditure against the revised budget, as at 30th June, 2014, is shown in the following table:

Item	Budget £	Actual £	
Staff pay	4,703,320	1,126,170	24%
Other staff costs	118,840	29,519	25%
Transport	103,110	26,350	26%
Property	2,227,110	566,383	25%
Supplies & services	2,835,820	728,686	26%
Contracts	6,630,630	1,652,799	25%
Benefits (net of subsidy)	120,390	34,014	28%
External income	(7,026,550)	(1,878,494)	27%
Net Expenditure	9,712,670	2,285,427	24%

The same net expenditure split between service divisions is shown in the following table:

Item	Budget £	Actual £	
Corporate, Democratic and Support Services	3,445,670	887,260	26%
Regeneration and the Built Environment	587,170	(34,758)	-6%
Community Services	3,501,280	928,482	27%
Revenues & Benefits	2,178,550	504,443	23%
Net Expenditure	9,712,670	2,285,427	24%

The variance for the Regeneration and the Built Environment division has been analysed and is explained in the following table:

Item	Budget £	Actual £	
Regeneration and the Built Environment	587,170	(34,758)	-6%
Income:			
• Planning fees		£51,798	
• Land rents		£21,717	
• Land charges		£12,513	
Supplies and services:			
• Professional fees		£16,391	
• Search fees		£9,068	
• Equipment maintenance		£6,296	
Staff pay:			
• Vacancy gaps		£40,020	
Property:			
• Repairs & maintenance		£26,327	
Regeneration and the Built Environment	587,170	149,372	25%

There are no other significant variances to report.

B. Main Income Streams

The Council's main income streams in terms of value are:

Commercial property rents (excluding ring-fenced properties)

The income budgeted for the first quarter of 2014-2015 has been achieved and the changes in lettings have resulted in a net loss, against budget, of £8k.

Cemetery and Crematorium services

The income for the first quarter quarters of 2014-2015 is £194k. At this point last year the income was £220k; as reported in 2013-2014 the income for this service was particularly high for the first half of the year.

Car parking pay and display sales

The income for the first quarter of 2014-2015 is £138k. At this point last year the income was £146k.

Park Leisure Centre facilities

The income for the first quarter of 2014-2015 is £134k. At this point last year the income was £139k.

Recycling reward

The reward for the first quarter of 2014-2015 is £173k. For the same quarter last year the reward was £157k; the reward is based on tonnage and the rate per tonne has increased this year.

C. Treasury Management

The capital programme for 2014-2015 is included on the agenda today. The programme for 2014-2015 is £7.974m and does not include any new borrowing.

The Council's existing borrowing of £39.5m is all fixed rate PWLB loans maturing over the mid to long term. The debt belongs to the General Fund £13.4m and the HRA £26.1m. No loans are maturing in 2014-2015. The total interest on the loans is £1.45m for the year with each loan having interest payments at six month intervals. The limit for external debt for 2014-2015 is £55m and this has not been exceeded.

The interest received on matured temporary surplus cash deposits for the first quarter of 2014-2015 is £40k. As at 30th June, 2014, the Council's funds were placed with:

Financial institution	Invested	
Building Societies:		
• Manchester Building Society	£2m	
• Cambridge Building Society	£1m	
• Nottingham Building Society	£2.5m	

Financial institution	Invested	
• Principality Building Society	£2m	
• Leeds Building Society	£1.5m	
• National Counties Building Society	£1m	
• Newcastle Building Society	£3m	
• Skipton Building Society	£3m	
Total of fixed term deposits		£16m
HSBC overnight deposit account		£4.42m
Total funds invested		£20.42m

D. General Fund Reserves

The Council's projected reserves at 31st March, 2015, are shown in the following table:

	31/3/2015
General Fund balance	£2.328m
Restructuring reserve	£2.870m
Transformation reserve	£0.250m
Renewals reserve	£0.823m
Insurance reserve	£0.100m
Losses reserve	£0.590m
Budget contingency reserve	£0.250m
Apprenticeships reserve	£0.204m
Welfare support reserve	£0.172m
Total	£7.587m

The Council also holds ring-fenced reserves that can only be used for the purpose they were created and it is outside of the Council's power to change their use. The projected balances at 31st March, 2015, are shown in the following table:

	31/3/2015
Woodbridge Haven reserve	£0.074m
James Freel Close reserve	£0.458m
Earmarked revenue grants	£0.552m
Total	£1.084m

The movement in the reserves are detailed in **Appendix 8** and the restructuring reserve movements are set out below:

- Previously approved use £215,200
 - £99,340 – 2013-2014 Efficiency Support Grant
 - £42,000 – Local Plan
 - £5,000 – KOFAC
 - £50,000 – Marina Village market testing study
 - £18,860 – Pay and display machines

- £1,676,070 - capital use of reserves included in the 2013-2014 outturn report (£323,930 for 2015-2016, totalling £2m)

- Movements for approval - a contribution to reserves of £258,220
 - Use of reserves:
 - £25,000 – Licensing service support
 - £15,930 – EH service support
 - £8,030 – Dock Museum website development
 - £27,430 – HR service support
 - £19,310 – NNDR added to the base budget
 - £9,490 – other items added to the base budget
 - £6,250 – one-off items
 - Added to reserves:
 - £15,790 – Government grants relating to benefits
 - £7,000 – IER funding removed as grant increased
 - £39,300 – items removed from the base budget
 - £32,000 – additional interest earned on deposits
 - £275,570 – Business Rate Retention Scheme

Setting aside the Business Rate Retention Scheme, the net use of the Restructuring Reserve is £17,350 so far in 2014-2015. This will change during the year as the reserve continues to be used for one-off items and support for the budget in accordance with its original purpose.

At **Appendix 9** the grouping or reclassification of reserves is set out. This is based on the projected reserves at 31st March, 2015, as set out in **Appendix 8** and is simply redistributing the balances between the headings to arrive at the requirements expected at year-end. The following reserves are ended:

- General reserve – the risks that this covered are amalgamated in the General Fund balance;
- Budget setting support reserve – this has been amalgamated into the recalculated restructuring reserve MTFP requirement;
- Public buildings and cremator reserves – these are amalgamated into the renewals reserve.
- VAT and uninsured losses reserve – these are amalgamated into the losses reserve along with the MMI scheme of arrangement.

The financial reserves are held and managed in accordance with the Reserves and Balances Policy.

E. Efficiency Support Grant

The Council has received £1.175m of Efficiency Support Grant for 2014-2015 and this is currently allocated as follows:

- Staff savings and senior management restructuring - £50k
- Revenue reduction from capital investment - £500k; £350k identified
- Transformation programme - £200k
- Review of contracts £25k
- Invest to save £400k (projects initiated in 2013-2014) - £400k identified

The projects and purchases will be commissioned in accordance with the aims of the Efficiency Support business plan to achieve efficiency savings by reducing costs or increasing revenue.

F. Housing Revenue Account

The Housing Revenue Account revenue budget was set on 4th March, 2014, as a balanced budget. The budget has been revised to contribute £5,500 to the balance for the following items:

- Added to the fund balance - £3,000 land sale proceeds
- Added to fund balance - £10,000 rechargeable repairs income
- Used from the fund balance - £7,500 staff cover

The direct costs net of external income as at 30th June, 2014, are shown in the following table:

Item	Budget £	Actual £	
Dwelling rents	(10,280,770)	(2,566,920)	25%
Other income	(1,498,050)	(380,037)	25%
Supervision and management	3,204,620	698,859	22%
Repairs and maintenance	3,650,300	868,392	24%
Total	(4,923,900)	(1,379,706)	28%

There are no significant variances to report.

G. Collection Fund

Council Tax – the percentage of Council Tax collected at 30th June, 2014, is 29.21%. For the previous year this was 29.04%.

NNDR – the percentage of NNDR collected at 30th June, 2014, is 32.95%. For the previous year this was 34.08%. June is typically anywhere between 30% and 33%, there was an unusual peak in quarter 1 of 2013-2014.

H. Discretionary Housing Payments

The Council received £93k from the DWP to fund applications for Discretionary Housing Payments. The awards from the fund made for the first quarter total £27k. At this point last year the awards totalled £17k. It is anticipated that the fund may need to be topped up from the Welfare Support Reserve and this has been included in the reserve projections in this report.

I. Medium Term Financial Plan

The Medium Term Financial Plan has been updated during the first quarter to take account of the 2013-2014 outturn and is presented with that report on the agenda today.

J. Performance

The Council's priorities and the progress against the 2014-2015 objectives are set out in this section.

1. Housing - the Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.

Objective 1.1: bring empty properties back into use - the Council is currently arranging the agreement to advance Cluster of Empty Homes funding to a private landlord with four blocks of Barrow Island flats within the bid. It is anticipated that the first drawdown will take place in quarter 3.

Objective 1.2: improve the choice and quality of properties in the Town Centre - funding for the final Renewal Area group repair schemes has been identified within the Capital Programme and is programmed to take place over the next two years. The clearance area is currently under a period of exclusivity whilst a potential developer can formulate a proposal to take the site forward.

Objective 1.3: adopt the Council's Local Plan - the draft Local Plan will be presented to the Executive Committee on 10th September, 2014.

