

# **BOROUGH OF BARROW-IN-FURNESS**

## **EXECUTIVE COMMITTEE**

Meeting, Wednesday, 20th March, 2013  
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 20th February, 2013 (copy attached) (Pages1-4).
6. Apologies for Absence/Attendance of Substitute Members.

### **FOR DECISION**

- (D/R) 7. Recommendations of the Housing Management Forum, 28th February, 2013 (Pages 5-9).

- (D) 8. Council Finances as at 31st December, 2012 (Pages 10-18).
- (D) 9. Medium Term Financial Plan 2013-2014 to 2015-2016 (Pages 19-20).
- (D) 10. Welfare Reform Update (Pages 21-30).
- (D) 11. Welfare Reform – Grants to External Organisations (Pages 31-33).
- (D) 12. Fly a Flag for the Commonwealth – 10th March, 2014 (Pages 34-35).
- (D) 13. Craven House: Lease of 4th Floor to Cumbria County Council (Pages 36-37).
- (D) 14. Craven House – Re-Roof (Pages 38-39).
- (D) 15. Approval of Collections Development Policy (Pages 40-41).
- (R) 16. Tenants Participation (Report to Follow).

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

**Membership of Committee**  
**Councillors**

Pidduck (Chairman)  
Sweeney (Vice-Chairman)  
Barlow  
Bell  
Cassidy  
Doughty  
Garnett  
Graham  
Guselli  
Richardson  
Seward  
Wall

**For queries regarding this agenda, please contact:**

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## **EXECUTIVE COMMITTEE**

Meeting: Wednesday 20th February, 2013  
at 2.00 p.m.

PRESENT:- Councillors Pidduck (Chairman), Sweeney (Vice-Chairman), Barlow, Bell, Cassidy, Doughty, Garnett, Graham, Guselli, Richardson, Seward and Wall.

### **104 – Minutes**

The Minutes of the meeting held on 23rd January, 2013 were agreed as a correct record.

### **105 – Efficiency Support Grant**

The Executive Director reminded the Committee that as part of the Local Government Finance Settlement for 2013/14, the Council had been offered Efficiency Support Grant ESG of £1,175,118 for 2013/14 with a similar amount being made available in 2014/15.

ESG had been offered to seven Council's whose revenue spending power had been reduced by more than 8.8%. Adjusted final settlement figures for Barrow had showed a reduction in revenue spending power between 2012/13 and 2013/14 of £2.335m – 17.7%. The purpose of the Grant was to provide an incentive 'to make the reforms (proper shared management structures; shared back office and front line services; and outsourcing) necessary to reduce costs effectively and to put them on a sustainable footing going forward'.

Receipt of funding for other grants was dependent upon Government approval of a business case which was prescribed by DCLG. Year 2 funding was dependent upon performance in the first year. The specification of the business case for ESG was considered by the Committee and must be submitted to DCLG by 22nd March.

Members noted that the business case must cover a commitment to consider moving to a shared Chief Executive function and share a Senior Management Team over the two year period. In addition to that requirement the bid must set out proposals for savings in some or all of the following areas: shared service delivery, including outsourcing; joint procurement; strategic asset management; and their local authorities own ideas for making savings.

Officers had started to prepare a submission, and he believed a good business case could be made based upon the Budget Strategy and other policies that had been agreed.

RESOLVED:- (i) To agree that approval of the business case be delegated to the Executive Director, Borough Treasurer and the Chairman of the Executive Committee; and

(ii) To agree to make a submission for Efficiency Support Grant for the 2013/14 financial year.

He informed the Committee that an e-mail had been received from DCLG offering an additional Efficiency Support Grant of 25% above the £1.175m if the Council further and faster transforming services.

### **106 – Cumbria Police and Crime Commissioner, Offer of Matched Funding to Target Anti-Social Behaviour: CCTV**

The Executive Director informed the Committee that the Cumbria Police and Crime Commissioner had offered each District Council in Cumbria a one-off sum of £100,000 to target anti-social behaviour in their communities. Whilst the money was not ring-fenced the Commissioner had asked that Council's consider CCTV as one of the tools available to address that problem.

The funding must be matched and the business case must set out 'unambiguous, measureable outcomes' and be submitted by 11th March for evaluation. He had already responded to the Commissioner indicating the Council's intention to take up the grant.

Having considered the options with police colleagues, he considered the funding should be used for modernisation and operation of the Barrow and Dalton CCTV infrastructure. Most of the cameras were approaching 20 years old and at the end of their operational lives. CCTV was still considered to be of significant value in detecting and prosecuting crime, though some camera locations were of relatively lower value for that purpose. There were currently 22 cameras in the Borough 19 in Barrow and three in Dalton. In addition nine cameras covered Ulverston were monitored from Barrow Police Station.

Officers had prepared a proposal which provided five years line rental and repair and maintenance costs, replacement of 13 cameras in Barrow and three in Dalton, new monitoring and recording equipment, and a provisional sum to allow limited peak time active monitoring.

The proposal would result in the loss of six cameras in Barrow. There were significant variations in the effectiveness of CCTV cameras and those to be removed would be selected on their usefulness in detecting crime. South Lakeland District Council were considering replacing the cameras in Ulverston and these could continue to be monitored at Barrow Police Station with line rental and repairs and maintenance apportioned accordingly.

He reminded the Committee of the plans to relocate Barrow Police Station and no costs had been included for relocation of the equipment to the new site. That had been raised with the Police and they were considering whether any capital costs could be accommodated within the new build funding package.

The total cost of the above proposal would be approximately £270,000.

**RESOLVED:-** (i) To agree that the funding from the Cumbria Police and Crime Commissioner be allocated to upgrading and operational costs of CCTV as outlined in the report;

(ii) To agree that £50,000 from the Asset Investment Fund of the Capital Programme for 2013/14 was allocated against that project; and

(iii) To agree that Officers be delegated to make the business case submission to the Police and Crime Commissioner by 11th March, 2013.

### **107 – Police and Crime Plan for Cumbria 2013-2017**

The Committee were informed that the Police and Crime Commissioner had produced a draft Police and Crime Plan for Cumbria 2013-2017, entitled “Making Cumbria an even safer place which was considered by the Committee.

The key priorities which were identified within the plan were as follows:-

Ensure Cumbria remained a safe place to live, work and visit by keeping crime at low levels, particularly violent crime, burglary and theft;

Reduce the impact antisocial behaviour has on our communities;

Reduce the impact of alcohol misuse on our communities;

Tackle the problem of drug supply in the county;

Reduce harm by tackling domestic abuse and sexual violence;

Keep our rural communities safe by tackling crime and disorder in rural areas;

Provide justice for the victim by detecting crime and bringing criminals to justice;

Reduce adult and youth offending and reoffending by addressing offender behaviour and promoting the use of restorative justice;

Establish a collaborative approach to providing support and assistance to vulnerable veterans to assist them to remain clear of criminal activity;

Give due consideration to public opinion in policing matters by establishing an Office of Public Engagement; and

Ensure victims of crime had access to support and redress and establish an Office of Victim Support.

The Plan had been out to public consultation from 9th January to 20th February, and had been gathering feedback from partner agencies and individuals. It was noted that the leadership group of the Local Community Safety Partnership had considered and commented on the plan.

**RESOLVED:-** To endorse the comments made on the Strategy by Officers.

## REFERRED ITEMS

### THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

#### **108 – Pay Policy Statement 2013/14**

The Deputy Executive Director reminded the Committee that under Section 112 of the Local Government Act 1972, the Council had the 'power to appoint Officers on such reasonable terms and conditions as authority thinks fit'. A Pay Policy Statement had to set 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 was to provide transparency with regard to the Council's approach to setting the pay of its chief officers by identifying the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation.

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

Amendments had been made to the Pay Policy as follows:-

Further to changes to the final guidance for Pay Policy Statements from the DCLG, the 2013/14 Statement had been amended to remove reference to pay multiples (the ratio between top pay and median pay). Authorities were not required to develop policies on reaching or maintaining a specific pay multiple.

Clarification was now provided within the Statement regarding the use of Compromise Agreements.

Chief Officers no longer had a telephone allowance.

The Committee considered a copy of the Pay Policy Statement and all Chief Officers' salaries remained the same.

**RECOMMENDED:-** To recommend that Council approve the Pay Policy Statement for 2013/14.

#### **109 – Environmental Health Department – Establishment Change**

The Executive Director informed the Committee that to ensure the completion of Statutory Duties in food safety, health and safety enforcement and infectious disease investigation, the Commercial Services section within the Environmental Health Department requires an additional permanent Environmental Health Officer.

The Committee compared employing a Consultant in the short-term or employing a permanent fully qualified Environmental Health Officer.

**RECOMMENDED:-** To recommend the Council to create a full-time permanent Environmental Health Officer post within the Commercial Services Section on grade SO1/2 (£24,646-£28,636) with Essential User car allowance.

The meeting ended at 2.30 p.m.

**BOROUGH OF BARROW-IN-FURNESS**

**EXECUTIVE COMMITTEE**

**20th March, 2013**

**(D) AGENDA ITEM NO. 7**

**RECOMMENDATIONS**

**OF THE**

**HOUSING MANAGEMENT FORUM**

**28th February, 2013**

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

The recommendations of the meeting of the Housing Management Forum held on 28th February, 2013 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.



<b>HOUSING MANAGEMENT FORUM</b>	<b>(D)</b>
<b>Date of Meeting: 28th February, 2013</b>	<b>(i)</b>
<b>Reporting Officer: Colin Garnett, Housing Manager</b>	
<p><b>Title: ASB Action Ltd</b></p> <p><b>Summary and Conclusions:</b></p> <p>The purpose of the report was to provide Members with information on the Service Level Agreement currently in place with ASB Action Ltd to assist the Housing Service with the effective management of anti-social behaviour; a key component in the Housing Service achieving its aim to provide well-maintained homes and estates where people choose to live.</p> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>(i) To note the information on the Service Level Agreement with ASB Action Ltd;</li> <li>(ii) To agree to progress the Service Level Agreement for a further 12 months with ASB Action Ltd; and</li> <li>(iii) To agree that a seminar be arranged regarding anti-social behaviour and Members of the Housing Management Forum and Tenants' Forum should be invited.</li> </ul>	

<b>HOUSING MANAGEMENT FORUM</b>	<b>(D)</b>
<b>Date of Meeting: 28th February, 2013</b>	<b>(ii)</b>
<b>Reporting Officer: Colin Garnett, Housing Manager</b>	
<p><b>Title: STAR Survey Action Plan</b></p> <p><b>Summary and Conclusions:</b></p> <p>The purpose of the report was to consider the findings of the recently completed STAR Survey and agree an action plan to respond to the views received.</p> <p><b>Recommendations:</b></p> <p>To agree the following action plan to respond to the matters raised throughout the STAR Survey:-</p> <p><b>(1) Tenant Involvement and Influences in Services</b></p> <p>To consider and progress options for ensuring Tenants such as those with a disability in their household were listened to and had the opportunity to express their views.</p> <p>To consider and progress options for encouraging Tenants in the 16-34 age band to have the opportunity to engage and participate in the provision of services.</p> <p><b>(2) Anti-Social Behaviour</b></p> <p>To carry out a review of the current procedures for dealing with anti-social behaviour; and</p> <p><b>(3) Complaints Procedure</b></p> <p>To review and improve understanding of the Complaints Procedure.</p>	

<b>HOUSING MANAGEMENT FORUM</b>	<b>(D)</b>
<b>Date of Meeting: 28th February, 2013</b>	<b>(iii)</b>
<b>Reporting Officer: Colin Garnett, Housing Manager</b>	
<p><b>Title: Decoration Allowance</b></p> <p><b>Summary and Conclusions:</b></p> <p>The purpose of the report was to consider and agree an increase in the Decoration Allowance paid to new Tenants when accepting a Tenancy.</p> <p><b>Recommendations:</b></p> <p>To agree that the Decoration Allowance be increased to £20 per room from the start of the next financial year.</p>	

<b>EXECUTIVE COMMITTEE</b>	<b>(D) Agenda Item 8</b>
<b>Date of Meeting: 20th March, 2013</b>	
<b>Reporting Officer: Borough Treasurer</b>	
<p><b>Title: Council Finances as at 31st December, 2012</b></p> <p><b>Summary and Conclusions:</b></p> <p>This report presents financial information for the current financial year, as at 31st December, 2012 and the projected outturn for:</p> <p>General Fund Income Streams Treasury Management General Fund Reserves Housing Revenue Account Collection Fund Write Offs</p> <p><b>Recommendations:</b></p> <p>To note the report of the Borough Treasurer.</p>	

## **Report**

### **General Fund**

The General Fund revenue budget was approved by Council on 28th February, 2012 as £13,152,648. During 2012-2013, the Council has received New Burdens funding of £121,218:

- £84,000 Implementation of local Council Tax Support scheme;
- £21,298 Welfare Reforms;
- £8,547 Community Right to Challenge (run services);
- £4,873 Community Right to Bid (buy assets);
- £2,500 Temporary Deferment of Business Rates.

These are general Government grants and are added to the revenue budget, making the total £13,273,866.

The projected outturn for 2012-2013 was last reported to this Committee on 23rd January, 2013 as a surplus of £61,610. This position has not altered and the surplus is still projected.

There has been an improvement in the interest rates for the deposits of temporary surplus cash which is expected to replenish the amount budgeted to be reserved for 2012-2013 by £17,000. This had been reduced earlier in the year when investments were still limited to the Councils' own bank. More information is contained in the Treasury Management Section.

