

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

## **EXECUTIVE COMMITTEE**

Meeting, Wednesday, 23rd January, 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 12th December, 2012 (copy attached) (Pages1-17).
6. Apologies for Absence/Attendance of Substitute Members.

### **FOR DECISION**

- (D/R)** 7. Recommendations of the Housing Management Forum, 17th January, 2013 – **TO FOLLOW.**

- (R/D) 8. Budget Proposals 2013-2014 (Pages 18 - 30).
- (D) 9. Council Tax Base 2013-2014 (Pages 31 - 32).
- (R) 10. Council Tax Discount (Pages 33 - 34).
- (D) 11. Furness Maritime Trust (Pages 35 - 36).
- (D) 12. Revised Local Development Scheme (LDS) and Planning Policy Update (Pages 37 - 40).
- (D) 13. Borough Council Representative on Furness Enterprise Board (Pages 41 - 42).

## **PART TWO**

- (D) 14. Parking Services Management Structure (Pages 43 - 45).

**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 1 OF PART ONE OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND ACCESS TO INFORMATION (VARIATION) ORDER 2006**

- (R) 15. Establishment – Budget 2013-2014 (Pages 46 - 48).

**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 1 OF PART ONE OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND ACCESS TO INFORMATION (VARIATION) ORDER 2006**

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

### **Membership of Committee Councillors**

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

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

Jon Huck  
Democratic Services Manager  
Tel: 01229 876312  
Email: [jwhuck@barrowbc.gov.uk](mailto:jwhuck@barrowbc.gov.uk)

Published: 15th January, 2013.

## EXECUTIVE COMMITTEE

Meeting: Wednesday 12th December, 2012  
at 2.00 p.m.

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

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

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

<u>Item</u>	<u>Reason</u>
Submariner Memorial (Minute No. 85)	To enable the Barrow Branch of the Submariner Association to meet a funding bid deadline which will expire in advance of the next meeting of the Executive Committee.

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

Discussion arising hereon it was

RESOLVED:- That under Section 100A(4) of the Local Government Act, 1972 the public and press be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 (Minute Nos. 83 and 84) of Part One of Schedule 12A of the said Act.

### **79 – Minutes**

The Minutes of the meeting held on 14th November, 2012 were agreed as a correct record.

### **80 – Apologies for Absence**

Apologies for absence were received from Councillors Guselli and Wall.

Councillor Williams substituted for Councillor Guselli.

## **81 – Housing Management Forum: Recommendations**

The recommendations of the Housing Management Forum held on 29th November, 2012 were submitted for consideration.

N.B. The Minutes are reproduced as **Appendix 1** to the Minutes of this meeting.

RESOLVED:- That the recommendations of the Housing Management Forum be agreed as follows:-

### **Cumbria Choice: Choice-Based Lettings Scheme - Update**

1. To note the content of the report; and
2. To agree the final draft of the review of the Allocation Policy which formed the operating basis for Cumbria Choice.

### **9-12 Pennine Gardens, Barrow-in-Furness**

1. To agree Option 1 to repair at an estimated cost of £114k with the cost being met from the Housing Revenue Account Reserves;
2. To agree the temporary re-housing of the residents of the four properties and meet the cost of rent loss and residents' removal costs from Housing Revenue Account Reserves;
3. To appoint M & P Gadsden to project manage the appointment of a suitably qualified Contractor through to completion; and
4. To agree not to buy back the single leasehold property.

### **Welfare Reform Action Plan - Progress**

1. To note the information contained in the report; and
2. To agree a review of furnished tenancies and charges for dispersed accommodation.

### **United Utilities Reward Offer**

Members are invited to recommend adoption of the scheme, subject to consultation with Tenants.

### **2 Clive Street, Barrow-in-Furness**

1. To agree to invest approximately £20,000 from Housing Revenue Account resources to remedy the structural problems identified in the report; and
2. To agree that the Housing Manager would explore the option to relocate the occupants to an alternative property.