Objective 1.4: maintain decent homes standard for the Council's stock - the Council's dwelling stock meets the decent homes standard and the planned programme of improvements is progressing.

2. Regeneration and the Public Realm - the Council is committed to working with partners and service providers to enhance the built environment and public realm.

Objective 2.1: improve the amenities of the Borough - the contracts for waste management and street cleansing and for ground maintenance are under review by officers. The waste management and street cleansing strategy will be produced towards the end of 2014-2015.

The replacement jetty on Roa Island is scheduled to be in place by the end of November 2014.

Objective 2.2: improve the streetscape and central courtyard on Barrow Island - the Barrow Island environmental improvement scheme is due to be tendered within the next month and the scheme is expected to be practically completed by the end of quarter 4. The Council has identified potential matched funding for the highways element of the works to the Maritime Streets as the scheme selected through consultation with residents cannot be fully funded from the Clusters of Empty Homes grant.

The Farm Street Play Area ('the Rec') was completed in July 2014 using Big Lottery and Waste Recycling Environmental Limited (WREN) funding.

Objective 2.3: support the new athletics facility at Furness Academy - the Council has committed the Sports Facilities reserve to the new facilities.

3. Local Economy - the Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.

Objective 3.1: continue to support the Marina Village development - the Council has set aside funding to allow preliminary market testing to be carried out to determine regional and national house builder views of the local market and the Marina Village residential site. Two of the six remaining parcels of Marina land have been acquired.

Objective 3.2: support the strategy for advanced manufacturing in Furness - the Strategic Economic Plan for Cumbria bid for £24m from the Government's Local Growth Fund. The Plan was submitted by Cumbria Local Enterprise Partnership (LEP) and concentrates on four strategic priorities including advanced manufacturing growth - this priority includes the Barrow Waterfront with a bid of £7.2m; the project already has £1m earmarked from the Cumbria Infrastructure Fund.

Objective 3.3: young person's employment scheme for the Council - the Council set aside reserves to fund five apprentices positions for three year contracts in setting the 2014-2015 budget. The aim of the scheme is to train and upskill the apprentices with transferable skills and hopefully an interest in the professions required within local government. The five apprentices have been appointed and started with the Council on 8th September, 2014.

Objective 3.4: support for low income families - the Council will set the 2015-2016 Local Council Tax Reduction Scheme at its meeting in October 2014; the recommendation of the Executive Committee is to continue the current scheme which has no impact on council tax support recipients.

The Council has a welfare support reserve which contains the funding allocated to the welfare advice agencies that are currently supported, together with the funds to

top up the discretionary housing payments that are awarded. The Council continues to provide disabled facilities grants.

4. Service Delivery - the Council strives to provide good quality, efficient and effective services while reducing overall expenditure.

Objective 4.1: achieve the budget reductions identified for the Council - the Council has achieved the aim of the Budget Strategy and the 2014-2015 and 2015-2016 General Fund revenue budgets are now projected to balance without the use of reserves. The Council has committed £0.953m of the £1.175m Efficiency Support Grant received for 2014-2015 and built in the savings that should achieve. The Medium Term Financial Plan shows the projected revenue budget out to 2019-2020 and this includes a number of policies and assumptions that have to be realised in order to achieve the projected results.

Objective 4.2: partnership working and shared services - the Executive Committee have agreed that the Council enter an expression of interest in the car parking enforcement tender issued by the University Hospitals of Morecambe Bay NHS Foundation Trust.

The discussions concerning property rationalisation continue with Cumbria County Council; the County Council have moved into Craven House.

Objective 4.3: improving the customer experience - the Council is currently reviewing the web content management system that is in use as it will soon be decommissioned and is taking the opportunity to look at the market for a replacement. The impact of this will be a redesigned website, potentially more integration with self-service with the promotion of user registration and the website will be mobile friendly.

The on-line booking system at the Park Leisure Centre is being progressed at present.

Objective 4.4: measure customer satisfaction - this objective is scheduled to commence in quarter 2. There is no current progress to report.

Objective 4.5: implement the workforce strategy - the performance appraisals have cascaded from the Executive Director to Management Board as programmed for 2014-2015.

The role of the Business Improvement Team has been formalised and membership has changed. The governance arrangements for the Team allow interactions between Management Board, the IT Steering Group, the Incentive Incentive scheme and departmental managers.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The financial implications are set out in the body of the report.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

**General Fund Revenue Budget
Quarter 1 - 2014-2015**

Appendix 7

Subjective	Original budget	Grants received	Parish precepts	All other movements	Revised budget
Staff pay	4,676,750			26,570	4,703,320
Staff other costs	109,180			9,660	118,840
Transport	102,460			650	103,110
Property	2,037,940			189,170	2,227,110
Supplies and services	2,491,620			344,200	2,835,820
Parish precepts	93,550		(93,550)		0
Contracts	6,704,460			(73,830)	6,630,630
Benefits	72,980			47,410	120,390
External income	(6,858,750)	(22,910)		(144,890)	(7,026,550)
Direct Costs	9,430,190	(22,910)	(93,550)	398,940	9,712,670
Support service allocations	(736,030)			500	(735,530)
Net Expenditure	8,694,160	(22,910)	(93,550)	399,440	8,977,140
Treasury items	1,495,930			(32,000)	1,463,930
Capital expenditure financed from revenue resources	0			3,144,130	3,144,130
Parish precepts	0		93,550		93,550
Pension deficit funding	1,135,410				1,135,410
Unbudgeted grants	0	569,870			569,870
Movements in reserves	(203,450)	1,053,480		(4,177,100)	(3,327,070)
Budget support from reserves	(483,560)			483,560	0
Net Revenue Budget	10,638,490	1,600,440	0	(181,970)	12,056,960
Budget Funded by:					
Revenue support grant	(3,113,620)				(3,113,620)
Business rate retention scheme	(2,787,120)			194,100	(2,593,020)
New homes bonus	(372,860)				(372,860)
New burdens	(94,120)			(12,130)	(106,250)
Weekly collection support scheme	(250,000)				(250,000)
Other Government grants	(29,590)	(1,600,440)			(1,630,030)
Collection fund - Barrow	(3,971,460)				(3,971,460)
Collection fund - surplus	(19,720)				(19,720)
Total Revenue Financing	(10,638,490)	(1,600,440)	0	181,970	(12,056,960)

Financial Reserves - projected balances

	Balance 1/4/2014	Original budget	Already approved	Capital programme	Other movements	Ring-fenced	Balance 31/3/2015
General Fund balance	2,000,000.00						2,000,000.00
General reserve	1,547,649.29				(640,000.00)		907,649.29
Restructuring reserve	3,718,892.81	103,440.00	(215,200.00)	(1,676,070.00)	258,220.00		2,189,282.81
Budget setting support reserve	1,200,000.00	(600,000.00)					600,000.00
Public buildings	465,510.00	(44,920.00)			(1,630.00)		418,960.00
Cremator reserve	80,303.92						80,303.92
VAT reserve	250,000.00						250,000.00
Insurance reserve	285,517.46	(20,000.00)					265,517.46
Uninsured losses reserve	500,000.00						500,000.00
Apprenticeships reserve	250,000.00	(45,850.00)					204,150.00
Welfare support reserve	244,900.00	(56,970.00)	(16,378.00)				171,552.00
<i>Sports facility reserve</i>	<i>56,290.00</i>	<i>(56,290.00)</i>					<i>0.00</i>
<i>Grants to external bodies reserve</i>	<i>58,000.00</i>	<i>(57,650.00)</i>			<i>(350.00)</i>		<i>0.00</i>
<i>CCTV reserve</i>	<i>107,249.12</i>	<i>(52,040.00)</i>			<i>(55,209.12)</i>		<i>0.00</i>
	10,764,312.60	(830,280.00)	(231,578.00)	(1,676,070.00)	(438,969.12)	0.00	7,587,415.48
<u>Ringfenced reserves</u>							
Woodbridge Haven reserve	64,010.91	43,360.00				(33,330.00)	74,040.91
James Freel Close reserve	582,601.69	144,520.00				(268,870.00)	458,251.69
Earmarked revenue grants reserve	786,300.22	(44,610.00)				(190,336.12)	551,354.10
	1,432,912.82	143,270.00	0.00	0.00	0.00	(492,536.12)	1,083,646.70
Total	12,197,225.42	(687,010.00)	(231,578.00)	(1,676,070.00)	(438,969.12)	(492,536.12)	8,671,062.18