The direct costs as at 31st December, 2012 and the projected outturn for the year are shown in the table below:

Item	Actual at 31/12/2012	Profiled budget at 31/12/2012	Variance: the actual is	Projected Outturn 2012/2013
Staff pay	£3,491,666	£3,501,500	0.3% behind profile	£4,668,670
Staff other costs	£153,404	£151,210	1.5% ahead of profile	£206,100
Transport costs	£86,274	£87,620	1.5% behind profile	£116,820
Property costs	£1,446,427	£1,457,710	0.8% behind profile	£2,028,430
Supplies and services	£2,230,738	£2,331,150	4.3% behind profile	£3,348,130
Contracts	£4,533,054	£4,573,760	0.9% behind profile	£6,467,810
External income	(£5,337,327)	(£5,161,090)	3.4% behind profile	(£7,383,160)
<b>Direct costs</b>	<b>£6,604,236</b>	<b>£6,941,860</b>	<b>4.9% behind profile</b>	<b>9,452,800</b>

Both the total direct costs variance and the individual item variances are within tolerance and there are no exceptional items to be reported to Members at this time. Large items, typically £50,000 and above, have an individual budget profile; smaller items are profiled on a straight quarter basis.

## Income Streams

The Council's main income streams are reported in this section. The performance for 2012-2013 is shown below:

### Park Leisure Centre

Income as at 31st December, 2012: £455,611

Income as at 31st December, 2011: £437,215

An increase year on year of £18,396

Income as at 28th February, 2013: £581,095

Income as at 29th February, 2012: £547,565

An increase year on year of £33,530

The full year budget for 2012-2013 is currently £644,900 and the projected outturn is £664,670; the projected outturn is £19,770 higher than the budget forecast.

Usage as at 31st December:

<b>Facility</b>	<b>2012</b>	<b>2011</b>	<b>Difference</b>
Pool Hall	95,614	120,453	24,839 ↓
Sports Hall	28,972	41,090	12,118 ↓
Fitness Suite	32,646	35,629	2,983 ↓
Studio	13,061	12,065	996 ↑
<b>Total</b>	<b>170,293</b>	<b>209,237</b>	

The comparison will be more meaningful next year as up until December 2011 prices were held at 2008 rates and reduced by 10% - there was no impact on the General Fund as Working Neighbourhoods Funding was set aside. This funding was all used up by the end of the freeze period.

The end of February usage figures are not available at the time of writing the report and I haven't included the end of January figures as the school billing was late and would distort a straight comparison.

### Car Parking pay and display

Income as at 31st December, 2012: £462,555

Income as at 31st December, 2011: £469,655

A slight decrease year on year of £7,100

Income as at 28th February, 2013: £573,013

Income as at 29th February, 2012: £577,998

A slight decrease year on year of £4,985

The full year budget for 2012-2013 is currently £632,310 and this is still the projected outturn.

Tickets sold as at 31st December:

<b>Tariff</b>	<b>Price</b>	<b>2012</b>	<b>2011</b>	<b>Difference</b>
1 hour	£1.20	130,883	138,742	7,859 ↓
2 hours	£2.20	106,634	113,699	7,065 ↓
3 hours	£3.00	33,320	33,469	149 ↓
4 hours	£4.00	1,854	2,502	648 ↓
10 hours	£6.00	8,190	8,033	157 ↑
<b>Total</b>		<b>280,881</b>	<b>296,445</b>	

Tickets sold as at 28th/29th February:

<b>Tariff</b>	<b>Price</b>	<b>2012</b>	<b>2011</b>	<b>Difference</b>
1 hour	£1.20	151,823	162,057	10,234 ↓
2 hours	£2.20	122,845	132,015	9,170 ↓
3 hours	£3.00	38,053	38,899	846 ↓
4 hours	£4.00	2,126	2,855	729 ↓
10 hours	£6.00	9,857	9,613	244 ↑
<b>Total</b>		<b>324,704</b>	<b>345,439</b>	

### Cemeteries and Crematorium

Income as at 31st December, 2012: £431,432

Income as at 31st December, 2011: £327,617

An increase year on year of £103,815

Income as at 28th February, 2013: £626,247

Income as at 29th February, 2012: £443,449

An increase year on year of £182,798

The budget is currently £690,080 and the projected outturn is £695,570; the projected outturn is £5,490 higher than the budget forecast.

### Commercial Properties

The Council's commercial properties generate significant revenue each year. The budgeted income for the General Fund for 2012-2013 is £930,200. Where properties that were empty when the budget was set are tenanted at some point in the financial year, the liability to pay NNDR is saved. Letting an empty property out, saves the NNDR payment and generates rental income.

The movements within the portfolio for 2012-2013, as at 31st December, 2012, have generated a net saving of £70,970 and that continues while the tenancies run. These savings were identified in the 2013-2014 Budget Proposals report as full year savings that were not anticipated in the Budget Strategy.

## **Treasury Management**

The 2012-2013 Capital Programme was last reported at this Committee on 23rd January, 2013, as £7,445,108.

The Councils' long-term borrowing is all with the Public Works Loans Board and is currently £39,478,734; this belongs to the General Fund £13,379,724 and the HRA £26,099,010. No new borrowing is to be taken out for 2012-2013 and no loans are due to be repaid.

The interest on external borrowing is paid half yearly, with the instalments falling at the end of September and March for the new debt taken on in 2011-2012 and at the start of October and April for the older debt. The total interest that has been paid up to 31st December, 2012, is £725,200 and this is split to the General Fund £292,322 and HRA £432,878 (the debt is fixed rate).

The interest earned on temporary surplus cash as at 31st December, 2012 is £22,090. Funds are now being placed in the money market where we are able to place it for fixed short term periods with beneficial interest rates. There are controls around the security and liquidity of the counterparties that are used. At 31st December, 2012, the funds were placed with:

<b>Financial institution</b>	<b>Total</b>
HSBC Money Market	£6,500,000
Cambridge Building Society	£1,000,000
Hinkley & Rugby Building Society	£1,000,000
Newcastle Building Society	£2,000,000
Skipton Building Society	£1,500,000
<b>Total of fixed term deposits</b>	<b>£12,000,000</b>
HSBC overnight deposit account	£2,925,000
<b>Total funds invested</b>	<b>£14,925,000</b>

The interest earned on temporary surplus cash as at 28th February, 2013 is £32,881 and the funds were placed with:

<b>Financial institution</b>	<b>Total</b>
HSBC Money Market	£1,900,000
Hinkley & Rugby Building Society	£1,500,000
Manchester Building Society	£2,000,000
Newcastle Building Society	£2,000,000
Skipton Building Society	£2,000,000
West Bromwich Building Society	£2,000,000
<b>Total of fixed term deposits</b>	<b>£11,400,000</b>
HSBC overnight deposit account	£4,335,000
<b>Total funds invested</b>	<b>£15,735,000</b>



When the budget was set there was an expectation of borrowing and an increase in interest rates, however this has not occurred. The current budget expectation of interest both payable and earned have been reviewed and amended, realising a net saving of £48,620 for 2012-2013.

The Councils' Authorised Limit for external debt for 2012-2013 is £57,000,000 and this has not been exceeded.

### **Core Reserves**

These are funds set aside from General Fund to finance future expenditure. Most reserves are used at year end - the reserves used in the following tables have been used in quarters 1 to 3; further use of the reserves is planned. This report does not include revenue grants and ring-fenced funds which are receipts in advance from external bodies and the Council has to comply with conditions when using them (these are only reserves for accounting treatment).

<b>Core Reserves</b>	<b>1/4/2012</b>	<b>Transfers</b>	<b>Used</b>	<b>Current</b>
<b>Committed reserves</b>				
Public buildings – major works	£500,000	-	-	£500,000
VAT	£250,000	-	-	£250,000
Insurance – MMI	£294,264	£718,967	-	£1,013,231
Insurance – excesses	£100,000	-	(£17,880)	£82,120
Insurance – uninsured loss	£500,000	-	-	£500,000
Pay review	£175,624	-	-	£175,624
<b>Earmarked reserves</b>				
Festivals	£27,502	-	(£21,000)	£6,502
Market Hall	£56,290	-	-	£56,290
Park Vale	£50,650	-	-	£50,650
<b>Uncommitted</b>				
General reserve	£1,367,735	(£367,735)	-	£1,000,000
<b>Core Reserves</b>	<b>£3,322,065</b>	<b>£351,232</b>	<b>(£38,880)</b>	<b>£3,634,417</b>

*Note – the reserves are split as per the 2013-2014 Budget Report. The first claw back payment from the MMI insurance reserve has not yet been paid.*

### **General Fund Balance**

The General Fund Balance is the prudent level maintained for potential emergencies, unexpected events or un-budgeted statutory expenditure.

	<b>1/4/2012</b>	<b>Transfers</b>	<b>Used</b>	<b>Current</b>
<b>General Fund Balance</b>	£2,351,232	(£351,232)	-	£2,000,000

## Restructuring Reserves

The Transition Grant awarded to the Council is not ring-fenced and has been used to create the Restructuring Reserves:

	<b>1/4/2012</b>	<b>Added</b>	<b>Transfers</b>	<b>Used</b>	<b>Current</b>
Restructuring reserve	£756,958	£2,085,778	(£2,400,000)	(£204,222)	£238,514
Budget support	-	-	£2,400,000	-	£2,400,000
Grants to external bodies	£400,000	-	-	(£158,660)	£241,340
CCTV	£184,296	-	-	-	£184,296
NMT	£50,000	-	-	-	£50,000
<b>Restructuring Reserves</b>	<b>£1,391,254</b>	<b>£2,085,778</b>	<b>-</b>	<b>(£362,882)</b>	<b>£3,114,150</b>

## Housing Revenue Account

The Housing Revenue Account was approved by Council on 28th February, 2012 as a balanced budget. The direct costs at the half year are shown in the following table. The profile is based on the previous financial year together with any particular adjustments for 2012-2013:

<b>Item</b>	<b>Actual at 31/3/2012</b>	<b>Profiled budget at 31/12/2012</b>	<b>Variance: the actual is</b>	<b>Projected Outturn 2012/2013</b>
<b>Income</b>				
Dwelling rents	(£7,331,862)	(£7,331,966)	On profile	(£9,511,740)
Other income	(£470,638)	(£459,153)	2.5% ahead of profile	(£575,860)
<b>Expenditure</b>				
Management	£1,298,911	£1,325,469	2.0% behind profile	£2,322,140
Maintenance	£1,720,743	£1,730,966	On profile	£2,967,370

These variances are within tolerance and there are no exceptional items to be reported to Members at this time.

The projected outturn for the year was last reported to this Committee on 23rd January, 2013 as a net surplus of £49,640.

The key factors are:

- HRA income will be higher than expectations;
- Dwelling rents, other services and charge income are in line with budget;
- Management costs are marginally higher than budget; and
- Maintenance expenditure is in line with budget.

## **Collection Fund**

### **Council Tax**

The percentage of council tax collected this year as at 31st December, 2012 is 83%, the same as this time last year.

The percentage of council tax collected this year as at 28th February, 2013 is 96%, the same as this time last year.

### **NNDR**

The percentage of NNDR collected this year as at 31st December, 2012 is 87%, this was 88% this time last year.

The percentage of NNDR collected this year as at 28th February, 2013 is 97%, this was 98% this time last year.

### **Projected outturn**

The collection targets for 2012-2013 of 96% for council tax and 98% for NNDR are expected to be achieved. Additional resources have been allocated to pursue the outstanding NNDR due.

### **Write Offs**

The write offs approved under delegated authority as at 31st December, 2012 are:

<b>Debt</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Total</b>
Housing rents	24,012	2,100	7,007	33,119
Council tax	-	66,241	-	66,241
NNDR	-	191,411	19,341	210,752
<b>Total</b>	<b>24,012</b>	<b>259,752</b>	<b>26,348</b>	<b>310,112</b>

The bad debt provisions remain sufficient to cover the remaining debts at this time.

#### (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.

The recommendation has no detrimental impact the built environment or public realm.

(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

<b>EXECUTIVE COMMITTEE</b>		<b>Part One (D) Agenda Item 9</b>
<b>Date of Meeting:</b>	<b>20th March, 2013</b>	
<b>Reporting Officer:</b>	<b>Borough Treasurer</b>	
<p><b>Title: Medium Term Financial Plan 2013-2014 to 2015-2016</b></p> <p><b>Summary and Conclusions:</b></p> <p>The Medium Term Financial Plan incorporates the Council's Key Priorities, the Budget Strategy – Deficit Reduction, the budget setting process and Council Tax setting information. This is an update of the Plan from last year and the movements are analysed in the report. The Medium Term Financial Plan aims to achieve a balanced budget for 2015-2016 as set out in the Budget Strategy.</p> <p><b>Recommendations:</b></p> <p>To note the report of the Borough Treasurer.</p>		

### **Report**

The Medium Term Financial Plan for 2013-2014 to 2015-2016 is attached at **Appendix 1**.

The original projection out to 2015-2016 from the Medium Term Financial Plan last year, which was based on the Budget Strategy, showed a balanced budget with a £600k deficit being supported by reserves. This means that the budget had an actual shortfall of £600k which was supported by reserves.

The current projection out to 2015-2016 based on the approved 2013-2014 budget, shows a deficit in 2015-2016 of £410k in addition to the £600k deficit being supported by reserves. This means that the gap at the end of the Budget Strategy is estimated to be £1 million rather than the original £600k.

Members will recall that the budget report of 23rd January, 2013, identified that the 2013-2014 budget was £219k higher than the original projection made last year in the Medium Term Financial Plan. The £219k was funded by the Government settlement that was received for the year. The continuing impact of the items making up the £219k deficit projects a shortfall of £344k for 2014-2015 and £410k for 2015-2016.

As set out in the current Medium Term Financial Plan, the shortfall for these years could be funded from the Restructuring Reserve if further savings and reductions are not generated in other areas.

2015-2016 is the final year of the budget support agreed in the Budget Strategy, this makes the on-going deficit £1 million.

Beyond 2015-2016 the £1 million deficit must be corrected. The Council's reserves will not be sufficient to maintain the current budget levels in future years. The 2015-2016 budget has not been rolled forward in the Medium Term Financial Plan as that is outside the current Budget Strategy.

The Restructuring Reserve is currently estimated to be £775k as at 31st March, 2016, however this reserve continues to be used to fund the cost of on-going changes to bring expenditure down and to pay for one-off essential items.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The risks are set out within the Plan.

(iii) Financial Implications

The financial implications are set out in the Plan.

(iv) Health and Safety Implications

The recommendation has no significant implications.

The recommendation has no detrimental impact the built environment or public realm.

(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



## Medium Term Financial Plan 2013-2014 to 2015-2016

### A. Introduction

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 Key Priorities or make the best use of its resources.

The Medium Term Financial Plan (MTFP) is a financial representation of the Council's Vision and supports its' Key Priorities. The Council's Vision is to enhance the economic and social future of the Borough to meet the needs and aspirations of the community.

The Key Priorities of the Council are:

1. Provide good quality efficient and cost effective services while reducing overall expenditure.
2. Continue to support housing market renewal including an increase in the choice and quality of housing stock and the regeneration of our oldest and poorest housing.
3. Work to mitigate the effects of the recession and cuts in public expenditure and their impact on the local economy and secure a sustainable and long term economic recovery for our community.
4. Continue to improve and enhance the built environment and public realm, working with key partners to secure regeneration of derelict and underused land and buildings in the Borough.

This MTFP covers the period from 2013-2014 to 2015-2016. The Governments' Comprehensive Spending Review 2010 (CSR) covers the period from 2011-2012 to 2014-2015, however the level of Government support for the Council is only known for 2013-2014 and 2014-2015.

The Medium Term Financial Plan is looking ahead to achieve a balanced budget for 2015-2016.



## **Medium Term Financial Plan** **2013-2014 to 2015-2016**

### **B. Planning process**

To ensure a robust and achievable Medium Term Financial Plan is established, the planning process covered a number of key aspects:

Leadership – leading Members and the Management Board demonstrate strong leadership of finances and strategic direction.

Key Priorities – the Medium Term Financial Plan reflects the Council's Vision which is supported by its' Key Priorities.

Ownership – the Borough Treasurer produces and updates the Medium Term Financial Plan.

Achievement – the Borough Treasurer will monitor adherence to the Medium Term Financial Plan and will quantify and report any significant deviation to the Executive Committee and Management Board.

Risk management – the Medium Term Financial Plan includes a section setting out the financial implications of the inherent risks.

Efficiencies – the Management Board will continue to pursue efficiencies and eliminate these from the core budget. This is an on-going process.

Completeness – the Medium Term Financial Plan incorporates the Council's Key Priorities, the Budget Strategy – Deficit Reduction, the Council's Budget Setting process for revenue, capital and treasury management, and the Council Tax setting.





## Medium Term Financial Plan 2013-2014 to 2015-2016

### C. The funding gap

The Government support for the Council for 2010-2011 was £9.1 million. For 2015-2016 the Government support is estimated to be £6.1 million:

- £0.1 million homelessness prevention grant;
- £0.1 million 2011-2012 Council Tax freeze grant;
- £0.8 million (estimated) Council Tax Support funding; and
- £5.1 million main settlement.

The £5.1 million main settlement for 2015-2016 is £4 million lower in cash terms than the 2010-2011 settlement, a reduction of 44%.

As the financing available for the Council reduces, so must the net expenditure. The balanced budget that is required for the Council uses specific items in determining the Total Revenue Financing. The Total Revenue Financing must be balanced, or matched to the Net Revenue Budget – this is the money spent delivering services.

The items included in Total Revenue Financing are:

- Government Financial Settlement;
- Other general Government grant – these are not ring-fenced, which means that they are not tied to a particular service. If they were for a specific service, they would be netted off against the running costs of that service.
- Council Tax; and
- Any surplus or deficit from preceding years Collection Fund – this is the over or under recovery of Council Tax from the last complete financial year, as at the time the budget is set.

For 2013-2014, the Total Revenue Financing adds up to £11,168,690:

- Government Financial Settlement £6,843,240;
- Other general Government grants £479,370;
- Council Tax £3,823,640 (including precepts); and
- The Collection Fund surplus (from 2011-2012) £22,440.

The Net Revenue Budget must therefore be £11,168,690 to have a balanced budget.

Under the Local Government Finance Act 1992, the Council is charged with setting a balanced budget by the 11<sup>th</sup> March of the preceding financial year.



## Medium Term Financial Plan 2013-2014 to 2015-2016

### D. Budget Strategy – Deficit Reduction

Forecasting the Council's budget at the time of the Budget Strategy produced a cumulative deficit of £5,013k unless corrective action was taken. This is still a valid baseline for comparing the reduction going forward:

	2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000	2015-16 £000
Staff pay	5,641	6,100	6,273	6,449	6,595
Other costs	11,742	12,025	12,307	12,603	12,912
Benefits net of subsidy	122	122	122	122	122
External income	(7,176)	(7,201)	(7,201)	(7,201)	(7,201)
Internal income	(985)	(988)	(992)	(992)	(992)
Treasury items	1,532	1,609	1,752	1,848	1,944
Pension costs	1,085	1,145	1,208	1,274	1,340
Use of reserves	46	46	46	46	46
<b>Net Revenue Budget</b>	<b>12,007</b>	<b>12,858</b>	<b>13,515</b>	<b>14,149</b>	<b>14,766</b>
Government support	(7,077)	(6,205)	(5,487)	(4,852)	(4,949)
Council Tax	(4,341)	(4,461)	(4,572)	(4,686)	(4,804)
<b>Total Revenue Financing</b>	<b>(11,418)</b>	<b>(10,666)</b>	<b>(10,059)</b>	<b>(9,538)</b>	<b>(9,753)</b>
Deficit on the year	589	2,192	3,456	4,611	5,013
Restructuring Reserve	(589)				
Net deficit	0				

The Budget Strategy, to balance the General Fund budget by 2015-2016, was endorsed by Full Council on the 24<sup>th</sup> January 2012.

The Budget Strategy identified 5 key components that would drive the Net Revenue Budget down to match the revenue financing available:

1. Prudent use of balances;
2. Efficiency measures;
3. Reduce staffing costs;
4. Increasing income; and
5. Service reductions.

These together with a prudent estimate of 2% growth from economic recovery for 2014-2015 and 2015-2016 were estimated to eliminate the forecasted net deficit by 2015-2016.



## Medium Term Financial Plan 2013-2014 to 2015-2016

### E. General Fund revenue budget

The 2013-2014 General Fund revenue budget incorporates the continuation of the components identified in the Budget Strategy – Deficit Reduction policy paper and refines items where more up to date information has become available.

The 2013-2014 budget was approved by Full Council on the 26<sup>th</sup> February, 2013 was:

	2013-14 £000	2014-15 £000	2015-16 £000
Staff pay	4,486	4,554	4,653
Other costs	11,370	11,471	11,274
Benefits net of subsidy	95	95	95
External income	(6,666)	(6,847)	(7,032)
Internal income	(962)	(922)	(929)
Treasury items	1,595	1,785	1,832
Pension costs	1,165	1,165	1,165
Use of reserves	86	(680)	(450)
<b>Net Revenue Budget</b>	<b>11,169</b>	<b>10,621</b>	<b>10,608</b>
Government support	(6,843)	(5,961)	(6,076)
Government grants	(480)	(512)	(246)
Council Tax	(3,846)	(3,804)	(3,876)
<b>Total Revenue Financing</b>	<b>(11,169)</b>	<b>(10,277)</b>	<b>(10,198)</b>
Net shortfall		344	410

The Budget Strategy originally eliminated the net shortfall to zero, leaving the £600k. funded from the Restructuring Reserve supporting the budget. The drift is the continued effect of changes that have had to be made to the budget projections as reported to the Executive Committee on the 23<sup>rd</sup> January, 2013; Budget Proposals 2013-2014 report.

In terms of the Strategy only: income from fees and charges are lower, the Council Tax increase is lower, other income (such as the DWP benefit administration grant) is lower, additional income has been secured from the commercial property portfolio, inflation on contracts was below expectation, prudent treasury management and staff related costs have reduced. The net of these is a negative impact on the Strategy overall.

In terms of actuals (year on year) the income from fees and charges is higher, but all of the other factors remain the same.

## Medium Term Financial Plan 2013-2014 to 2015-2016

### 2013-2014 Projection

This table identifies the differences between the original projection for 2013-2014 in the MTFP last year and the revenue budget as now set; the table moves the use of reserves that are concerned with balancing the budget to appear below the usual items:

	Projection 2013-2014 £000	Budget 2013-2014 £000	Increase/ (Reduction) £000
Staff pay	4,511	4,486	(25)
Other costs	11,704	11,370	(334)
Benefits net of subsidy	293	95	(198)
External income	(7,867)	(6,666)	1,201
Internal income	(966)	(962)	4
Treasury items	1,670	1,595	(75)
Pension costs	1,149	1,165	16
Use of reserves	116	(25)	(141)
<b>Net Revenue Budget</b>	<b>10,610</b>	<b>11,058</b>	<b>448</b>
Government support	(5,596)	(6,843)	(1,247)
Government grants	(175)	(480)	(305)
Council Tax	(4,763)	(3,846)	917
<b>Total Revenue Financing</b>	<b>(10,534)</b>	<b>(11,169)</b>	<b>(635)</b>
Net shortfall/(surplus)	76	(111)	(187)
Budget support	(600)	(600)	-
Added to reserves	524	711	187

The reasons for these increases and reductions are:

- Staff pay – net of savings from the outcome of the pay award and adding back the Neighbourhood Management Team;
- Other costs – savings from further challenge and review of budget headings including:
  - Contract inflation and review; and
  - Staff travelling and training.
- Benefits net of subsidy – budget reduction after the end of Council Tax Benefits (the impact of the local scheme is within Total Revenue Financing) and a review of the level of benefit overpayment recoveries.



## Medium Term Financial Plan 2013-2014 to 2015-2016

- External income – net budget increase from revisions in 2012-2013 to income from car parking, the Park Leisure Centre, the Cemetery & Crematorium and the commercial property portfolio.
- Treasury management – budget reduction from 2012-2013 activities.
- Use of reserves – use for CCTV, grants to external bodies and new burdens grant being reserved. These items all net out to zero, the use of the reserve matched the spend or income exactly.
- Government support – local Council Tax Support scheme now added into the settlement figure and start-up funding assessment included Business Rate baseline funding which was higher than anticipated.
- Government grants – Weekly Collection Support Scheme is included to support the loss of recycling credits and there is an additional allocation of New Homes Bonus.
- Council Tax – this is different because the local Council Tax Scheme is removed from the tax base, the remaining figure is the net Council Tax collectable.
- Net result – the projection anticipated a contribution to reserves of £524k which is instead £711k; the additional £187k was reserved to support future years.

## Medium Term Financial Plan 2013-2014 to 2015-2016

### 2014-2015 Projections

The next table identifies the differences between the original projection for 2014-2015 in the MTFP last year and the new projection based on the approved revenue budget; the table moves the use of reserves that are concerned with balancing the budget to appear below the usual items:

	Projection 2014-2015 £000	Budget 2014-2015 £000	Increase/ (Reduction) £000
Staff pay	4,605	4,554	(51)
Other costs	11,993	11,471	(522)
Benefits net of subsidy	293	95	(198)
External income	(8,105)	(6,847)	1,258
Internal income	(968)	(922)	46
Treasury items	1,719	1,785	66
Pension costs	1,190	1,165	(25)
Use of reserves	116	97	(19)
<b>Net Revenue Budget</b>	<b>10,843</b>	<b>11,398</b>	<b>555</b>
Government support	(4,961)	(5,961)	(1,000)
Government grants	(175)	(512)	(337)
Council Tax	(4,930)	(3,804)	1,126
<b>Total Revenue Financing</b>	<b>(10,066)</b>	<b>(10,277)</b>	<b>(211)</b>
Net shortfall/(surplus)	777	1,121	344
Budget support	(600)	(600)	-
Needed from reserves	(177)	(521)	(344)

The continued impact of the 2013-2014 differences already noted are the main reason for the drift away from the original projection. There is a new item introduced in 2014-2015 in both the original and revised projections:

- Additional fees and charges income from economic recovery.

## Medium Term Financial Plan 2013-2014 to 2015-2016

### 2015-2016 Projections

Finally, the differences between the original projection for 2015-2016 in the MTFP last year and the new projection based on the approved revenue budget; the table moves the use of reserves that are concerned with balancing the budget to appear below the usual items:

	Projection 2015-2016 £000	Budget 2015-2016 £000	Increase/ (Reduction) £000
Staff pay	4,714	4,653	(61)
Other costs	12,293	11,274	(1,019)
Benefits net of subsidy	293	95	(198)
External income	(8,327)	(7,032)	1,295
Internal income	(971)	(929)	42
Treasury items	1,586	1,832	246
Pension costs	1,232	1,165	(67)
Use of reserves	116	150	34
<b>Net Revenue Budget</b>	<b>10,936</b>	<b>11,208</b>	<b>272</b>
Government support	(5,058)	(6,076)	(1,018)
Government grants	(175)	(246)	(71)
Council Tax	(5,103)	(3,876)	1,227
<b>Total Revenue Financing</b>	<b>(10,336)</b>	<b>(10,198)</b>	<b>138</b>
Net shortfall/(surplus)	600	1,010	410
Budget support	(600)	(600)	-
Needed from reserves	-	(410)	(410)

Again continued impact of the 2013-2014 differences already noted are the main reason for the drift away from the original projection. However, there are a couple of items that apply distinctly to 2015-2016 that are incorporated into both the original projection and the new budget projection:

- Further fees and charges income from economic recovery.
- Dock Museum, Forum and Park Leisure Centre into Trust; and
- 2% increase in Government support (new CSR).