Financial Reserves - projected balances reclassified

	Balance 31/3/2015	GF Balance	Restructuring	Renewals	Insurance	Losses	Contingency	Balance 31/3/2015
General Fund balance	2,000,000.00	328,127.40						2,328,127.40
<i>General reserve</i>	907,649.29	(328,127.40)	(329,521.89)				(250,000.00)	0.00
Restructuring reserve - MTFP restructuring	2,189,282.81		1,004,647.19	(323,930.00)				2,870,000.00
<i>Budget setting support reserve</i>	600,000.00		(600,000.00)					0.00
Restructuring reserve - transformation	0.00		250,000.00					250,000.00
<i>Public buildings</i>	418,960.00			(418,960.00)				0.00
<i>Cremator reserve</i>	80,303.92			(80,303.92)				0.00
Renewals reserve	0.00			823,193.92				823,193.92
<i>VAT reserve</i>	250,000.00		(92,323.54)			(157,676.46)		0.00
Insurance reserve	265,517.46					(165,517.46)		100,000.00
<i>Uninsured losses reserve</i>	500,000.00		(232,801.76)			(267,198.24)		0.00
Losses reserve	0.00					590,392.16		590,392.16
Other earmarked reserve: budget contingency	0.00						250,000.00	250,000.00
Other earmarked reserve: apprenticeships	204,150.00							204,150.00
Other earmarked reserve: welfare support	171,552.00							171,552.00
	7,587,415.48	0.00	0.00	0.00	0.00	0.00	0.00	7,587,415.48
<u>Ringfenced reserves</u>								
Woodbridge Haven reserve	74,040.91							74,040.91
James Freel Close reserve	458,251.69							458,251.69
Earmarked revenue grants reserve	551,354.10							551,354.10
	1,083,646.70	0.00	0.00	0.00	0.00	0.00	0.00	1,083,646.70
Total	8,671,062.18	0.00	0.00	0.00	0.00	0.00	0.00	8,671,062.18

EXECUTIVE COMMITTEE	(D) Agenda Item 10
Date of Meeting: 10th September, 2014	
Reporting Officer: Director of Resources	
<p>Title: 2015-2016 Budget Assumptions and Timetable</p> <p>Summary and Conclusions:</p> <p>This report sets out the budget assumptions that will be applied in estimated 2015-2016 and the timetable that has been adopted.</p> <p>Recommendations:</p> <p>Members are recommended to agree the assumptions and timetable for the 2015-2016 budgets.</p>	

Report

The assumptions used in forecasting the 2015-2016 budgets are:

- Staff pay awards 1%
- Employer national insurance contributions 6.6%
- Employer pension contributions for current staff 13.4%

- Grounds maintenance contract 3.2%
- Refuse, recycling and street cleaning contract 3.2%
- Revenues, benefits and customer services contract 2.6%

- Electricity and gas charges 5%
- Water charges 2.5%
- NNDR charges 3.2%

- Discretionary income increasing 2.5%

- Interest earned on temporary deposits at 0.5%

- Revenue Support Grant and retained Business Rates as per the provisional settlement. These will be updated with the actual settlement when it is received.

- Business Rate income based on 2014-2015.

- No Council Tax increase.

The timetable that has been adopted to produce the 2015-2016 budgets is set out below:

Item	Officer	Completion Date
Budget prepared for all cost centres	Cost Centre Managers & Accountants	24/10/2014
Recharges finalised	Accountancy Services Manager & Accountants	31/10/2014
Ensure budget assumptions and guidelines have been adhered to	Accountancy Services Manager & Accountants	07/11/2014
Request Parish precepts	Director of Resources	07/11/2014
Finalise proposed revenue budgets	Director of Resources & Accountancy Services Manager	07/11/2014
Draft proposed revenue budget to Management Team	Director of Resources	19/11/2014
Incorporate Management Team changes	Accountancy Services Manager & Accountants	28/11/2014
Set the Council Tax base	Director of Resources	03/12/2014
Final proposed revenue budget to Management Team	Director of Resources	09/12/2014
Capital Programme	Accountancy Services Manager	05/12/2014
Treasury management strategy & prudential indicators	Director of Resources	December 2014
General Fund Revenue Budget		
Medium Term Financial Plan		
HRA Revenue Budget		
Obtain Parish precepts	Director of Resources	06/01/2015
Housing Forum consultation on HRA revenue budget	Housing Manager & Housing Accountant	15/01/2015
Final budget proposals to Executive Committee	Director of Resources	21/01/2015
Public consultation	Director of Resources	22/01/2015 to 19/02/2015
Overview & Scrutiny examine budget proposals	Director of Resources	29/01/2015
Budget setting report for Full Council	Director of Resources	03/03/2015
Council Tax setting report	Director of Resources	03/03/2015
Council receive public consultation feedback, set the budget and set Council Tax	Director of Resources	03/03/2015

(i) Legal Implications

The recommendation has no significant implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The assumptions will be applied to produce the 2015-2016 budgets.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 11
Date of Meeting:	10th September, 2014	
Reporting Officer:	Executive Director	
<p>Title: Issues and Options Draft Local Plan</p> <p>Summary and Conclusions:</p> <p>Agreement of the Issues and Options Draft Local Plan will enable the Council to carry out consultation in September/October 2014. A Preferred Options Draft Local Plan will then be brought back to Executive Committee in March 2015, leading to an adopted Plan in 2016.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. To agree the Issues and Options Draft Local Plan; and 2. Proceed with informal consultation for a 6 week period. 		

Report

The Borough's existing Local Plan was adopted in 2001 and therefore some of the policies are out of date and need updating or replacing. The Planning Policy Team is responsible for preparing the new Local Plan which sets the broad framework for acceptable development in the borough for the next 15 years up to 2031.

The production of the new Local Plan is set out in the Council Priorities 2013-16, where objective 1.3 is 'to ensure the timely progression of the Local Plan'. This objective is linked to the Housing priority but also supports the Regeneration and Public Realm and Local Economy Priorities.

Saved Policy

The Council has 'saved' the following documents to be replaced in due course by a new Local Plan.

1. Barrow-in-Furness Borough Council Local Plan Review 1996-2006 (Adopted August 2001)
2. Housing Chapter Alteration 2006 (Adopted June 2006)

The policies within the Barrow Port Area Action Plan (Adopted July 2010) have also been saved.

The new Local Plan

As a result of new planning guidance, the National Planning Policy Framework introduced in March 2012, Local Planning Authorities can now produce a single Local Plan rather than a suite of policy documents.

The Local Plan will contain strategic policies, land allocations, development control policies and a proposals map. A consultation exercise was carried out in November 2012, and the comments we received and development sites put forward have informed the production of this initial Draft Local Plan.

The draft contains options for a suite of policies on Strategy, Sustainable Development, Housing, Employment, Retail, Environment, Infrastructure, Open Space, Health, Flood Risk, Heritage, Design and Climate Change.

A copy of the draft Local Plan is available on the Council's website via the following link <http://www.barrowbc.gov.uk/Default.aspx?page=5237>

Timetable

Upon agreement the Issues and Options Draft Local Plan will then be available for consultation for a 6 week period during September/October 2014. During this time we will invite comments from Statutory bodies, organisations, individuals, groups, developers/landowners and other interested parties. We also intend to hold a number of exhibitions throughout the borough. The options within the Draft will undergo a Habitats Regulations Assessment (HRA) and Sustainability Appraisal (SA).

In February 2015 a 'Preferred Options' Draft Local Plan will be finalised and brought back to Committee. This will have been informed by the environmental assessments, consultation responses and further evidence gathering, and amendments will have been made where required.

In line with the regulations a number of assessments and consultation stages are required throughout the process of drafting the new Local Plan, however the timetable suggests the Plan will be examined and adopted in 2016.

(i) Legal Implications

The Council is required under the Planning and Compulsory Purchase Act 2004 to produce a Development Plan for the Borough.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The recommendation has no financial implications.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Correspondence held by the Executive Director, a copy of the Draft Issues and Options Local Plan is available to view in the Members Room.

EXECUTIVE COMMITTEE	(R) Agenda Item 12
Date of Meeting: 10th September, 2014	
Reporting Officer: Director of Resources	
Title: Lowsy Point Beach Huts and Piel Island Cottages	
Summary and Conclusions:	
There are a small number of properties with particular characteristics where the Council awards a discretionary discount of 50%. The discretionary discount is awarded on an annual basis.	
Recommendations:	
Members are asked to recommend that for 2015-2016, the Council awards the 50% discretionary discount to the properties set out in the report.	

Report

From the 1st April, 2013, the Council's second homes discount is 0%. Prior to this there was a second homes discount of 10% and before that 50% (prior to April 2005).

When the second homes discount was reduced from 50% to 10%, the Council reviewed the application of this to the beach huts at Lowsy Point and Piel Island cottages. The review concluded that the 50% discount be continued for these specific properties. Piel Island cottages are closed for up to six months of the year and the services and amenities are restricted. The beach huts at Lowsy Point have similar characteristics.

The Council approved the second homes discount of 50% for these properties on 25th October, 2005 with the conditions that there is a covenant restricting the length of time that the dwelling can be occupied, that vehicular access to the dwelling makes it impractical for the Council to deliver key direct services such as the collection of domestic waste and street cleansing, and wheeled vehicular access is prevented at least daily by the tide.

When the second homes discount was set as 0% from 1st April, 2013, the Council reconsidered these properties and the conditions set out above and agreed to award a discretionary discount of 50% to these properties as the access and amenities has not altered since the previous decision was taken. The discretionary discount of 50% is subject to an annual review.

There are 18 beach huts at Lowsy Point and 1 is occupied as a main residence. The cost of continuing the 50% discretionary discount on the 17 beach huts would cost the Council £1,366.

There are 9 Piel Island cottages and 1 is occupied as a main residence. The cost of continuing the 50% discretionary discount on the 8 properties would cost the Council £579.