## **Medium Term Financial Plan** **2013-2014 to 2015-2016**

### **F. Council Tax**

The Council Tax for 2013-2014 was set by Full Council on the 26<sup>th</sup> February, 2013. The Barrow Borough Council demand on the Collection Fund to meet the 2012-2013 General Fund budget was set at £3,732,880.

Across the whole Borough, the chargeable dwellings are split over the Council Tax bands as follows:

<b>Band</b>	<b>2013-2014</b>	<b>Split</b>
<b>A</b>	18,754	59%
<b>B</b>	5,274	16%
<b>C</b>	4,505	14%
<b>D</b>	2,237	7%
<b>E</b>	939	3%
<b>F</b>	231	1%
<b>G</b>	71	-
<b>H</b>	1	-
<b>Total</b>	32,012	100%

Each £1 of the unparished Council Tax bill belongs to:

- Cumbria County Council 74 pence;
- the Police Authority 13 pence; and,
- Barrow Borough Council 13 pence.





## **Medium Term Financial Plan** **2013-2014 to 2015-2016**

### **G. Budget assumptions**

The assumptions used in forecasting the 2013-2014 budget out to 2015-2016 are for each year:

- Staff pay awards 2%
- Employer national insurance contributions 8%
- Employer pension contributions for current staff 12.5%
  
- Grounds maintenance contract 4.5%
- Refuse, recycling and street cleaning contract 4.5%
- Revenues, benefits and customer services contract 4.5%
  
- Utilities and NNDR charges 2.9%
  
- Discretionary income price increases 2.5%
  
- Interest earned on temporary deposits at:
  - 0.31% for 2014-2015
  - 0.75% for 2015-2016
  
- Interest payable on new borrowing at:
  - 4.2% for 2014-2015
  - 4.8% for 2015-2016
  
- Government support reducing 13% for 2014-2015 but increasing 2% for 2015-2016
  
- Council Tax increase 1.9%



## Medium Term Financial Plan 2013-2014 to 2015-2016

### H. Risk

Estimates contain an element of risk from items such as inflation, the financial markets, Government support, customer demand and the anticipation of future events:

- Staff pay
  - Pay and grading review not yet completed.
  - 2% pay award for 2014-2015 to 2015-2016 may be insufficient.
  - Employers pension contributions for current staff at 12.5% may be insufficient.
  - Employers' national insurance contributions at 8% may be insufficient.
- Utility costs
  - The usage and costs of gas and electricity may be estimated too low.
  - The costs of NNDR and water rates may be estimated too low.
- Supplies and services
  - Professional fees set to reflect the reduced establishment may be insufficient.
  - Further efficiency savings from discretionary headings may not be possible.
- Contracted services
  - Inflation on contracted services at 4.5% may be insufficient.
  - Building cleaning contract due to be tendered during this MTFP.
  - All contracts with inflation automatically applied are a risk to sustainability.
- External income
  - 2014-2015 and 2015-2016 anticipate a slight increase in income from economic growth that may not materialise.
  - All fees and charges are expected to increase by at least 2.5% year on year in the MTFP.
- Corporate items
  - Interest rate fluctuations.
  - Cost of new borrowing.
  - The estimated pension costs for previous employees may be insufficient – the next triennial valuation will be for the financial years 2014-2015 to 2016-2017.
- Funding
  - Government support may be lower than estimated.
- Other items not yet built into the MTFP:
  - Elements of Welfare Reform; and
  - Retention of Business Rates.



## Medium Term Financial Plan 2013-2014 to 2015-2016

### I. Sensitivity

The following list quantifies the larger MTFP risks and 1% sensitivity has been applied to illustrate the potential impact on the MTFP and provide an indication on the level of reserves that the Council should hold to mitigate these:

- Staff pay
  - Each additional 1% pay award may cost **£45k** per year.
  - Each additional 1% employers' pension contributions for current staff may cost **£34k** per year.
  - Each additional 1% employers' national insurance contributions may cost **£38k** per year.
- Utility costs
  - Each additional 1% spend on utility costs may cost **£14k** per year.
- Contracted services
  - Each additional 1% inflation on contracted services may cost **£62k** per year.
- External income
  - Each 1% increase in fees and charges less than anticipated may cost **£32k** per year.
- Corporate items
  - Each 1% increase in interest rates may cost **£10k** per year (per £1m).
  - Each additional 1% spend on pension costs for previous employees may cost **£12k** per year.
- Funding
  - Each 1% of Government support less than anticipated (in cash terms) may cost **£68k** per year.
  - Each 1% of Council Tax increases less than anticipated may cost **£37k** per year.

Applying a 1% adverse variance on these items produces a **£352k** shortfall on the MTFP each year, with the three years of the Budget Strategy totalling **£1,056k**.

## Medium Term Financial Plan 2013-2014 to 2015-2016

### J. Capital

The Capital Programme and Financing for 2012-2013 to 2015-2016 was approved at Full Council on the 26<sup>th</sup> February, 2013.

The Capital Programme includes new borrowing as shown below, the costs of borrowing are included in the General Fund revenue budget. There is a shortfall in the level of usable capital receipts which is explained after the table:

	2013-2014 £000	2014-2015 £000	2015-2016 £000
<b>Investment</b>			
Public housing	2,296	1,834	1,878
Private housing	600	600	600
Housing market renewal	1,665	285	-
Public buildings	1,274	106	145
Other public assets	557	990	990
Community initiatives	800	-	-
Retentions	25	25	25
Asset investment fund	339	275	275
<b>Total</b>	<b>7,556</b>	<b>4,115</b>	<b>3,913</b>
<b>Financing</b>			
Major repairs reserve	2,296	1,834	1,878
Disabled facilities grant	499	399	399
Grants and contributions	560	-	-
Borrowing	3,720	1,551	1,305
Capital receipts	481	331	331
<b>Total</b>	<b>7,556</b>	<b>4,115</b>	<b>3,913</b>

The capital programme assumes new usable capital receipts of:

- 2013-2014 £481,000
- 2014-2015 £331,000
- 2015-2016 £331,000

This totals £1,143,000 of usable capital receipts over the life of the capital programme. Usable capital receipts to be carried forward from 2012-2013, total £49,500. Further receipts that are anticipated value £197,000, leaving £896,500 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.



## **Medium Term Financial Plan** **2013-2014 to 2015-2016**

### **K. Treasury**

The Treasury Management Strategy for 2013-2014 was approved by Full Council on the 26<sup>th</sup> February, 2013. This Strategy sets out the Prudential Indicators that control all of the Council's treasury activities, the borrowing strategy, the annual investment strategy and credit and counterparty risk management. The borrowing requirements of the Capital Programme are included in the Treasury Management Strategy.

CIPFA defines treasury management as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council is required to set the maximum level of debt, beyond which external debt is prohibited. This limit can only be set or revised by Full Council. This Prudential Indicator is the Authorised Limit for External Debt; the limit and the expected external debt is shown below:

	<b>2013-2014</b> <b>£000</b>	<b>2014-2015</b> <b>£000</b>	<b>2015-2016</b> <b>£000</b>
<b>Authorised Limit</b>	58,000	59,000	61,000
<b>External debt</b>	43,199	44,050	44,555



## Medium Term Financial Plan 2013-2014 to 2015-2016

### L. Reserves and Balances

It is estimated that at the 1<sup>st</sup> April 2013, the Council's Reserves and Balances will be:

<b>Core Reserves</b>	<b>1/4/2013 £000</b>	<b>Movement £000</b>	<b>31/3/2014 £000</b>
<b>Committed reserves</b>			
Public buildings – major works	500	-	500
VAT	250	-	250
Insurance – MMI	779	-	779
Insurance – excesses	80	(20)	60
Insurance – uninsured loss	500	-	500
Pay review	176	-	176
<b>Earmarked reserves</b>			
Festivals	9	(9)	0
Market Hall	51	(51)	0
Park Vale	56	(56)	0
<b>Uncommitted</b>			
General reserve	1,000	-	1,000
<b>Core Reserves</b>	<b>3,401</b>	<b>(136)</b>	<b>3,265</b>

*Note – it is likely that the MMI insurance reserve will be partly used in 2013-2014.*

Earmarked reserves are a means of building up funds to meet known or predicted requirements for a specific purpose. The purpose of the reserve can only be changed by the Executive Committee.

The **public buildings reserve** is to be used for major works that fall outside the routine repairs and maintenance that are included in the General Fund revenue budget.

The **VAT reserve** is held to cover the potential repayment of VAT should the VAT on exempt activities exceed 5% of the overall VAT reclaimed from HMRC.

The **MMI insurance reserve** relates to the Council's liabilities as a member of the Scheme of Arrangement that started in 1994. The aim of the scheme is to use the assets of MMI to meet the liabilities of claims payable that relate to these policies. The expectation was to achieve a solvent run-off, with no contribution from the scheme members. Following a Supreme Court judgement that ruled against MMI in relation to mesothelioma claims, the solvent run-off is no longer achievable. As one of the creditors, the Council has to contribute to the Scheme in proportion to the claims settled.



## Medium Term Financial Plan 2013-2014 to 2015-2016

The **insurance – excesses reserve** is used to pay for settled claims.

The **insurance – uninsured losses reserve** is held in respect of unidentified and unquantifiable risks to the Council.

The **pay review reserve** is held to cover the costs of implementing the pay and grading review for General Fund officers.

The **Festivals, Market Hall and Park Vale reserves** have been built up to cover future costs for these specific purposes. Until the reserve is committed it is technically available. If the reserve were to be used for another purpose, Executive Committee would have to approve this.

Setting the level of the **general reserve** is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget and financial strategy alongside a consideration of the Council's financial management arrangements, including:

- the level of borrowing;
- debt outstanding;
- council tax collection rates;
- recent rises in the price of utilities and commodities;
- the inflation rates used in the budget;
- unexpected increases;
- volatility in the financial markets;
- the reserve is a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- the reserve is a contingency to cushion the impact of unexpected events or emergencies; and,
- once a specific purpose has been identified and an allocation from the general reserve has been agreed by the Executive Committee, the amount will be noted against the committed reserves.

£1 million is considered to be the minimum level that the Council should hold at this time.

The **General Fund balance** is the prudent level maintained for potential emergencies, unexpected events or un-budgeted statutory expenditure. The Section 151 Officer (the Borough Treasurer) can authorise this type of expenditure but must report it to the Executive Committee at the earliest opportunity. The balance may be used to supplement un-budgeted expenditure that could impact on service delivery if not incurred. £2 million is considered to be the minimum level that the Council should hold at this time.

## Medium Term Financial Plan 2013-2014 to 2015-2016

### M. Restructuring Reserves

When setting the 2011-2012 budgets the Council determined that the Transition Grant receivable due to the loss in Government support should be set aside into a Restructuring Reserve. This reserve has been established to allow the Council to manage the necessary structural changes to the core budget in order to reach a balanced budget in 2015-2016; in other words, to reduce the budget requirement down to the level the that Government will support in future years.

Going into the Restructuring Reserve are the net Transition Grant for 2011-2012 and 2012-2013 and also take the net result for the General Fund for the financial years of the Strategy. Going out from the Restructuring Reserve are the costs of staff redundancies, one-off costs that occur during the Strategy and service restructuring costs such as the grant aid to external organisations.

The current position for the Restructuring Reserves is shown below:

	£000	£000
<b>Transition Grant</b>		
For 2011-2012	2,544	
For 2012-2013	2,086	4,630
<b>Committed expenditure</b>		
Neighbourhood Management Team funding	(50)	
CCTV funding	(263)	
2011-2012 deficit funding	(396)	
Less additional Government support for 2011-2012	49	
Staff redundancies	(972)	
Known one-off costs of service restructuring	(110)	
Grants to external organisations	(400)	
Deficit funding to 2015-2016	(2,400)	
<b>Non-cyclical budget items</b>		
Elections for 2015-2016	(60)	
Work in default 2012-2013 to 2015-2016	(40)	(4,642)
<b>General Fund net result</b>		
2011-2012 surplus raised for later years	151	
2012-2013 surplus raised for later years	856	
2013-2014 surplus raised for later years	711	
2014-2015 deficit on the year	(521)	
2015-2016 deficit on the year	(410)	787
<b>Remaining for other restructuring costs</b>		<b>775</b>





## Medium Term Financial Plan 2013-2014 to 2015-2016

### N. Housing Revenue Account

From the 1<sup>st</sup> April 2012 the Housing Subsidy system ended. The Housing Revenue Account becomes self-financing as set out in its 30 year Business Plan; the rent from the dwellings pays for the upkeep and management of the dwellings.

The Housing Revenue Account budget for 2013-2014 was approved by Full Council on the 26<sup>th</sup> February, 2013. It is a balanced budget with a 3.85% rent increase for dwellings and garages.

The Housing Revenue Account remains a ring-fenced account as determined by the Local Government Housing Act 1989.

	<b>Balance at 1/4/2013 £000</b>
<b>Housing Revenue Account</b>	
<b>Committed reserves</b>	
Major Repairs Reserve	2
<b>Fund balance</b>	<b>1,522</b>
<b>Total</b>	<b>1,524</b>

The **Major Repairs Reserve** is a statutory reserve that holds the balance of funding that is estimated to be unspent at the 31<sup>st</sup> March, 2013. This is specifically for the planned maintenance of Housing Revenue Account dwellings.

The **Housing Revenue Account balance** is the prudent level maintained for potential emergencies, unexpected events or un-budgeted statutory expenditure. The Section 151 Officer (the Borough Treasurer) can authorise this type of expenditure but must report it to the Executive Committee at the earliest opportunity. The balance may be used to supplement un-budgeted expenditure that could impact on service delivery if not incurred.



<b>EXECUTIVE COMMITTEE</b>	<b>(D) Agenda Item 10</b>
<b>Date of Meeting: 20th March, 2013</b>	
<b>Reporting Officer: Borough Treasurer</b>	
<b>Title: Welfare Reform Update</b>	
<b>Summary and Conclusions:</b>	
This report provides Members with an update on Welfare Reform issues and sets out the Discretionary Housing Payments funding arrangements.	
<b>Recommendations:</b>	
1. To note the report of the Borough Treasurer; and	
2. To agree that £149,882 of the Restructuring Reserve be added to the Discretionary Housing Payment grant, to allow the funding to reach as many eligible people as possible.	

### **Report**

This report provides a brief background on Welfare Reform issues and an update or position statement where applicable.

The report is split into sections for:

- Council Tax Support;
- Housing Benefit;
  - Local Housing Allowance;
  - Social Size Criteria;
  - Benefit Cap; and
  - Non-Dependent Deductions;
- Discretionary Housing Payments;
- Non-Dependent Deductions;
- Disability Living Allowance; and
- Universal Credit.

## Council Tax Support

The Government announced at the 2010 Spending Review that support for Council Tax would be localised from April 2013.

Council Tax Support is the new local system of help for people who pay Council Tax. It replaces the current national system of support for people who can't afford to pay a full Council Tax bill.

Nationally, the amount of money available to pay for Council Tax Support is 10% less than for Council Tax Benefit.

From April 2013, the Council has adopted the National Default Scheme. **This means that the Council has protected everyone that was in receipt of Council Tax Benefit and they will continue to receive the same level of support.** The difference from April 2013 is that the Council is funding the support locally (net of the reduced Council Tax Support funding). The Council has included that shortfall in its Revenue Budget for 2013-2014.

## Housing Benefit: Local Housing Allowance

The Local Housing Allowance (LHA) is the way of calculating Rent Allowance for the deregulated private rented sector. It applies to Housing Benefit customers in the deregulated private rented sector. The intention is to focus the scheme on mainstream private tenancies and so a number of cases are exempt from the LHA scheme.

The exemptions are:

- Registered social landlord tenancies;
- Protected cases, such as supported housing provided by certain local authorities, social landlords, charities and voluntary organisations;
- Tenancies which are excluded from current rent restrictions (such as pre-1989 tenancies);
- Exceptional cases such as caravans, houseboats and hostels; and
- Cases where the Rent Officer judges that a substantial part of the rent is attributable to board and attendance (e.g. hostel accommodation which already exists in the private sector).

The Government wished to move away from the most customers having their benefit paid directly to their landlord, which meant that they had no personal responsibility for their rent and many were unaware of how much rent was actually paid on their behalf.

By paying LHA direct to the customer it ensures they take on the personal responsibility of paying the rent to the landlord and help develop budgeting skills. It also plays a part in the wider cross Government strategy of greater financial inclusion. The Government also believes that wherever possible LHA should be paid to customers, as is the case for most other benefits and tax credits.

Normally, payment will be made to customers. However, to avoid circumstances where the customer might risk losing their home, payments may be made to the landlord when the customer is:

- in arrears of 8 weeks or more;
- unlikely to pay their rent; or
- deemed unable to manage their own affairs.

The Housing Benefit (Amendment) Regulations 2012 that were laid before Parliament on 28th June 2012 contained two provisions to help support the administration of the Local Housing Allowance Uprating by the Consumer Price Index (CPI).

The Government's plans to uprate LHA rates in line with CPI inflation, instead of being set every month in line with local rental growth which were announced by the Chancellor in the June 2010 Emergency Budget.

Changes to the Rent Officers (Housing Benefit Functions) Order 1997 took effect from 2nd April 2012 and allowed for the introduction of the uprating of LHA rates by CPI. This means that from April 2013, LHA rates will be set annually at the lower of:

- The previous LHA rate uprated by the previous September's CPI; or
- The 30th percentile of local market rents in the previous September.

Uprating of LHA in line with the CPI figure should bring stability and ensure expenditure in the private rented sector is contained at a reasonable level. It will also bring HB into line with the annual uprating of other benefits and the integration of housing support within Universal Credit.

#### Housing Benefit: Social Sector Size Criteria

The Welfare Reform Act 2012 announced that the current rules for the size of accommodation Housing Benefit will cover in the private rented sector will be applied to working age tenants renting in the social sector.

From April 2013 all current and future working age tenants renting from a local authority, housing association or other registered social landlord will receive Housing Benefit based on the need of their household.

The size criteria allows one bedroom for each person or couple living as part of the household with the following exceptions:

- Children under 16 of the same gender are expected to share;
- Children under 10 are expected to share regardless of gender; and
- A disabled tenant or partner who needs a non-resident overnight carer will be allowed an extra room.

Those that are considered to be under-occupying their accommodation will see a reduction in their housing benefit calculated by a reduction of:

- 14% of the total eligible rent for under-occupation by one bedroom; and
- 25% of the total eligible rent for under-occupation by two bedrooms or more.

Certain cases are not subject to a restriction:

- Shared ownership;
- Pension age;
- Non-mainstream accommodation;
- Temporary accommodation; and
- Supported 'exempt' accommodation.

**There are approximately 350 Council tenants affected by this Housing Benefit reduction and at least 37 Housing Association tenants.**

#### Housing Benefit: Benefit Cap

From April 2013, there will be a maximum amount of benefit that a household, defined as an individual, their partner, and any children they are responsible for and who live with them, can be entitled to.

As part of the Welfare Reform Act, from 2013 the Government will introduce a cap on the total amount of benefit that working-age people can receive. This is to ensure that individuals are no longer given more money when they are out of work than what they could reasonably expect to earn from working.

The benefits that will be taken into account when calculating the cap are:

- Bereavement Allowance/ Widowed Parent's/Mother's Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (ESA) (contribution-based and income-related) except where the Support Component has been awarded
- Guardian's Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance (contribution-based and income-based)
- Maternity Allowance
- Severe Disablement Allowance (SDA)
- Widow's Pension

NB: Any benefits or other income that are not included in the above list will not be taken into account when calculating the level of the cap.

The benefits and payments that will be disregarded when calculating the benefit cap are:

- Bereavement payment
- Council Tax Support
- Discretionary Housing Payments
- Social Fund Payments – all one off payments:
- Budgeting Loans
- Cold Weather Payments
- Community Care Grants
- Crisis Loans
- Funeral Payments
- Sure Start Maternity Grants
- Pension Credit
- Residency order payments
- Statutory Adoption Pay – Paid by employers.
- Statutory Maternity Pay – Paid by employers.
- Statutory Paternity Pay – Paid by employers.
- Statutory Sick Pay - Paid by employers.
- Winter Fuel Payment.

If an individual, their partner or any children they are responsible for and who live with them in a household are entitled to Working Tax Credit (WTC), (NB. they do not have to be actually in receipt of WTC), or are in receipt of any of the following, they will be exempt from benefit cap:

- Attendance Allowance
- the support component of ESA
- War Widow/Widower's Pension
- Disability Living Allowance (DLA) or its replacement Personal Independence Allowance (PIP)
- Industrial Injuries Benefits
- Armed Forces Compensation Scheme payments
- War Pension Scheme payments (includes War Widow's/Widower's Pension and War Disablement Pension)

**There are 5 Council tenants affected by the Benefit Cap reduction and 19 private tenants (estimated by the DWP 15th March, 2013).**

#### Discretionary Housing Payments

The Department for Work and Pension (DWP)'s annual funding for Discretionary Housing Payments (DHP) was £20 million up until April 2011. To help local authorities manage the impact of the Housing Benefit reforms announced in the June 2010 budget, Ministers agreed to increase DHP funding to £30 million in 2011-2012 and to £60 million annually for 2012-2013 and for the remainder of the Spending Review period. Since these announcements, further additional funding of £30m and £65m has been made available to local authorities to deal

with the impact of these welfare reforms - Social Sector Size Criteria and the Benefit Cap respectively. The total funding available for 2013-2014 is £155m.

Taking into account discussions DWP had with the Local Authority Associations (LAAs) about the distribution formula, it was agreed to target resources according to need. To achieve this aim, the methodology applies a different approach to the four component parts of the total DHP allocation for 2013-2014; Original baseline before Local Housing Allowance (LHA) reforms; LHA reforms; Social Sector Size Criteria; and the Benefit Cap:

- Original baseline before LHA reforms (£20m): distributed using the 2010-2011 allocation and spend figures.
- LHA reforms (£40m): allocated on the basis of each local authority's share of total anticipated losses experienced by HB claimants as a result of the reforms to LHA (CPI Uprating).
- Social Sector Size Criteria (£30m): aimed specifically at two groups; disabled people who live in significantly adapted accommodation; and foster carers, including those who need to keep an extra room when they are in between fostering. The methodology used here is based on the regional impacts of forecasted losses as a result of this policy.
- Benefit Cap (£65m): to provide short term support to those affected by the Benefit Cap. To ensure that those in rural areas are catered for, the methodology distributes 10% of this funding equally across all local authorities (to ensure that those with lower numbers, but possible difficult supply side issues have access to funds) with the remaining 90% distributed based on anticipated volume of Benefit Cap cases as at April 2013 weighted according to the value of the cap amount.

Although the methodology applies different approaches to the funding of each policy area, DWP recognises that it is for local authorities to apply discretion as to which claimants will receive payments. For this reason the funding allocated is an overall total for 2013-2014, and DWP use this to set the overall upper spending limit.

For 2012-2013 the Council received £38,479 DHP grant and this is almost all allocated, with 115 awards so far.

For 2013-2014, the Council has been allocated £99,921 from the Government. The overall absolute limit is £249,803; the difference of £149,882 can be spent on DHP's by the Council but no more.

All applications for a Discretionary Housing Payment are individually assessed. Should there be an appeal against a decision, Council officers that were not involved in the original decision perform a reconsideration. The number of awards and the amounts in payment are entered into the benefits system.



Under the legislation, DHP's cannot cover:

- Ineligible charges (such as service charges);
- Increases in rent due to outstanding rent arrears;
- Sanctions and reductions in benefit;
- Benefit suspensions;
- Rent, when the person is getting council tax support but not housing benefit or help with housing costs in Universal Credit; and
- Shortfalls caused by housing benefit overpayment recovery.

**It is proposed that for 2013-2014, £149,882 is set aside from the Restructuring Reserve to allow the Council to support those residents in the Borough in need as a result of the Welfare Reform changes. The DHP awards will be reported quarterly.**

### Non-Dependent Deductions

A non-dependant is normally any adult who lives in the residence that is not the main occupiers' partner. In some cases a deduction is made from the benefit to represent the contribution the Government expects them to make to the household. This is called a non-dependant deduction.

The non-dependant deduction is taken off of the maximum benefit before working out how much help can be given with the remaining amount. Non-dependant deduction rates were frozen for 11 years between April 2001 and April 2011.

In the June 2010 Budget, the Government announced that non-dependant deductions would be increased over a phased three year period starting in April 2011. The increase is intended to provide an expectation that adults make a reasonable contribution towards their housing costs.

The final increase comes into effect from 1st April 2013.

### Disability Living Allowance

On 6<sup>th</sup> December 2010 the Government published a consultation document, Disability Living Allowance (DLA) reform, which set out its intention to replace DLA with a new benefit for disabled people, Personal Independence Payment (PIP). The consultation made clear that introducing PIP, rather than modifying DLA, would enable the new benefit to maintain some of the key principles of DLA, such as its tax-free, non means-tested nature, while delivering cash support in a fair, consistent and sustainable manner.

DLA was introduced in 1992 and built on the rules developed for disability benefits introduced in the 1970s. It was designed to help disabled people meet the extra costs associated with their condition. Around 70% of the current caseload are on indefinite awards with no mandatory checks in place or other arrangements which ensure regular contact with the Department for Work and

Pensions. These features have resulted in an unsustainable growth in caseload and expenditure. In the last 10 years the number of people receiving DLA has risen by almost 40% from just under 2.4 million to 3.2 million and expenditure for 2012-2013 is estimated to be over £13.5 billion.

As for DLA currently, the purpose of PIP is to provide a cash contribution to individuals to help them meet the additional costs they face as a result of a long-term health condition or disability.

At the centre of the Government's proposals for PIP is the development of a transparent and objective assessment which considers people as individuals and assesses their entitlement to the benefit fairly and consistently. PIP is made up of two components, daily living and mobility, both paid at one of two rates, standard or enhanced. Individuals can receive either or both of these components. The assessment for entitlement to the two components looks at individuals' ability to carry out a range of key everyday activities that are fundamental to daily life. Ten of these activities relate to entitlement to the daily living component and two to the mobility component. When considering someone's ability to undertake an activity, the assessment will take account of any aids and appliances an individual may need to use in order to complete the activity and also where people need support from another person, such as supervision, prompting or assistance. Priority in the benefit will go to those individuals who are least able to complete the activities and/or who need the most support to do so.

The Government's intention is to have a two-stage roll out of PIP for new claimants. The first stage will commence on 8<sup>th</sup> April 2013 to people living in postcodes which will be set out in the Commencement Order (broadly people living in the North West and part of the North East of England) and then rolled out nationally on 10<sup>th</sup> June 2013 for all other new claimants.

In addition to features of DLA which have been taken forward into PIP under provisions in the Act, the Order brings forward provisions which: allow claimants to retain entitlement to PIP beyond their 65<sup>th</sup> birthday or retirement age, whichever is the higher; withdraw payment of both components after 28 days where claimants enter a publicly funded hospital; withdraw the daily living component where claimants enter publicly funded residential care; and provide for rules around residence and presence and periods abroad.

Other than the assessment criteria and award duration described there is one other provision which is new to PIP: benefit provision for prisoners. In order to avoid duplication of payment when prisoners have their disability-related costs met by the appropriate custodial body and/or health authority, provisions will see payment of benefit ceasing once someone has been detained in legal custody for 28 days irrespective of the outcome of the proceedings against them. Maintaining payment of the benefit for 28 days in these circumstances allows for a continued but limited contribution towards any outstanding disability-related expenditure, for example home heating bills.