Members are asked to recommend that for 2015-2016, the Council awards the 50% discretionary discount to the properties set out in this report. There has been no alteration in the access and amenities for these properties.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The financial implications are set out in the body of the report.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

EXECUTIVE COMMITTEE	(R) Agenda Item 13
Date of Meeting: 10th September, 2014	
Reporting Officer: Director of Resources	
<p>Title: War Pensions Disregard</p> <p>Summary and Conclusions:</p> <p>Local authorities can disregard up to 100% of war pension payments when calculating entitlement to housing benefit and the council tax support; the first £10 is statutorily disregarded for housing benefit. This includes all War Disablement Pensions, War Widow's Pensions, Armed Forces Compensation Scheme payments and any corresponding pensions payable to a widower or a surviving civil partner.</p> <p>Recommendations:</p> <p>Members are asked to recommend that:</p> <ol style="list-style-type: none"> 1. For 2015-2016, the Council approve the disregard of war pensions up to 100% for housing benefit. 2. The Council approve the policy of disregarding of war pensions at 100% for council tax support. 	

Report

Local authorities can disregard up to 100% of war pension payments when calculating entitlement to housing benefit and the council tax support; the first £10 is statutorily disregarded for housing benefit. This includes all War Disablement Pensions, War Widow's Pensions, Armed Forces Compensation Scheme payments and any corresponding pensions payable to a widower or a surviving civil partner.

There are around 35 claims a year that the disregard applies to.

The disregard for housing benefit has a £10 statutory disregard, with the remainder split between the DWP and the Council. The disregard for housing benefit is funded by the DWP for the first £10 plus 75% of the remainder and the Council funds the remaining net 25%; around £3,800.

The disregard for the council tax support scheme is funded by the three main preceptors, proportionate to their precept. The cost for the Council would be around £1,200.

The Council is required to make an annual decision on the local discretionary scheme for housing benefit purposes. Members are asked to agree to the housing benefit disregard for 2015-2016 and award up to 100%. The Council is also asked to approve the policy of the awarding the full 100% disregard for council tax support. Provision for the cost is included within the Council's Medium Term Financial Plan.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The financial implications are set out in the body of the report.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

EXECUTIVE COMMITTEE		Part One (R) Agenda Item 14
Date of Meeting:	10th September, 2014	
Reporting Officer:	Director of Resources	
<p>Title: Employer Pension Discretions</p> <p>Summary and Conclusions:</p> <p>The Council is required under the Local Government Pension Scheme (LGPS) Regulations 2013 to approve an Employer Discretions Statement of Policy.</p> <p>Recommendations:</p> <p>Members are asked to recommend that Council approve the Statement of Policy.</p>		

Report

Each pension scheme employer must formulate and keep under review their policy concerning the exercise of their functions in awarding additional pension to members and in operating early retirement and flexible retirement provisions including those related to redundancy and compensatory payments.

In addition to these mandatory policy decisions there are many other areas where discretionary policy decisions can be made by employers.

The Council has reviewed the requirements and produced the Employers Discretions Statement of Policy at **Appendix 10**. The new regulations mandate this review; the new pension scheme regulations were introduced in April this year. As required, the Policy has been sent to Cumbria County Council, in its role as administering authority to the fund and once approved will be published on the Council's website.

The review has not amended any current policies, the employer discretions will not be exercised as a policy but may be used in exceptional circumstances.

(i) Legal Implications

As a pension scheme employer it is a legal requirement to adopt an Employer Discretions Policy.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The recommendation has no implications.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil



EMPLOYER DISCRETIONS – STATEMENT OF POLICY

EMPLOYER NAME: **Barrow Borough Council**

The employer stated above has prepared this written statement of policy in relation to its exercise of certain discretionary functions available under the above regulations.

PART A – Mandatory policy statements – Formulation of policy in accordance with:

Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013
Paragraph 2 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014

Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008

Regulation 106 of the Local Government Pension Scheme Regulations 1997

PART A1 – Discretions from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers (excluding councillor members)

Power of Scheme employer to award additional pension

(Regulation 31 of the LGPS Regulations 2013)

An employer can grant extra annual pension of up to a maximum £6,500 (figure at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. This maximum figure that can be initially awarded will be index linked and the level increased on the 1st April each year.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.



Power of Scheme employer to contribute towards the cost of a member purchasing additional pension

(Regulation 16 (2) (e) and 16 (4) (e) of the LGPS Regulations 2013)

Where an active Scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2014) by making Additional Pension Contributions (APCs), the employer may voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution. This maximum figure that can be initially purchased will be index linked and the level increased on the 1st April each year.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

Flexible retirement

(Regulation 30 (6) and (8) of the LGPS Regulations 2013, Regulations 3 (5), 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

The Local Government Pension Scheme allows scheme members who have attained the age of 55 to draw all or part of their retirement benefits under flexible retirement arrangements even though they have not retired providing that:

- the employer consents, and
- there has been a reduction in hours, or
- a reduction in grade.

Specifically where the employer consents to flexible retirement then, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), the employer can also allow the member to choose to draw all, part or none of the pension benefits they accrued after 31 March 2008.

However, benefits taken on flexible retirement will be subject to a potential actuarial reduction if they are being drawn earlier than the members normal retiring age (flexible retirement provisions may be operated for members potentially up to a member's 75th birthday). The reductions applied will be in accordance with guidance issued by the government actuary. Employers can if they choose waive, in whole or in part, any reductions that might apply.



Employer's policy:

The Council will consider requests for flexible retirement on a case by case basis and only where it is in the best interests of the Council. The Council would normally expect the additional costs to be recovered within three years of the termination date.

All applications will be considered by the Management Board and approved by the Executive Committee or Council as required.

In such cases where the early release of pension benefits is approved, an actuarial reduction factor will be applied to the pension benefits unless the Member satisfies the "Rule of 85" or the Council decides to waive the reduction.

Early retirement and waiving actuarial reductions

(Schedule 2 paragraphs 1(2), 2(1), 2(2) and Regulation 3 (1) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30(8) of the LGPS Regulations 2013 and regulation 30(5) and 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

If a member leaves a local government employment before he is entitled to the immediate payment of retirement benefits, then if he is age 55 or more (or having attained age 55 and have previously been awarded deferred benefits after 01 April 2014) he may choose to receive payment of them immediately.

Any benefits payable may be reduced as appropriate in accordance with guidance issued by the Government Actuary. Employers can if they choose waive, in whole or in part, any reductions that might apply and the employer must pay to the Pension Fund a sum representing the capital cost of waiving those reductions.

Due to the complexity in the level of protected benefits that now apply to different members, establishing what level of benefits can be waived can be difficult. Appendix 1 lists the options available to employers in terms of the level of reductions that can be waived and the grounds under which they may be waived.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.



PART A2 – Discretions in relation to scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 (excluding councillor members)

Power of Scheme employer to award additional membership

(Regulation 3 (10) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

An employer can within 6 months of the date of termination grant extra membership in the pension scheme to a Scheme member whose employment was terminated before 1 April 2014 on the grounds of redundancy or business efficiency. Note that this is a time limited discretion which expires on 30 September 2014 for those whose employment is terminated on 31 March 2014.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

Early release of deferred benefits with employer consent

(Regulations 30(2), (5), 30A(3) and (5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

A policy decision concerning early release of benefits needs to be made in relation to members who have left the scheme between 1 April 2008 and 31 March 2014 with deferred benefits (or suspended tier 3 benefits) who make an application to release benefits on or after age 55 and before age 60.

In addition a further policy decision is required to determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

Employer's policy:

Applications for early release of benefits from members aged between 55 and 60 will only be accepted in cases where it can be demonstrated as being in the Council's best interests.

All applications will be considered by the Management Board and approved by the Executive Committee or Council as required.

In such cases where the early release of pension benefits is approved, an actuarial reduction factor will be applied to the pension benefits unless the Member satisfies the “Rule of 85” or the Council decides to waive the reduction.

PART A3 – Discretions in relation to scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008 and active councillor members and councillor members who ceased active membership on or after 1 April 1998

Early release of deferred benefits with employer consent

(Regulations 31(2) and (5) of the LGPS Regulations 1997)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme between 1 April 1998 and 31 March 2008 with deferred benefits and councillor members who left after 1 April 1998 who make an application to release benefits on or after age 50* and before age 60.

In addition a further policy decision is required to determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, and a Scheme sanction charge on any benefits built up after 5 April 2006.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

PART A4 – Discretions in relation to scheme members who ceased active membership before 1 April 1998

(Regulation D11(2) (c) of the LGPS Regulations 1995)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme before 1 April 1998 who make an application on compassionate grounds to release benefits on or after age 50* and before age 60. Under these rules the sole discretion for an employing authority is that they may determine on compassionate grounds that benefits are to become payable on an unreduced basis.



*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, a Scheme sanction charge will not be payable.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

PART B – Formulation of policy in accordance with further discretions under the Local Government Pension Scheme Regulations 2013

As highlighted in the employer bulletin, there are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013. There is, however, no requirement to have a written policy in respect of these. However the following areas of discretion would be useful for scheme members, in order for them to establish the clear policy intention that the employers hold in these particular areas.