**Once the DLA cases are reviewed, the PIP entitlements will have an impact on Housing Benefit entitlement and Council Tax Support. There are 1,362 of the current caseload in receipt of DLA (aged 16-64).**

### Universal credit

Local authorities need to know about Universal Credit because of the following changes:

- Working age claimants will get help with eligible rent through Universal Credit, rather than Housing Benefit. This means that:
  - new claims for Housing Benefit from customers who are out of work will move to Universal Credit from October 2013;
  - new claims for Housing Benefit from customers who are working will move to Universal Credit from April 2014; and
  - existing claimants will move from Housing Benefit to Universal Credit from October 2013 to October 2017 and claimants may need support locally.
  
- Customers over the qualifying age for Pension Credit will, as a result of the introduction of Universal Credit, get help with eligible rent through a new element of Pension Credit called Housing Credit, rather than claim Housing Benefit. On current plans this means that:
  - new customers over Pension Credit qualifying age will have to claim Pension Credit to access help with eligible rent from October 2014;
  - existing Housing Benefit customers over Pension Credit qualifying age (with or without Pension Credit) will be transferred to modified Pension Credit, including Housing Credit, between October 2014 and October 2017; and
  - new claims to Housing Benefit from people over Pension Credit qualifying age received up to October 2014 will be dealt with as now.

DWP are considering what support can be offered locally for Pension Credit customers claiming help with eligible rent.

**DWP are currently working with local authorities to define and agree their role, both throughout the migration to the Universal Credit and over the longer term. They have published a document entitled 'Universal Credit – Local Support Services Framework'. The framework is the start of a conversation which will evolve over the coming months following feedback from potential delivery partners; learning from 12 local authority-led Universal Credit pilots and 6 direct payment demonstration projects; and experience of Phase 1 operations. Phase 1 in the Greater Manchester and Cheshire regions in April this year (the Pathfinder).**

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

There is a risk that the support for people affected by Welfare Reform is not sufficiently covered by the Discretionary Housing Payment grant from the DWP.

(iii) Financial Implications

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

(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

<b>EXECUTIVE COMMITTEE</b>	<b>(D) Agenda Item 11</b>
<b>Date of Meeting: 20th March, 2013</b>	
<b>Reporting Officer: Borough Treasurer</b>	
<p><b>Title: Welfare Reform – Grants to External Organisations</b></p> <p><b>Summary and Conclusions:</b></p> <p>This report concerns the grants to the Citizen’s Advice Bureau and Barrow and District Disability Association in light of the Welfare Reform changes coming up in 2013-2014.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. To agree that the annual grant awarded to the Citizen’s Advice Bureau be permitted to cover all of the services that are provided, with the caveat that a Welfare Benefits service be provided;</li> <li>2. To agree that £49,640 of the Restructuring Reserve be awarded to the Citizen’s Advice Bureau to further cushion the transition to reduced grant funding from the Council as set out in the report; and</li> <li>3. To agree that £7,330 of the Restructuring Reserve be awarded to the Barrow and District Disability Association to further cushion the transition to reduced grant funding from the Council as set out in the report.</li> </ol>	

## **Report**

### **Citizen’s Advice Bureau – purpose of grant**

The Council provides an annual grant to the Citizen’s Advice Bureau. The Service Level Agreement for the next three years is currently being drawn up and having researched the original grant provisions, there is a discrepancy that needs to be resolved.

Originally, the annual grant appears to have been intended to cover the Welfare Benefits service that the Council transferred to the Citizen’s Advice Bureau along with the staff providing the service at that time. The core services that are provided by the Citizen’s Advice Bureau are under the banners of general advice and money advice. It is not possible to separate the Welfare Advice service from the core services, but it is an inherent part of the core services.

I propose that the annual grant be provided to the Citizen’s Advice Bureau for its overall service provision, with the caveat that a Welfare Benefits service be

provided. To ring-fence the Council's grant would endanger the broader services provided and viability of the Bureau.

#### Additional funding

There are a number of changes from the Welfare Reforms that will have an impact on the number of people needing help and advice from the Citizen's Advice Bureau (CAB) and the Barrow and District Disability Association (BDDA). When the Grants to External Bodies fund was identified and distributed, Members expressed the view that the funding for these organisations be reviewed if at all possible.

As a key partner in the delivery of support for Welfare Reform changes, I am proposing that the transition to reduced Council funding be cushioned for 2013-2014. This is the year that the changes will be most prominent.

The original funding profile from the core budget and from reserves was:

Year	Funding	CAB	BDDA	Total	Core Budget	Reserves
	%	£	£	£	£	£
2012-2013	100	99,280	14,660	113,940	56,970	56,970
2013-2014	80	79,420	11,730	91,150	56,970	34,180
2014-2015	60	59,570	8,800	68,370	56,970	11,400
2015-2016	50	49,640	7,330	56,970	56,970	-
2016-2017	50	49,640	7,330	56,970	56,970	-
<b>Total funding</b>		<b>337,550</b>	<b>49,850</b>	<b>387,400</b>	<b>284,850</b>	<b>102,550</b>
Budget provision 2012-2013 to 2016-2017				284,850		
<b>Use of Reserves</b>				<b>102,550</b>		

The proposed funding profile from the core budget and from reserves is:

Year	Funding	CAB	BDDA	Total	Core Budget	Reserves
	%	£	£	£	£	£
2012-2013	100	99,280	14,660	113,940	56,970	56,970
2013-2014	100	99,280	14,660	113,940	56,970	56,970
2014-2015	80	79,420	11,730	91,150	56,970	34,180
2015-2016	60	59,570	8,800	68,370	56,970	11,400
2016-2017	50	49,640	7,330	56,970	56,970	-
<b>Total funding</b>		<b>387,190</b>	<b>57,180</b>	<b>444,370</b>	<b>284,850</b>	<b>159,520</b>
Budget provision 2012-2013 to 2016-2017				284,850		
<b>Use of Reserves</b>				<b>159,520</b>		

The additional reserves that are required are £56,970 and these can be reallocated from the Restructuring Reserve into the Grants to External Bodies Reserve.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

There is a risk that the help and advice for people affected by Welfare Reform is not available.

(iii) Financial Implications

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

(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

		<u>Part One</u>
<b>EXECUTIVE COMMITTEE</b>		<b>(D)</b>
<b>Date of Meeting:</b>	<b>20th March, 2013</b>	<b>Agenda</b>
<b>Reporting Officer:</b>	<b>Executive Director</b>	<b>Item</b>
		<b>12</b>
<p><b>Title: Fly a Flag for the Commonwealth – 10th March, 2014</b></p> <p><b>Summary and Conclusions:</b></p> <p>The Queen’s Pageant master is proposing a Fly a Flag for the Commonwealth Day in 2014 and has asked the Council to participate.</p> <p><b>Recommendations:</b></p> <p>Members’ views are requested.</p>		

**Report**

I have been notified by the Queen’s Pageant master that a new annual event to celebrate the Commonwealth is proposed for 10th March, 2014. The choice of year reflects the Commonwealth Games being hosted in Glasgow and the Centenary of the start of World War I.

The proposal is that all local authorities should fly the Commonwealth Flag on the day at a time to be agreed.

It is proposed this will become an annual event with parish and community councils being included in 2015 and churches in 2016. Commonwealth Flags will be provided free of charge.

The Council has an approved list of annual events which are commemorated by flying a flag and if Members wish to participate in Fly a Flag for the Commonwealth the event could be added to the list.

(i) Legal Implications

The recommendation has no legal implications.

(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

Letter from Lord Lieutenant of Cumbria – Feb 2013.

<b>EXECUTIVE COMMITTEE</b>		<b>Part One (D) Agenda Item 13</b>
<b>Date of Meeting:</b>	<b>20th March, 2013</b>	
<b>Reporting Officer:</b>	<b>Executive Director</b>	
<p><b>Title: Craven House: Lease of 4th Floor to Cumbria County Council</b></p> <p><b>Summary and Conclusions:</b></p> <p>The report details the proposed terms of a lease of Craven House (4<sup>th</sup> Floor) to Cumbria County Council</p> <p><b>Recommendations:</b></p> <p>To approve the proposed lease to Cumbria County Council on the terms reported and that the Capital Programme be amended to facilitate a grant of £300,000 towards refurbishment works to Craven House in the 2013/14 financial year.</p>		

### **Report**

Craven House is a 1960's four storey office block situated on Michaelson Road, Barrow.

The current occupation details are as follows:

James Fisher and Sons	Part of ground floor, first and second
Job Centre Plus	Part of ground floor, first floor and basement
Agilisys	Part of third floor
Vacant	Part of second floor, part third floor and the entire fourth floor

Provisional Heads of Terms have been agreed with Cumbria County Council for all of the fourth floor accommodation – **Appendix 2**.

The proposal entails the total refurbishment and upgrading of the fourth floor accommodation to a modern, lettable standard. In this regard Cumbria County Council has estimated the works required to cost £1.6m and has requested a capital contribution from this Council and a figure of £300,000 has been agreed upon. It is considered that to realistically achieve a market rent of £4.75sq.ft (**Appendix 2**) the upgrade works are required and that the only alternative method of funding the refurbishments would be via a long rent free mechanism

which would result in little or no income to the Council over the term of the lease. Funding this proportion of the improvement would require an adjustment to the Capital Programme to allow the works to be funded either from programme underspend on Strategic Acquisitions or from Efficiency Support Grant if the Boroughs Business case is accepted by Government.

The establishment of a rent level of £4.75/sq.ft would also aid lease renewal/rent review negotiations currently underway with Fishers and Job Centre Plus.

It is proposed that, should the works proceed, the project would be procured and managed by Cumbria County Council in accordance with Borough Council Contract Standing Orders.

(i) Legal Implications

Leasehold interest granted.

(ii) Risk Assessment

The recommendation has significant implications.

(iii) Financial Implications

£300,000 capital expenditure.

(iv) Health and Safety Implications

The recommendation has minor 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

**CRAVEN HOUSE 4<sup>th</sup> FLOOR  
BARROW-IN-FURNESS**

<b>Lessor</b>	Barrow Borough Council
<b>Lessee</b>	Cumbria County Council
<b>Rent</b>	<b>£59,256pa</b> (£4.75/sq.ft - NIA 12,475sq.ft) Rent is subject to VAT
<b>Term</b>	Fifteen years (from a date to be confirmed/agreed)
<b>Break Clause</b>	In the 10 <sup>th</sup> year
<b>Rent Review</b>	10 <sup>th</sup> year to Market Value (Tenants improvements to be disregarded)
<b>Rent Free Period</b>	One year (from completion of lease) This shall be executed over two years at half rent.
<b>Building Works</b>	A ' <b>Building Works Agreement</b> ' shall be documented in advance of the lease detailing all proposed roof and internal refit works, procurement path and valuation stages and to this end Cumbria County Council shall produce a Schedule of Works to be agreed and attached to the ' <b>Building Works Agreement</b> '
<b>Demise</b>	4 <sup>th</sup> Floor Craven House, Barrow-in-Furness. (Possible basement areas to be confirmed)
<b>Car Parking</b>	17 plus 1 disabled space on site. (8 additional off site car parking)
<b>Outgoings</b>	The Lessee to be responsible for the payment of all rates, assessments taxes and any other outgoing arising from the Lessees occupation of the accommodation including the provision of gas, electric and water charges
<b>Use</b>	Subject to planning the premises may be used for any use which falls within Classes B1, as defined in the Town and Country Use Classes Order 2005.
<b>Repair</b>	Internal repairs but including internal and external windows, glass and frames
<b>Service Charges</b>	An agreed % based on gross floor areas.

<b>Insurance</b>	The Lessor will insure the structure of the premises and shall recover the premium from the Lessee
<b>Alterations</b>	The Lessors consent shall be required for all and any alterations to the premises, consent not to be unreasonably withheld or delayed
<b>Alienation</b>	The Lessee may not assign or sublet the whole (or part) of the premises without the consent of the Lessor, consent not to be unreasonably withheld or delayed
<b>Statutory Certification</b>	Landlord to provide all statutory Health and Safety certifications.
<b>Costs</b>	Each party shall bear their own costs in this matter
<b>VAT</b>	Yes

<b>EXECUTIVE COMMITTEE</b>	<b>(D) Agenda Item 14</b>
<b>Date of Meeting: 20th March, 2013</b>	
<b>Reporting Officer: Executive Director</b>	
<p><b>Title: Craven House – Re-Roof</b></p> <p><b>Summary and Conclusions:</b></p> <p>The report details essential maintenance works required to Craven House, Michaelson Road, Barrow and requests an amendment to the Capital programme to fund roof replacement.</p> <p><b>Recommendations:</b></p> <p>To agree to amend the Capital Programme to facilitate the re-roofing of Craven House at an estimated cost of £300,000 in 2013/14 funded by a reduction in the Strategic Acquisitions programme in 2012/13 and 2013/14.</p>	

### Report

Craven House is a 1960's four storey office block situated on Michaelson Road, Barrow.

The current occupation details are as follows:

James Fisher and Sons	Part of ground floor, first and second
Job Centre Plus	Part of ground floor, first floor and basement
Agilisys	Part of third floor
Vacant	Part of second floor, part third floor and the entire fourth floor

The current income from the property is substantial at £176,000pa and subject to your approval this will increase through letting of the fourth floor to Cumbria County Council.

It has been identified that the original roofing membrane has failed and that water is penetrating into the building. Two estimates for roof replacement of £194,000 and £222,000 have been obtained by the Borough Council and a further estimate of £310,000 has been obtained by Cumbria County Council. Clearly, these are estimates and I would expect the tendered price to be at the lower end of the range. However, the two estimates for the Borough Council do not include

provision for lifting and re-siting telecommunication equipment and I think it is therefore prudent to make a provision of £300,000 in your Capital Programme to complete the works.

I have considered the option of carrying out repairs to the roof however, given its age, the need to carry out more repairs in the future and the scale of the rental stream, full replacement is a more cost effective option.