Shared Cost Additional Voluntary Contributions (SCAVCs)

(Regulation 17 of the LGPS Regulations 2013, Regulations 15(1)(d) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 25(3) of the LGPS (Administration) Regulations 2008 and Regulation 15(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

An active member may elect to pay AVCs into a scheme established under contract between his appropriate administering authority and a body approved for the purposes of the Finance Act 2004.

An employer can, at its discretion, contribute to the AVC scheme and where they do the AVC scheme is known as a shared cost additional voluntary contributions arrangement (SCAVC). An employer should establish whether, how much and in what circumstances to either continue with an existing SCAVC or enter into a new SCAVC.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.



Late transfer requests

(Regulation 100(6) and 22(7) and (8) of the LGPS Regulations 2013)

The Local Government Pension Scheme Regulations allow for the acceptance of transfer value payments into the fund (subject to the Pension Fund administering authorities approval) to enable members to transfer pension rights accrued prior to joining the scheme into the LGPS, and thereby count additional pension. This election should be made within 12 months of first joining the LGPS in the employment.

The discretion allowed under regulation 100(6) relates to the acceptance of transfers relating to non LGPS membership, where the member makes a request after the expiry of the first 12 months of joining the LGPS.

Previous LGPS rights are automatically aggregated unless an election to keep those accrued benefits separate is received. Regulations 22 (7) and (8) allow an employer to extend the 12 month time limit within which a Scheme member who has a deferred LGPS benefit in England or Wales following the cessation of employment (or cessation of a concurrent employment) to elect not to have the deferred benefits aggregated with their new LGPS employment (or on-going concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

Contributions payable by active members

(Regulation 9 and 10 of the LGPS Regulations 2013)

An active member shall make contributions to the Scheme at the relevant contribution rate, from his pensionable pay, in each employment in which he is an active member. The contribution rate to be applied to his pensionable pay in any financial year is the rate determined by the employer with reference to the tiered contribution pay bands stated in the regulations.

Where there is a material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied.



Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

Assumed Pensionable Pay

(Regulation 21(4) and (5) of the LGPS Regulations 2013)

Whether or not, when calculating assumed pensionable pay when a member :

- is on reduced contractual pay or no pay on due to sickness or injury, or
- is absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or
- is absent on reserve forces service leave, or
- retires with a Tier 1 or Tier 2 ill health pension, or
- dies in service

to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

PART C – Mandatory policy statement* – Formulation of policy in accordance with:

Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

Regulation 14 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

*The mandatory requirements for a written policy under these regulations do not extend to employers whose employees are members of the LGPS by virtue of an admission agreement however as the provisions still apply it would be deemed appropriate for a policy statement to be in place



PART C1 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Redundancy and Compensation Payments

(Regulation 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006)

These regulations provide a discretionary power to award a one-off lump sum payment of up to 2 years pay (104 weeks), inclusive of any redundancy payment made. This applies to any member who terminates their employment on the grounds of redundancy, efficiency or in the case of a joint appointment (not job shares) where termination arises because the other holder of the joint appointment has left it.

The provisions apply to all employees who are eligible for participation in the LG Pension Scheme, whether or not they are current members of the scheme.

There is also a discretionary power to waive the weekly pay ceiling placed on statutory redundancy payments and to calculate, instead, on pay up to the actual week's pay.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

PART C2 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

Redundancy and Compensatory Added Years payments

(Regulation 17,19,21 and 25 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000)

Prior to the 2006 discretionary regulations employers could award employees additional service following a redundancy or efficiency retirement where that employee was over age 50. Although this facility is no longer available to current active employees, there are still discretionary decisions to be made in respect of employees who are already in receipt of additional service. These include:

- How to apportion any surviving spouse's or civil partners annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner.
- How the annual added years will be apportioned amongst any eligible children.
- Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be ignored i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid or if the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.
- Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government and how to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government.

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

PART C3 – Discretions in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Injury Allowance payments

(Regulations 3 to 7 of the Local Government (Discretionary Compensation) (Injury Allowances) Regulations 2011)

Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 Scheme employers must formulate, publish and keep under review a policy on:

a) whether or not to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:

- suffer a reduction remuneration, or
- cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or
- die leaving a surviving spouse, civil partner or dependant, and

b) if the Scheme employer has a policy to make such payments, how it will determine the amount of injury allowance to be paid

Employer's policy:

The Council has no intention of using this discretionary power but may consider its use in exceptional cases in the future.

Declaration

It is understood that the above discretions are applicable to all eligible members of the Scheme. In respect of the mandatory policy requirements, a written statement should be published indicating the policy which is being applied by that employer in the exercise of its functions. A copy of the scheme employer's policy decisions should be sent to Your Pension Service within one month of the date the policy is revised.

Any change to the discretions exercised under the LGPS Regulations can take immediate effect from the date the Scheme employer agrees the change.

Any change to the discretions exercised under the Discretionary Compensation Regulations 2000, the Discretionary Compensation Regulations 2006 or the Injury Allowances Regulations 2011 cannot take effect until one month after the date the Scheme employer publishes a statement of its amended policy.

The policies made above:

- i. Must have regard to the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;
- ii. Will not be used for any ulterior motive;



- iii. Will be exercised reasonably;
- iv. Will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise;
- v. Will be duly recorded when applied.

Signed on behalf of the Employing Authority:

Name in Block Capitals: S M ROBERTS

Position: DIRECTOR OF RESOURCES

Employing Authority: BARROW BOROUGH COUNCIL

Date: 15TH AUGUST 2014

Appendix 1 – if voluntarily retiring

If there is an actuarial reduction regarding the particular tranche of membership, the employer has the right to -

	Group 1	Group 2	Group 3	Group 4
Part A	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.
Part B1	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on this on compassionate grounds.
Part B2	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
Part C	Waive all, some or none on any grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
Part D1	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.

Part A = membership to 31 March 2008

Part B1= membership 1 April 2008 to 31 March 2014

Part B2 = membership 1 April 2014 to 31 March 2016

Part C = membership 1 April 2016 to 31 March 2020

Part D1 = membership 1 April 2020 onwards

Group 1 member = a member who was an active member prior to 1 October 2006 and who was born on 31 March 1956 or earlier

Group 2 member = a member who was an active member prior to 1 October 2006, was born between 1 April 1956 and 31 March 1960 inclusive, and who would reach their CRA by 31 March 2020

Group 3 member = a member who was an active member prior to 1 October 2006 and who is not a Group 1 or Group 2 member

Group 4 member = a member who was not a member prior to 1 October 2006.

If member retires on flexible retirement, the employer may waive all, some or none of any reduction on any grounds.

EXECUTIVE COMMITTEE	(R) Agenda Item 15
Date of Meeting: 10th September, 2014	
Reporting Officer: Director of Resources	
Title: Administration of Re-grading Policy	
Summary and Conclusions:	
This report requests the delegation of approving re-grading applications to the Executive Committee.	
Recommendations:	
Members are asked to recommend that Council approve the delegation of approving re-grading applications to the Executive Committee.	

Report

The Council's re-grading policy currently operates as follows:

- Application received by Human Resources
- Application considered by Management Board
 - Application agreed
 - Report submitted to Executive Committee
 - Re-grading agreed
 - Recommendation to Council
 - Council approves the re-grading
 - Re-grading takes effect and is back-dated to the application date
 - Application not agreed
 - Applicant may submit additional information to Management Board
 - Applicant may appeal the decision of Management Board
 - Re-grading approved by the appeals panel
 - At the date of the next Council, re-grading takes effect and is back-dated to the application date

It is proposed that the approval is moved from full Council to the Executive Committee. This will significantly reduce the time from the employee applying for re-grading and the implementation of the re-grade. Where appeals are decided by the appeals panel, the date of action will be the next Executive Committee to maintain the consistent treatment of re-grades.

(i) Legal Implications

The recommendation has no implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The recommendation has no implications.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

EXECUTIVE COMMITTEE	(R) Agenda Item 16
Date of Meeting: 10th September, 2014	
Reporting Officer: Executive Director	
Title: Cumbria Housing Partnership	
Summary and Conclusions:	
This report explains the Cumbria Housing Partnership and the Council's current relationship. The report goes on to propose that the Council become a full member of the Partnership and sets out the considerations that involves.	
Recommendations:	
Members are asked to recommend that Council:	
1. Agree that the Council becomes a full member of the Cumbria Housing Partnership; and	
2. Agree that the Housing Maintenance Manager be the appointed to represent the Council as a Director on the board of the Cumbria Housing Partnership.	

Report

Cumbria Housing Partners

Cumbria Housing Partnership Limited (CHP) trading as Cumbria Housing Partners is a regeneration company limited by guarantee i.e. not for profit. It is a consortium of social housing providers with stock in Cumbria.

Cumbria Housing Partners aim to generate efficiencies and impact the local labour market by working collaboratively to procure construction materials and contractors for members' and customers' planned maintenance and investment programmes.

As a consortium, members use their volume and expenditure in order to achieve this by utilising the Procure Plus framework.

Members are:

- Two Castles Housing Association
- Home Group Limited
- Impact Housing Association
- Your Derwent and Solway Housing Association

- Eden Housing Association
- South Lakes Housing

Procure Plus

Procure Plus is a consortium of Registered (housing) Providers with stock in the North West of England and has formed an alliance with Cumbria Housing Partners and Efficiency North to form a unique northern alliance of Registered Providers.

Together they procure goods and services related to repairs and maintenance budgets on behalf of Registered Providers that are committed to making material differences to the social and economic wellbeing of their neighbourhoods.

This is achieved through the board of likeminded Directors acting together to ensure that budgets for repairs and maintenance works are channelled through Procure Plus.

Consequently every pound spent creates significant cash efficiencies and a supply chain that understands and commits to the values of the consortiums.

The contractors join the Procure Plus framework following a rigorous selection process carried out by Procure Plus with CHP members on the interview panels; each framework lasts for four years.

Current Arrangements

The Council has a licence to access the Procure Plus framework as a customer landlord of Cumbria Housing Partners. This has the benefit of allowing the Council's purchasing power to come back to CHP, even though the Council is not a full member.

The planned programme of works to be delivered through Cumbria Housing Partners is £3.2m under the control of the Housing Maintenance Manager.

Contracts are awarded either through direct call off or through a mini-competition. Direct call off appoints the highest ranked contractor in the relevant work stream category. Mini-competition evaluates contractors registered for the relevant work stream category.

Proposal

It is proposed that the Council become a full member of Cumbria Housing Partners and that the Housing Maintenance Manager be the appointed to represent the Council as a Director on the board of the Cumbria Housing Partnership.

The following table sets out the key considerations in relation to joining this partnership:

Area	Considerations
Resources	Internal procurement resources reduced. Buying power of a consortium. Local contractors on the framework. Apprentice funding and local community projects.
Capacity	Joint purchasing power. Work stream expertise. Dealing with contractor and suppliers as a consortium.
Technical expertise	Experts in each work stream. Bespoke IT system for tendering. Bespoke IT system for contract management. Shared knowledge.
Objectives	The objectives of CHP compliment the Council's: <ul style="list-style-type: none"> • Housing; • Regeneration and Public Realm; • Local Economy; and • Service Delivery.
Governance	OJEU compliant frameworks. Rigorous selection of contractors and suppliers. Direct call off and mini-competitions. Underlying contracts. Contract standing orders. Majority voting at board meetings.

The Council is currently finalising its own version of the underlying contract with legal and technical advice.

The matching of the Council's contract standing orders to the processes of the bespoke IT system for tendering need some improvement; the Council has the support of Cumbria Housing Partners in achieving this. The IT system belongs to Procure Plus and through Cumbria Housing Partners, their commitment to meet the Council's needs, as far as practical, is agreed.

(i) Legal Implications

The recommendation has no legal implications, signing up for membership is within the Council's powers.

(ii) Risk Assessment

The recommendation has no significant implications and the key considerations are set out in the body of the report.

(iii) Financial Implications

There are no financial implications other than the retention of the buying power of the consortium which the Council already benefits from. The guarantee is to contribute £1.00 towards the debts of the company should it cease.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

EXECUTIVE COMMITTEE		Part One (R) Agenda Item 17
Date of Meeting:	10th September, 2014	
Reporting Officer:	Executive Director	
<p>Title: The Council Plan 2014-2016</p> <p>Summary and Conclusions:</p> <p>This report brings together the Council's approved corporate policies, the Council's Vision policies and governance arrangements to form the Council Plan. The Council Plan is the overarching plan for the Council and sets out the focus for the priorities and direction for the use of the available resources.</p> <p>Recommendations:</p> <p>Members are asked to recommend that Council approve the Council Plan 2014-2016.</p>		

Report

The Council Plan is attached at **Appendix 11**; it is a strategic document that brings together the Council's purpose, vision and corporate policies necessary to enable the Council Plan to be delivered. The governance of the Council Plan is also included as the Values and Performance sections.

The introduction sets out the purpose of the Council Plan and reflects on the local economy. The Council Plan then reiterates the Council's Vision, its Values and corporate policies. The corporate policies that support the Council Plan are then summarised:

- Council Priorities;
- Medium Term Financial Plan; and
- Workforce Strategy.

The Plan ends with the performance arrangements, so that it is clear that the Council is transparent in communicating its progress and delivery of the Council Plan.

The Council Plan is the focal document that the corporate policies and strategies align to. The Council Plan is intentionally brief as it is a strategic document which will be updated for multiple years at a time, rather than an annual update.

Members are asked to recommend that Council approve the Council Plan for 2014-2016 which will then be published on the Council's website.

(i) Legal Implications

There are no implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The recommendation has no implications.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

The Council Plan: 2014-2016



Introduction

Barrow Borough Council delivers services to people who live in, work in and visit the Borough. The Council Plan is the overarching plan for the Council and sets out the focus for the priorities and direction for the use of the available resources.

The Borough and surrounding Furness area is on the verge of a sustained period of economic growth the like of which it has not seen since the early 1980's. It will spike over the next 6-8 years with capital build, but employment growth in work programmes will roll out to the late 2030's. This growth will come from a number of sources but particularly BAE Systems who are investing £0.4bn to finance a £35bn submarine programme, GSK who are investing £0.3bn in their biopharmaceutical plant in Ulverston, Sellafield; outside the immediate area but our 4th or 5th biggest employer; who will be investing £10bn, plus smaller investments adding up to £12bn presents an amazing opportunity for the Borough: it is a generational opportunity.

Within its limited resources the Council are playing a leading role in this, in making sure the maximum value of the investment remains in the local area in terms of new houses, factories for the supply chain, new skills, new apprentices, and new businesses.

The Council's vision for the Borough is aligned to the opportunities that this economic growth will realise. The vision is delivered through priorities which provide a focus for the use of resources. Each priority has objectives that are outcome or output based, and are managed as part of the Council's business as usual; being incorporated into service delivery as seamlessly as possible. This approach allows the Council to achieve its priorities in a sustainable and efficient manner.

The Council's Vision

The Council's Vision is to enhance the economic and social future of the Borough to meet the needs and aspirations of the community.

To deliver this vision, the Council has agreed the following priorities to deliver tangible benefits to the community and address the headline issues for the Council and its staff:

- Housing
- Regeneration and Public Realm
- Local Economy
- Service Delivery

The Council Plan: 2014-2016



The Council's Values

The Local Code of Corporate Governance sets out the Council's values and these include:

- The Council will maintain shared values including leadership values (openness, support and respect) both for the Council and its officers. These are defined in the constitution and reflect public expectations about the conduct and behaviour of individuals.
- The Council will use shared values as a guide for decision making and as a basis for developing positive and trusting relationships within the Council. This is demonstrated by adherence to the constitution.
- The Council has adopted formal codes of conduct defining standards of personal behaviour for Members and officers.
- The Council maintains the Audit Committee to raise awareness and take the lead in ensuring high standards of conduct are embedded within the Council's culture.
- The Council has put in place arrangements to ensure that Members and staff of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. The Council has put in place appropriate processes to ensure that these arrangements are workable including declaration of interests and anti-corruption policies.

Corporate Policies

The corporate policies that support, inform and guide the Council Plan are:

- **Council Priorities 2013-2016;**
- **Medium Term Financial Plan 2014-2017; and**
- **Workforce Strategy.**

These are supported by strategies guiding the use of other key resources:

- Asset Management Strategy
- Capital Strategy
- Treasury Management Strategy
- Value For Money Strategy
- Information Technology Strategy

The Council Plan: 2014-2016



The Council's Priorities: 2013 to 2016

Housing

The Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.

- Agreed objectives:
 - Bring empty properties back into use
 - Improve the choice and quality of properties in the Town Centre
 - Adopt the Council's Local Plan
 - Maintain decent home standard for the Council's housing stock

Regeneration and Public Realm

The Council is committed to working with partners and service providers to enhance the built environment and public realm.

- Agreed objectives:
 - Improve the amenities of the Borough
 - Improve the streetscape and central courtyard on Barrow Island
 - Support the new athletics facility at the Furness Academy

Local Economy

The Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.

- Agreed objectives:
 - Continue to support the Marina Village Development
 - Support the strategy for advanced manufacturing in Furness
 - Young people's employment scheme for the Council
 - Support for low income families

Service Delivery

The Council strives to provide good quality, efficient and effective services while reducing overall expenditure.

- Agreed objectives:
 - Achieve the budget reductions identified for the Council
 - Partnership working and shared services
 - Improving the customer experience
 - Measure customer satisfaction
 - Implement the Workforce Strategy

The Council Plan: 2014-2016



The Medium Term Financial Plan: 2014 to 2017

Financial planning is a key tool for strategic management and is an aid to operational decision making. Without financial planning the Council would be unlikely to achieve its Priorities or make the best use of its resources. The Medium Term Financial Plan is a financial representation of the Council's Vision and supports its Priorities.

The Medium Term Financial Strategy is to continue the Budget Strategy's aim of eliminating the deficit in the core budget. This will require the continued use of reserves to set the pace of change and achieve long term financial resilience.