These costs of £300,000 are not currently included in your Capital Programme and approval would require an adjustment to include the costs of replacement in 2013/14. These costs can be met from underspend in the Strategic Acquisitions Programme.

Essential maintenance and upgrades to the structure of the building are required to secure the continued rental income stream from the property.

The works will be procured and managed by Cumbria County Council in accordance with the Borough Council Contract Standing Orders.

(i) Legal Implications

Not Applicable.

(ii) Risk Assessment

The recommendation has significant implications.

(iii) Financial Implications

£300,000 capital expenditure.

(iv) Health and Safety Implications

The recommendation has minor 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

<b>EXECUTIVE COMMITTEE</b>		<b>Part One (D) Agenda Item 15</b>
<b>Date of Meeting:</b>	<b>20th March, 2013</b>	
<b>Reporting Officer:</b>	<b>Assistant Director Community Services</b>	
<p><b>Title: Approval of Collections Development Policy</b></p> <p><b>Summary and Conclusions:</b></p> <p>The Dock Museum has updated its Collections Development Policy and would like it approved. However, the updates are minor in substance. The previous version was approved by this Committee in 2008. The changes in the new Collections Development Policy have been written by the Arts Council for all museums in England that are seeking the “Accreditation” award.</p> <p><b>Recommendations:</b></p> <p>To approve the revised Collections Development Policy.</p>		

### **Report**

The Dock Museum has held the national museum standards for more than ten years (known as “Registration” and latterly “Accreditation”). This has enabled the Dock Museum to obtain grant funding (in 2012/13 more than £30,000 of grants were given to the Dock Museum).

To obtain Accreditation (the award of Accreditation lasts five years) this Committee has to approve a Collections Development Policy (**Appendix 3**). The majority of the text of the Collections Development Policy has been written by the Arts Council.

The Dock Museum’s Collections Development Policy is thus a national standard and there are no significant changes from the previous plan adopted by this Committee on 17th October 2008.

The deadline for the approval of the updated Collections Development Policy is the end of April 2013.

(i) **Legal Implications**

The recommendation has no legal implications.

(ii) **Risk Assessment**

The recommendation has no implications.



(iii) Financial Implications

The recommendation has positive financial implications – approval of the Collections Development Policy means that the Dock Museum can much more easily obtain grant funding.

(iv) Health and Safety Implications

The recommendation has no implications.

(v) Equality and Diversity

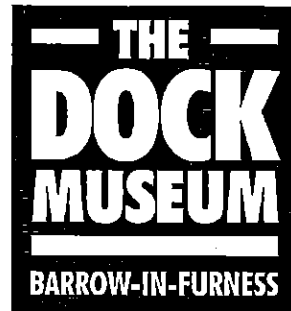
The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

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

Background Papers

Collections Development Policy (it will be published on approval by the Executive Committee).



# **Collections**

# **Development Policy**

## **The Dock Museum**

The Dock Museum  
2013 to 2018  
Sabine Skae  
Collections and Exhibitions Manager

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# THE DOCK MUSEUM

Name of governing body: Barrow Borough Council

Date on which this policy was approved by governing body: 20 March 2013

Date at which this policy is due for review: March 2018

## 1. Dock Museum's statement of purpose

The Dock Museum collects, preserves, documents, interprets and displays material relating to the social and industrial history of the people of Barrow and surrounding district. It serves to educate, inspire, entertain and inform the widest possible audience by communicating the knowledge, understanding and enjoyment of its collections to visitors and residents in the Borough alike, and to a regional, national and international audience. It is further committed to ensuring that the significance of Barrow as a major British shipbuilding and engineering force is accurately represented at a national level.

## 2. An overview of current collections

The Dock Museum has a mixed collection. It has approximately 10,000 glass plate negatives (shipyard material) and a further 12,000 objects (approximately) from the following subject areas: geology, maritime heritage, archaeology, Fine Art, social and industrial history as well as 4 boats.

### Barrow Shipyard

2.1 Approximately 55% of the collection is linked to the shipyard (including the glass plate negatives). This collection principally represents the shipbuilding tradition of Barrow (nineteenth and twentieth century) and therefore constitutes a key element in the work of the Dock Museum. However, the collection also aims to represent all of the non-shipbuilding, armaments and engineering activities of the Shipyard, which are traditions in their own right.

2.2 Barrow Shipyard has undergone several changes of ownership and is currently owned by BAE Systems. To limit confusion, the Dock Museum refers to the Shipyard by the term 'Vickers' because this company owned it for much of its history and the name is familiar to those with interests in Barrow shipbuilding.

There are four categories of material within this collection: -

### 2.3 Vickers Photographic Archive

The Vickers Photographic Archive consists of approximately 10,000 glass negatives, film negatives, positive glass slides and cine films which provide detailed visual evidence of a wide cross-section of work undertaken by the Shipyard between the 1870s and the 1960s. Due to its size and scope, this collection is considered to be of national importance.

The copyright of those images and films was also transferred to the Dock Museum in 2000.

### 2.4 Models

The Dock Museum currently holds approximately 58 ship, submarine, armaments and engineering models of actual or proposed Shipyard products. The collection dates from 1873 (the date of the

first launch) to the 1980s and many of the models were made in the Model Shop of the Shipyard. The majority of the models are builder's models and thus of a very high standard.

## 2.5 Shipbuilding Material

The Dock Museum has collected general shipbuilding objects from the nineteenth to twentieth century: equipment from the different departments of the Shipyard, souvenirs of vessel launches and items relating to the subsequent service of vessels with shipping lines and navies.

## 2.6 Non-Shipbuilding Material

The Dock Museum has a tiny twentieth century collection relating to the engineering side of work at the shipyard (engines, airships etc). Collecting has been restricted by the size and specialist nature of the material (i.e. making it accessible and understandable to a wider audience).

## The Port, the Dock System and Marine Life-saving

2.7 The museum has a very small collection of objects relating to Walney's lighthouse (and female lighthouse keeper, Peggy Braithwaite) and objects associated with the service of Herbert Leigh (see below).

## Boats

2.8 There are currently four vessels in this collection (launch dates in brackets):

- Morecambe Bay Prawner, Nance (1914)
- Barrow-built (Ashburner) Racing Yacht, White Rose (1899)
- Barrow Lifeboat, Herbert Leigh (1951)
- Pilot Boat, Banshee (unknown, probably early twentieth century)

## Iron Mining

2.9 This important industry is represented by fewer than thirty objects (equipment, costume etc dating from the late nineteenth century) in the Dock Museum's collection.

## Iron and Steel Production

2.10 Again, this important industry is represented by few objects in the collection. Machetes (from Barrow Steel) and other steel samples are the most obvious examples.

## Transport

2.11 A local collection of Furness Railway objects was purchased in 2004. The Furness Railway was literally the engine behind Barrow's growth (1846-1922) and therefore had to be represented in the museum. The collection is fairly eclectic and consists of equipment, uniform (life on the railway) and (life on the platform) signs, seats and even a decanter and knife and fork. In addition, the museum has a small collection relating to buses and trams. Less than 1% of the collection is related to transport.

## **Satellite Industries**

2.12 Of the important satellite industries set-up prior to the First World War, including the jute, brick, wagon, salt, and jam works and mills for paper and flour. The local breweries are best represented in the collection (photos, ephemera and bar windows and furniture largely related to the twentieth century).

## **Agriculture and Fishing**

2.13 This collection is comprised of only a very small number of items dating to the twentieth century that are rarely used for display or other purposes (such as agricultural tools, e.g. cultivator points, seed bag).

## **Archaeology**

2.14 3% of the total collection is related to archaeology. The bulk of this collection dates from the Prehistoric period, extending from the Late Mesolithic through to the Iron Age, and there are also a small number of Roman and medieval items. Some material falls outside the defined collecting area (Barrow Borough), the bulk of which are finds from Pike O'Stickle. However, the objects (largely roughouts and polished axes) are important in interpreting the axes found in the Barrow-in-Furness area as the Pike O'Stickle site (the Langdales) was from where the Barrow found axes were first hewn. Therefore, this material will remain in the collection.

## **Fine and Decorative Art**

2.15 This collection consists of several hundred works of fine art, principally oils, drawings, watercolours and prints from the late nineteenth century and the twentieth century, and a small quantity of decorative art that is mainly comprised of chinaware. The bulk of the fine art depicts local scenes and figures and a few of the artists represented are of wider importance including Frank Copnall, Sir Frank Brangwyn (1867-1956), Edward Beckett (1920-2005), William McDowell (1888-1950), G.H. Andrews (1816-1898) and Eric Kennington (1888-1960). The museum has three oils by James Cranke (1707-1780), a regionally important portrait painter who is said to have taught George Romney.

## **Ethnography**

2.16 This collection consists of a very small number of items, including edged weapons, acquired in the early years of the twentieth century. The weapons date largely from the nineteenth century and were collected from South Africa, Malaysia, India and New Zealand. The collection is known to include many early acquisitions and therefore forms part of the history of the Dock Museum itself and will continue to be cared for within the overall collections management strategy.

## **Natural History**

2.17 This collection consists of 156 mounted birds, mammals and invertebrates. The objects were all mounted in the late nineteenth century or early twentieth century. All are to be found in Britain, with the exception of a case of Kakapos (the world's only flightless parrot and is endemic to New Zealand). In addition the museum has seed samples, sub-fossil remains, corals and fresh water and marine shells from round the world. Much of the material was donated to the Dock Museum in the first half of the twentieth century and includes some birds and mammals mounted by the taxidermist G. H. Murray of Carnforth, who is regarded as of regional importance.

## **Geology and Palaeontology**

2.18 This collection is the third largest (comprising 7% of the total collection) after the glass plate collection and social history. It is a diverse collection of rocks, minerals and fossils collected early in the museum's history. Most of the fossils, rocks and minerals were not collected in the Borough of Barrow-in-Furness.

## **Oral History**

2.19 An oral history project was established at the Dock Museum in 1996. The North West Sound Archive provided advice and training for volunteers from the local Civic Society and museum staff in interview training techniques. An initial project was subsequently carried out to record the experiences of a small number of workers in different shipyard trades and abided by the ethical guidelines of the Oral History Society. Interview tapes and transcripts from this project form the basis of this collection and more interviews were conducted by Museum Staff and added to it in 1998, 1999, 2007, 2008 and 2012. There are more than twenty oral history interviews and all but two have been transcribed and digitised.

## **Social History**

2.20 The Dock Museum has a large collection of social history items dating mainly from 1880 to the present day. This material covers a number of subjects:

Education

Law Enforcement and Emergency Services

Health and Welfare

Local Government and Public Services (including the Museum)

Public, Domestic and Industrial Buildings

Customs and Beliefs

Warfare and Civil Defence (including firearms and edged weapons)

Household Management

Trades and Trade Materials

Recreation and Entertainment

Numismatics

Furniture

Costume

## **3. Themes and priorities for future collecting**

### **3.1 Key principles**

- Future collecting will continue to be tightly focused on fulfilling the stated purpose of the Dock Museum.
- Future collecting will particularly address areas where the collections are weak.
- The collections aim to represent the social and industrial development of Barrow and the surrounding area from c.1700 to the present day, reflecting the stated purpose of the Dock Museum. A notable exception to the previous statement is that archaeological material will also continue to be collected (especially with regard to Barrow-in-Furness's prehistory) as we have a strong prehistory collection. Material will be collected from the medieval period in exceptional circumstances if recommended by the Collections and Exhibitions Manager.

- The geographical area from which material will be collected is within the Borough of Barrow-in-Furness only. The main settlements in this area include Barrow, Dalton and Lindal.
- The size and condition of objects may well be a factor in determining whether an object will be collected. A reason for not collecting may be a very poor state of repair (unless the object is of sufficient importance, a unique example or funds have already been provided for conservation work). Outsized objects might not be collected unless there is identifiable and adequate storage.

## **3.2 Future collecting by subject area**

### **Shipyard**

3.2.1 The Dock Museum will actively seek to extend its representation of the scope of work undertaken by the Shipyard through the acquisition of shipbuilding and non-shipbuilding material, including equipment. Submarine building (dating from 1886) is considered to be especially significant. Space restrictions mean that the acquisition of large objects will be considered only with due care. The Dock Museum has an already large collection of ship and submarine models and therefore the collection of such models is no longer a priority and will not be actively sought. The Dock Museum will not collect Vickers material that is of no relevance to Barrow.

### **Non-Shipbuilding Material**

3.2.2 Historically, the engineering and armaments work undertaken by the Shipyard has proved to be as significant as its shipbuilding arm, but has been overshadowed by the success of the latter. The Dock Museum aims to redress the balance by collecting material that relates to the manufacture of airships and other aircraft, land-based armaments, railway engines, dock equipment, pumps, condensers and soap, cement, mining and oil extraction machinery. Much of this work and the individuals involved in it have been of national importance (e.g. Barnes Wallis).

### **The Port, the Dock System and Marine Life-saving**

3.2.3 The coastal location and subsequent development of port and docks in Barrow is a key element in the social and industrial make-up of Barrow. The Dock Museum will seek to acquire material that reflects the relationship between town and sea and the changing face of the docks and port from the mid-nineteenth century to the present day. This will include material relating to the Docks and Harbour Board, Coastguard Agency, Walney Lighthouse, the Lifeboat Service and marine businesses including James Fisher & Sons, TW Ward Ship breakers, other shipbuilders such as Ashburners and the Ferro-concrete Ship Construction Company and the Dock Museum site itself (in so far as there is a direct connection with these businesses, objects and the Barrow-in-Furness area).

### **Boats**

3.2.4 The four boats in the collection have been priorities for conservation and circumstances dictate that this work is undertaken as part of a long-term, phased programme.

3.2.5 No further vessels will be acquired unless their acquisition includes specific resources for their upkeep and the museum can adequately store them. However, documentary material that relates to local vessels, including the vessels already in the collection, will continue to be collected.