The Medium Term Financial Plan projects:

- 2015-2016: balanced budget
- 2016-2017: £1.03m required from reserves
- 2017-2018: £1.19m required from reserves
- 2018-2019: £0.65m required from reserves
- 2019-2020: balanced budget

The restructuring reserve holds £2.87m to support the Medium Term Financial Plan.

The Workforce Strategy

The Council has undergone significant changes in recent years. The Council relies on the skills and knowledge of the workforce to deliver efficient and effective services to customers.

The Workforce Strategy clarifies the Council's aims and objectives for staff and sets out clearly what the expectations are with regard to the contribution needed from all members of the workforce.

Performance

The Council's performance in delivering its priorities and the outputs for each year is presented in the Council's Annual Report, Annual Governance Statement and Statement of Accounts.

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 18
Date of Meeting:	10th September, 2014	
Reporting Officer:	Corporate Support Manager	
<p>Title: Pay Policy Statement and Organisational Chart</p> <p>Summary and Conclusions:</p> <p>The Council is required to publish its Pay Policy as part of the Governments transparency agenda.</p> <p>Recommendation:</p> <p>To consider the pay policy statement and agree that it be published on the Council's website.</p>		

Report

The Council is required under the Code of Recommended Practice for Local Authorities on Data Transparency 2011, to publish details of salaries paid to senior staff on-line, with effect from 30th March 2012.

This information is updated on an annual basis. The Pay Policy Statement for the current year has been updated to reflect the Council's restructure of senior management. The pay Policy Statement is attached as **Appendix 12** and the current organisational chart is attached as **Appendix 13**.

(i) **Legal Implications**

The recommendation is a requirement under the transparency agenda.

(ii) **Risk Assessment**

The recommendation has no implications.

(iii) **Financial Implications**

The recommendation has no financial implications.

(iv) **Health and Safety Implications**

The recommendation has no implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

Barrow Borough Council Pay Policy Statement 2014/15

Background

Under section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as authority thinks fit'. This Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying;

- The detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
- Executive committee are responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to full Council.

The Pay Policy Statement was approved by full Council on 20th March 2012 coming into immediate effect and is subject to review on an annual basis being approved by 31st March each year.

Other legislation relevant to pay and remuneration

In determining the pay and remuneration of all of its Chief Officers, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

Pay Structure for Chief Officers

The Council uses locally determined rates with spot salaries, which are subject to pay increases negotiated with joint trade unions, via the national pay bargaining arrangements (the JNC for Chief Officers).

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.

Any temporary supplement to the salary scale for the grade, for example ex-gratia payments and honoraria, is approved in accordance with the Council's constitution, i.e. via Executive Committee and approved at full Council.

Chief Officer Remuneration

For the purposes of this statement, senior manager means 'chief officers' are defined below. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2013. There are 6 employees designated as Chief Officers and receiving salaries over £45,000 per annum.

Executive Director

Salary currently set at £92,000 pa (spot salary)
Set by Council in January 2012 as part of Budget Strategy for 2012-2015
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Executives
Will not receive Returning Officer fees
Will not be subject to performance related pay
Will be published as part of transparency agenda

Director of Resources

Salary set at £73,600 pa (spot salary - 80% of Executive Director pay)
Set by Council in January 2014 as part of management restructure.
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Officers
Will not be subject to performance related pay
Will be published as part of transparency agenda

Assistant Director Regeneration & Built Environment Assistant Director Community Services

Salary set at £47,000 pa (spot salary - 51% of Executive Director pay)
A 10% increase to reflect additional responsibilities
Set by Council in January 2012 as part of Budget Strategy for 2012-2015
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Officers
Will not be subject to performance related pay

Assistant Director – Housing

Salary set at £47,000 pa (spot salary - 51% of Executive Director pay)
Set by Council in January 2014 as part of management restructure.
Will receive any inflationary increases agreed as part of national negotiations under the auspices of the JNC for Chief Officers
Will not be subject to performance related pay

Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of chief officers is set out within the Recruitment Policy and as set out in the Constitution. Executive Committee or a sub-committee will make all chief officer appointments.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own policies (Recruitment Policy, Redeployment Policy) as approved by Council.

The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

Additions to Salary of Chief Officers

The level of remuneration is not variable dependant upon the achievement of defined targets.

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration relating to temporary additional duties are set out in the NJC Terms and Conditions for Local Government Services for calculation of honoraria, and in the 'Ex-gratia Payments Policy' on the Council's website.

In addition to basic salary, the following posts receive elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses occurred in the fulfilment of their duties;

<i>Post</i>	<i>Payment Details</i>
Chief Officers	Lump Sum Car Allowances

Payments on Termination and Settlement Agreements

The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within the Early Retirement Policy and Redundancy Policy in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) Discretionary Compensation) Regulations 2006.

The Council has an enhanced redundancy scheme in place aimed at encouraging volunteers and reducing the need for compulsory redundancies. This scheme uses the statutory calculator (age/length of service) to determine the number of weeks pay volunteers will be entitled to and then applies a multiplier (2) subject to a cap at 52 weeks pay. Actual pay is used in the calculation NOT the statutory maximum.

For volunteers aged over 55 and entitled to early access to pension, there will be no discretionary additions to payments.

The severance terms apply to all employees of the Council.

Any payments falling outside the provisions of the above policies, (pay in lieu of notice, working notice, gardening leave etc) will be made on a case by case basis and shall be subject to a formal decision by Executive Committee and approved by Council.

SETTLEMENT AGREEMENTS

1. Overview

With effect from 29 July 2013 the Enterprise and Regulatory Reform Act 2013 replaced 'Comprise Agreements' with 'Settlement Agreements.' The legal and employee relations principles however remain the same. Settlement Agreements are legally binding contracts used to end the employment relationship upon agreed terms. The employee, by signing a Settlement Agreement, waives any right to bring any claim before a Court or Employment Tribunal. They normally include a payment to the employee (first £30,000 is tax free) and some form of agreed reference. From the employer's perspective they provide commercial certainty that when the employment relationship has terminated there is no exposure to litigation or an Employment Tribunal Hearing (Section 203 Employment Rights Act 1996). The terms and conditions of any agreement are confidential and as such cannot be disseminated to any third party.

2. Barrow Borough Council's Use of Settlement Agreements

Historically the Council has used Settlement Agreements in the following scenarios:

- Terminating employment for Senior Managers
- Employees refusing a TUPE transfer
- Payment being made in lieu of notice
- Voluntary or Compulsory Redundancy
- Enhanced pension payments.

The Council has paid employees' legal expenses on a number of occasions on a time spent basis; normal protocol is to cap any legal expenses to an agreed amount (usually £350.00 plus VAT).

3. Future Use of Settlement Agreements

The Council should only use Settlement Agreements where there exists a clear and real risk of an Employment Tribunal case and where it is commercially expedient to do so. Settlement Agreements should not be considered as normal protocol when employment terminates. By way of example, Settlement Agreements are not necessary in a voluntary or compulsory redundancy scenario. If the Council's redundancy policy and procedure has been complied with there is no risk of any claim. If a Senior Manager's employment has been terminated with proper notice and where any dismissal is fair, a Settlement Agreement is simply not necessary. In addition, the Council avoids having to pay the legal fees incurred by the

employee for the review of the agreement. It is therefore recommended that the Council dispenses with its current protocol as outlined at paragraph 2 (above), and only uses Settlement Agreements where there exists a real risk of Employment Tribunal litigation.

Publication

Upon approval by full Council, this statement will be published on the Council's website.

Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal point with the Council's grading structure.

As at 1st April 2014, this is £12,435 per annum (spinal column point 5).

Accountability and Decision Making

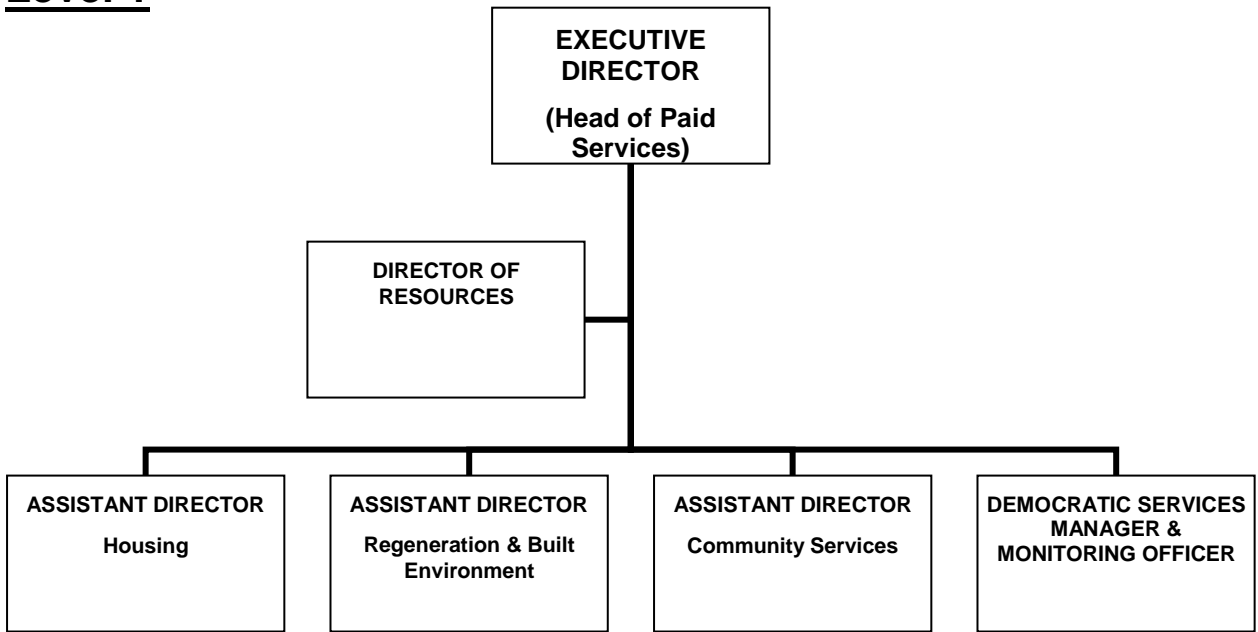
In accordance with the Constitution of the Council, Executive Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