### **Iron Mining**

3.2.6 Material will be collected that reflects the rise and decline of iron mining in Furness, with particular reference to the period from the 1880s to the 1960s. This includes items relating to the



lives of quarry workers and iron miners and of significant figures in the development of quarrying and mining operations.

### **Iron and Steel Production**

3.2.7 The manufacture of iron and steel is a key ingredient in the history of the local area and the Dock Museum aims to represent the local iron and steel industries from their early beginning (c.1700) to their decline and demise (1980s). Particular reference will be paid to material from the Barrow Haematite Iron and Steel Works (once one of the largest iron and steelworks in the world), the iron works at Askam and independent local foundries such as Cairds. In addition to industrial items, material relating to the lives of the iron and steelworkers and their employers will also be collected.

### **Transport**

3.2.8 The development of local transport networks, particularly the Furness Railway, is a key element in the history of the local area and it remains a topical issue. Material reflecting the railway, bus and tram services and other types of transport will therefore be collected, including both industrial objects and items relating to the lives of associated workers and significant figures in the rise and, where applicable, decline of the different transport forms. Resources dictate that large machinery cannot be collected in this area.

### **Satellite Industries**

3.2.9 The Dock Museum aims to represent the development, decline and demise of all of the other local manufacturing industries established in the wake of the Shipyard, Iron Mines, Iron and Steel Works and Furness Railway and which depended on the fortunes of these four industries for their survival. Most of these important satellite industries were set-up prior to the First World War, including the jute, brick, wagon, salt, and jam works, mills for paper and flour and local breweries, and few traces of them now exist.

### **Utilities**

3.2.10 The Dock Museum aims to represent the development of service industries in the local area including gas, water and electricity supplies, all of which are now taken for granted.

### **Agriculture and Fishing**

3.2.11 This collection is comprised of only a small number of items that are rarely used for display or other purposes. No further material will therefore be acquired.

### **Archaeology**

3.2.12 The Dock Museum will collect additional material of local provenance and will also collect material of relevance to the industrial development of the defined collecting area.

### **Fine and Decorative Art**

3.2.13 The Dock Museum will continue collecting works, in all media, relevant to the social and industrial development of the defined collecting area, including work by significant local artists and work depicting significant local figures. Work predating the nineteenth century and contemporary pieces are under-represented and will be actively pursued.

## **Ethnography**

3.2.14 No further material will be acquired as it would not fall within the museum's collecting remit (the geographical area of the Borough of Barrow-in-Furness).

## **Natural History**

3.2.15 No further material will be acquired as the museum would not be able to adequately store an expansion of material in this area. Objects not consistent with the Acquisitions Policy have already been disposed of in accordance with the Disposals Policy. All the non-British mounted birds and mammals, with one exception retained for rarity purposes, were transferred as a collection to Lancashire County Museum Service in 1998.

## **Geology and Palaeontology**

3.2.16 The Dock Museum considers the material to be of sufficient scope to stop further collecting. However, the quality of some items is poor and replacements may be sought.

## **Oral History**

3.2.17 The oral history collection is small but its continuing expansion is a priority.

## **Social History**

3.2.18 Expansion of the collection is a continuing priority, with particular reference to the following areas:

Material connected with significant local industries

Material connected with significant local individuals/local societies or organisations

Contemporary Material

Material which reflects the relationship between the heavy and service industries

## **4. Themes and priorities for rationalisation and disposal**

Responsible, curatorially-motivated disposal takes place as part of a museum's long-term collections policy, in order to increase public benefit derived from museum collections.

### **Curatorial rationalisation**

Non-Barrow specific material is a priority for disposal. This is especially relevant for the maritime collection where some ship models, plans and ephemera have been collected belonging to vessels not built in Barrow. The shipyard book collection should not have been accepted by the Dock Museum as we have never been in a position to use them or give meaningful access to the public. They should be transferred to the local Record Office or another library.

The Numismatics collection contains many foreign coins and these are not in any way relevant to the Dock Museum's collection. Medals relating to other boroughs should also be transferred to the relevant museums.

A small collection of national newspapers were accepted with no relevance to Barrow-in-Furness. Similarly, Canadian railway advertising has no relevance at all within the Dock Museum's collection.

## **Financially-motivated disposal**

Only in exceptional cases, the disposal may be motivated principally by financial reasons (see clause 13f). It is possible that the boat Banshee will be disposed of due to reasons of upkeep. However, all attempts will be made to move her into the museum and conserve her first.

## **5. Limitations on collecting**

The museum recognises its responsibility, in acquiring additions to its collections, to ensure that care of collections, documentation arrangements and use of collections will meet the requirements of the Accreditation Standard. It will take into account limitations on collecting imposed by such factors as staffing, storage and care of collection arrangements.

## **6. Collecting policies of other museums**

The museum will take account of the collecting policies of other museums and other organisations collecting in the same or related areas or subject fields. It will consult with these organisations where conflicts of interest may arise or to define areas of specialism, in order to avoid unnecessary duplication and waste of resources.

### **Specific reference is made to the following museum(s):**

The Millom Folk Museum  
Copeland Museum Service  
Tullie House Museum and Art Gallery  
Ailerdale Museums Service  
Lake District Art Gallery and Museum Trust  
Lancaster City Museums  
Merseyside Maritime Museum  
Science Museum  
National Maritime Museum  
English Heritage

And

Barrow Record Office

## **7. Policy review procedure**

The acquisition and disposal policy will be published and reviewed from time to time, at least once every five years. The date when the policy is next due for review is noted above.

Arts Council England will be notified of any changes to the acquisition and disposal policy, and the implications of any such changes for the future of existing collections.

## **8. Acquisitions not covered by the policy**

Acquisitions outside the current stated policy will only be made in very exceptional circumstances, and then only after proper consideration by the governing body of the museum itself, having regard to the interests of other museums.

## 9. Acquisition procedures

- a. The museum will exercise due diligence and make every effort not to acquire, whether by purchase, gift, bequest or exchange, any object or specimen unless the governing body or responsible officer is satisfied that the museum can acquire a valid title to the item in question.
- b. In particular, the museum will not acquire any object or specimen unless it is satisfied that the object or specimen has not been acquired in, or exported from, its country of origin (or any intermediate country in which it may have been legally owned) in violation of that country's laws. (For the purposes of this paragraph 'country of origin' includes the United Kingdom).
- c. In accordance with the provisions of the UNESCO 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, which the UK ratified with effect from November 1 2002, and the Dealing in Cultural Objects (Offences) Act 2003, the museum will reject any items that have been illicitly traded. The governing body will be guided by the national guidance on the responsible acquisition of cultural property issued by the Department for Culture, Media and Sport in 2005.
- d. So far as biological and geological material is concerned, the museum will not acquire by any direct or indirect means any specimen that has been collected, sold or otherwise transferred in contravention of any national or international wildlife protection or natural history conservation law or treaty of the United Kingdom or any other country, except with the express consent of an appropriate outside authority.
- e. The museum will not acquire archaeological antiquities (including excavated ceramics) in any case where the governing body or responsible officer has any suspicion that the circumstances of their recovery involved a failure to follow the appropriate legal procedures.
- e. In England, Wales and Northern Ireland the procedures include reporting finds to the landowner or occupier of the land and to the proper authorities in the case of possible treasure as defined by the Treasure Act 1996.
- f. Any exceptions to the above clauses 8a, 8b, 8c, or 8e will only be because the museum is:
  - acting as an externally approved repository of last resort for material of local (UK) origin
  - acquiring an item of minor importance that lacks secure ownership history but in the best judgement of experts in the field concerned has not been illicitly traded
  - acting with the permission of authorities with the requisite jurisdiction in the country of origin
  - in possession of reliable documentary evidence that the item was exported from its country of origin before 1970

In these cases the museum will be open and transparent in the way it makes decisions and will act only with the express consent of an appropriate outside authority.

- g. As the museum holds or intends to acquire human remains from any period, it will follow the procedures in the 'Guidance for the care of human remains in museums' issued by DCMS in 2005.

## **10. Spoliation**

The museum will use the statement of principles 'Spoliation of Works of Art during the Nazi, Holocaust and World War II period', issued for non-national museums in 1999 by the Museums and Galleries Commission.

## **11. The Repatriation and Restitution of objects and human remains**

The museum's governing body, acting on the advice of the museum's professional staff, if any, may take a decision to return human remains (unless covered by the 'Guidance for the care of human remains in museums' issued by DCMS in 2005), objects or specimens to a country or people of origin. The museum will take such decisions on a case by case basis; within its legal position and taking into account all ethical implications and available guidance. This will mean that the procedures described in 13a-13d, 13g and 13o/s below will be followed but the remaining procedures are not appropriate.

The disposal of human remains from museums in England, Northern Ireland and Wales will follow the procedures in the 'Guidance for the care of human remains in museums'.

## **12. Management of archives**

As the museum holds / intends to acquire archives, including photographs and printed ephemera, its governing body will be guided by the Code of Practice on Archives for Museums and Galleries in the United Kingdom (third edition, 2002).

## **13. Disposal procedures**

### **Disposal preliminaries**

- a. The governing body will ensure that the disposal process is carried out openly and with transparency.
- b. By definition, the museum has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The governing body therefore accepts the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in the museum's collection.
- c. The museum will confirm that it is legally free to dispose of an item and agreements on disposal made with donors will be taken into account.
- d. When disposal of a museum object is being considered, the museum will establish if it was acquired with the aid of an external funding organisation. In such cases, any conditions attached to the original grant will be followed. This may include repayment of the original grant and a proportion of the proceeds if the item is disposed of by sale.

### ***Motivation for disposal and method of disposal***

- e. When disposal is motivated by curatorial reasons the procedures outlined in paragraphs 13g-13s will be followed and the method of disposal may be by gift, sale or exchange.

- f. In exceptional cases, the disposal may be motivated principally by financial reasons. The method of disposal will therefore be by sale and the procedures outlined below in paragraphs 13g-13m and 13o/s will be followed. In cases where disposal is motivated by financial reasons, the governing body will not undertake disposal unless it can be demonstrated that all the following exceptional circumstances are met in full:
- the disposal will significantly improve the long-term public benefit derived from the remaining collection
  - the disposal will not be undertaken to generate short-term revenue (for example to meet a budget deficit)
  - the disposal will be undertaken as a last resort after other sources of funding have been thoroughly explored

### ***The disposal decision-making process***

- g. Whether the disposal is motivated either by curatorial or financial reasons, the decision to dispose of material from the collections will be taken by the governing body only after full consideration of the reasons for disposal. Other factors including the public benefit, the implications for the museum's collections and collections held by museums and other organisations collecting the same material or in related fields will be considered. External expert advice will be obtained and the views of stakeholders such as donors, researchers, local and source communities and others served by the museum will also be sought.

### ***Responsibility for disposal decision-making***

- h. A decision to dispose of a specimen or object, whether by gift, exchange, sale or destruction (in the case of an item too badly damaged or deteriorated to be of any use for the purposes of the collections or for reasons of health and safety), will be the responsibility of the governing body of the museum acting on the advice of professional curatorial staff, if any, and not of the curator of the collection acting alone.

### ***Use of proceeds of sale***

- i. Any monies received by the museum governing body from the disposal of items will be applied for the benefit of the collections. This normally means the purchase of further acquisitions. In exceptional cases, improvements relating to the care of collections in order to meet or exceed Accreditation requirements relating to the risk of damage to and deterioration of the collections may be justifiable. Any monies received in compensation for the damage, loss or destruction of items will be applied in the same way. Advice on those cases where the monies are intended to be used for the care of collections will be sought from the Arts Council England.
- j. The proceeds of a sale will be ring-fenced so it can be demonstrated that they are spent in a manner compatible with the requirements of the Accreditation standard.

### ***Disposal by gift or sale***

- k. Once a decision to dispose of material in the collection has been taken, priority will be given to retaining it within the public domain, unless it is to be destroyed. It will therefore be offered in the first instance, by gift or sale, directly to other Accredited Museums likely to be interested in its acquisition.

- l. If the material is not acquired by any Accredited Museums to which it was offered directly as a gift or for sale, then the museum community at large will be advised of the intention to dispose of the material, normally through an announcement in the Museums Association's Museums Journal, and in other specialist journals where appropriate.
- m. The announcement relating to gift or sale will indicate the number and nature of specimens or objects involved, and the basis on which the material will be transferred to another institution. Preference will be given to expressions of interest from other Accredited Museums. A period of at least two months will be allowed for an interest in acquiring the material to be expressed. At the end of this period, if no expressions of interest have been received, the museum may consider disposing of the material to other interested individuals and organisations giving priority to organisations in the public domain.

### ***Disposal by exchange***

- n. The nature of disposal by exchange means that the museum will not necessarily be in a position to exchange the material with another Accredited museum. The governing body will therefore ensure that issues relating to accountability and impartiality are carefully considered to avoid undue influence on its decision-making process.
- o. In cases where the governing body wishes for sound curatorial reasons to exchange material directly with Accredited or unaccredited museums, with other organisations or with individuals, the procedures in paragraphs 13a-13d and 13g-13h will be followed as will the procedures in paragraphs 13p-13s.
- p. If the exchange is proposed to be made with a specific Accredited museum, other Accredited museums which collect in the same or related areas will be directly notified of the proposal and their comments will be requested.
- q. If the exchange is proposed with a non-accredited museum, with another type of organisation or with an individual, the museum will make an announcement in the Museums Journal and in other specialist journals where appropriate.
- r. Both the notification and announcement must provide information on the number and nature of the specimens or objects involved both in the museum's collection and those intended to be acquired in exchange. A period of at least two months must be allowed for comments to be received. At the end of this period, the governing body must consider the comments before a final decision on the exchange is made.

### ***Documenting disposal***

- o/s. Full records will be kept of all decisions on disposals and the items involved and proper arrangements made for the preservation and/or transfer, as appropriate, of the documentation relating to the items concerned, including photographic records where practicable in accordance with SPECTRUM Procedure on deaccession and disposal.