Re-employment / Re-engagement of former Chief Officers

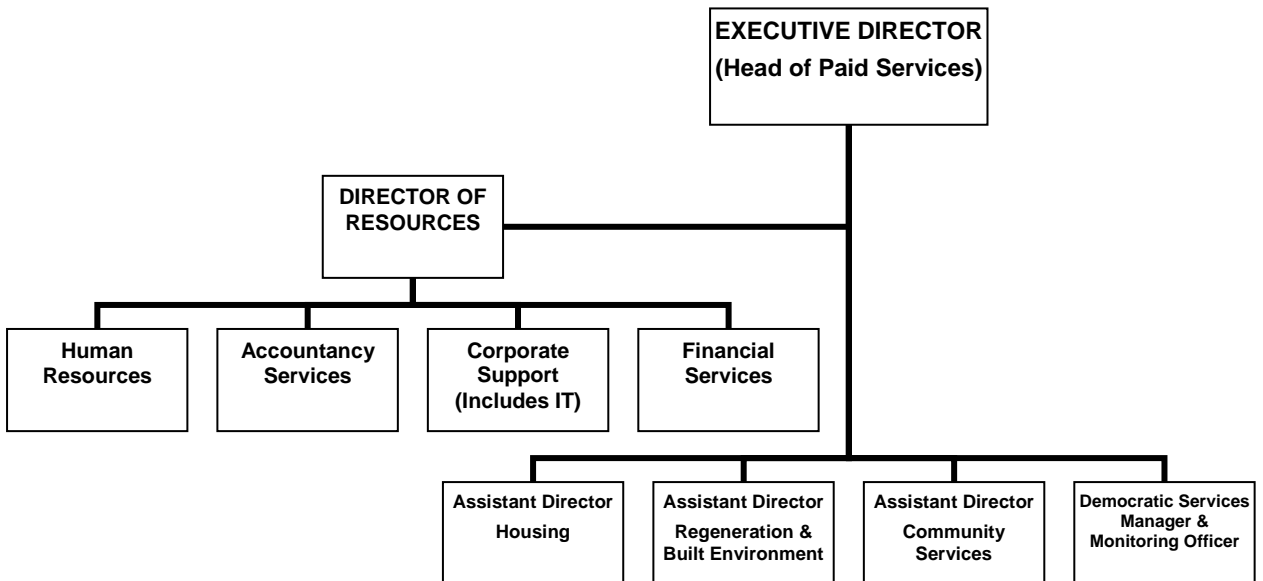
The Council will not normally re-employ/re-engage former chief officers.

BARROW BOROUGH COUNCIL
ORGANISATIONAL STRUCTURE FROM 1ST APRIL 2014

Level 1



Level 2



EXECUTIVE COMMITTEE	(D) Agenda Item 19
Date of Meeting: 10th September 2014	
Reporting Officer: Executive Director	
<p>Title: Barrow & Dalton Town Centres Shop Front Grant Scheme 2014</p> <p>Summary and Conclusions:</p> <p>This report proposes the allocation of £250,000 of capital reserves to support a grant scheme to improve independent retailers' shop fronts in Barrow and Dalton Town Centres.</p> <p>Recommendations:</p> <p>That Members:-</p> <ul style="list-style-type: none"> (i) agree that the scheme would cover Dalton and Barrow Town Centres (ii) the maximum grant rate of £5,000 per property and a 75% maximum contribution from the Borough Council is agreed. (iii) the eligibility criteria and other operational aspects of the scheme set out in the report Appendix 14 are agreed. 	

Report

Elsewhere in your Agenda today, you are being recommended to set aside a capital sum of £250,000 for Town Centre Shop Front Grants.

High quality design is transformational. Shops and shop fronts are important to the character of the Borough's town centres. The design of shop fronts is an important issue which can have a marked impact on the appearance of the street scene. Shop fronts should be a positive element that provide vitality and add interest to the street rather than a negative one that detracts from its overall architectural character. A poorly designed shop front may also reflect badly on business and affect trade. The Council has previously funded 2 Shop Front Improvement Schemes, in 2010 and 2012 and produced Barrow Borough Council Supplementary Planning Guidance "Shop front and Advertisement Design November 2010"

These previous Shop Front Grant Schemes proved extremely popular and were oversubscribed. The Council invested £400,000 in these schemes and this investment has had a marked impact on the appearance of small shops in the Town Centres, raising the standard of design and attractiveness of streets.

This new scheme will be targeted at small retailers where modest investment can yield maximum benefit. Grants can cover new windows, exterior treatment, vinyls for windows, fascias, signage, lighting, but are only available to improve the

principle trading elevation or elevations of the property. I propose that we target the retail core of Dalton and Barrow Town Centres, where investment will have the maximum impact on the shopping experience in order to not only help regenerate and strengthen the retail offer, but to attract independent retailers to our main town centre shopping streets where shops are open during core retail shopping hours. With this aim, the scheme will concentrate on retail businesses; not professional services or the evening economy.

Grants

It is proposed that the maximum amount of grant is £5,000 and that the applicant pays 25% of the cost of the approved scheme and the Council 75% of approved expenditure. There were very few designs in the previous 2 schemes which cost more than £7,500 in total. This would allow the Council to fund at least 50 businesses with a maximum grant of £5,000.

Details of who can apply and eligibility are included in **Appendix 14** attached.

Subject to member agreement, finance to support the Town Centres Shop Front Grants will not become available until the revised capital programme has been agreed by Council on 14th October, 2014. Your approval of the scheme is sought to allow the scheme to start immediately after this date.

(i) Legal Implications

The recommendation has no legal implications for the Council. Any contractual arrangement will be between the shop front owner and the contractor with the Council only acting as a funder.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

As set out in the Capital Programme

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

Details of who can apply and eligibility for Shop Front Grant scheme 2014

WHO CAN APPLY?

Businesses with properties in the following streets:

Dalton-in-Furness

Market Street, Tudor Square

Barrow-in-Furness

Duke Street from Ramsden Square to Schneider Square

Abbey Road from Ramsden Square to Rawlinson Street

Portland Walk, Dalton Road from Abbey Road to Schneider Square

Crellin Street from Rawlinson Street to Dalton Road

Cavendish Street from Rawlinson Street to Duke Street

Buccleuch Street from Dalton Road to Dalkeith Street

Rawlinson Street from Abbey Road to Greengate Street

Scott Street, The Mall, Dalkeith Street, William Street, Paxton Street

SMEs employing less than 50 people across all branches

Core town centre retail businesses open between 9 am and 5 pm all week

This includes cafes, hair and beauty and Opticians.

The following businesses are not eligible under this scheme, professional services i.e. solicitors, estate agents, financial advisors, accountants, architects, Veterinary, GP or dental practices; pubs, nightclubs or social clubs; amusement arcades or bookmakers; hotels or B&Bs; fast food/takeaways; vehicle sales/garages or taxi offices

Eligibility Criteria

1. Units must be occupied – property owners/developers can not apply for grants to improve property on a speculative basis to sell or rent.
2. Applications can be from owner or tenant. Tenancy agreements must be valid for at least 12 months from the date of application and a copy of the lease must accompany the application form.
3. Scheme must be a shop front enhancement (not just a sign). Owners/occupiers of Listed buildings can apply to restore/retain features of architectural merit
4. Projects must be well designed with professional design input and all applications must comply with and embrace the spirit of Barrow Borough Council's Supplementary Planning Document Shop front and Advertisement Design November 2010
5. Grants will cover exterior finish, windows, doors, signage, guttering on retail elevation only. Shutters, blinds and awnings are not eligible for grants.
6. Properties which have previously had a shop front grant under the 2010 scheme are not eligible unless there is a new owner/tenant.
7. Properties which have previously had a shop front grant under the 2012 scheme are not eligible.
8. No retrospective applications permitted.

Guidance on Planning Consent and Building Regulations

It is the responsibility of the applicant to obtain any prior planning permissions or building regulation approval, and Grant applications for unauthorised works will not be considered. Any fees incurred will be reimbursed as part of this grant.

Clawback

If the property is sold or the business closes within 2 years of receiving a grant, grants must be repaid on sliding scale. Up to 12 months 50% of grant monies repaid, up to 18 months 25% of grant monies repaid.