## 82 – Festival Funds

The Executive Director reminded the Committee that the Council currently held an earmarked reserve of £22,752 for festivals. That was the residual sum of a much larger fund which had been held over a number of years to support one-off events and annual carnivals and festivals. He informed the Committee that the Council would be unable to continue to support festivals and carnivals when the reserve had been used. It would be appropriate to commit the reserve on the basis that it should be used to make carnivals and festivals into a more sustainable footing.

Discussions had also been held with Barrow Traders Association (BTA) about holding a weekend Food Festival in 2013. Whilst the event was predicted to break even, it would be prudent to identify a budget to underwrite any losses which may arise. He estimated £9,000 would be required in addition to a contribution from BTA with any residual being rolled forward for future years. He considered that the revenue fund should be divided as follows:

1. Barrow Food Festival underwriting	£ 9,000
2. Barrow Carnival	£ 2,500
3. Walney Carnival	£ 4,500
4. Dalton Festivals	£ 4,500
5. Askam Carnival	<u>£ 2,000</u>
Total	£22,500

Payments would be in the form of a single grant payment to the relevant Festival Committees conditional on annual presentation of accounts to the Council. The Council would act as accountable body for Barrow Food Festival.

It was moved and seconded that Walney Carnival and Dalton Festival funding be reduced to £4K and that Lindal and Marton receive £1,000 towards Lindal and Marton Festival Day.

RESOLVED:- To agree that the reserve fund should be allocated as follows:-

1. Barrow Food Festival underwriting	£ 9,000
2. Barrow Carnival	£ 2,500
3. Walney Carnival	£ 4,000
4. Dalton Festivals	£ 4,000
5. Askam Carnival	£ 2,000
6. Lindal and Marton Festival	<u>£ 1,000</u>
Total	£22,500

### **83 – Housing Market Renewal Programme – North Central Renewal Area Sub Areas A and E**

The Executive Director reminded the Committee that it had previously been agreed to proceed with a programme of external improvements to properties within the North Central Renewal Area. A schedule of works had been prepared and subject to competitive tendering. The Committee considered a schedule of tenders for the work.

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

(ii) To appoint Thomas Armstrong Ltd for the contract as the contractor submitting the lowest tender.

### **84 – Housing Market Renewal Programme – North Central Renewal Area Clearance Site**

The Executive Director informed the Committee that expressions of interest had been sought to redevelop the clearance site within the North Central Renewal Area. A number of proposals had been received, and the most viable had been selected for further investigation.

RESOLVED:- (i) To grant a period of six months exclusivity for Bridgehouse Property Consultants to allow their proposed scheme to be developed further; and

(ii) To note the draft heads of terms considered by the Committee.

### **85 – Submariner Memorial**

The Executive Director informed the Committee that the Council had been asked by the Barrow Branch of the Submariner's Association to consider allowing the erection of a small memorial tribute, on Council owned land, to jointly commemorate the 100<sup>th</sup> anniversary of the establishment of the Australian Submarine service and the 50<sup>th</sup> anniversary of the Barrow Branch of the Submariner's Association.

The first two Australian submarines, AE1 and AE2, had been built in Barrow and both were lost in WW1. An Australian based organisation, AE1 Incorporated, was looking to commemorate the loss of these boats and was attempting to organise permanent memorials in Australia and in the United Kingdom at Gosport and Barrow in Furness.

The Barrow Branch of the Submariner's Association was taking the lead on the Barrow memorial and had approached the Council about finding a suitable location. After considering various sites, they had requested that the Council allow them to locate the memorial on council owned land at Ramsden Square. That location would allow a passing salute to be given during the annual Remembrance Day parade. No design had yet been submitted, but the Association had informed Officers that the memorial would be in the form of a small stone triptych.

RESOLVED:- To approve the siting of a memorial on Council owned land at Ramsden Square, subject to approval of the design and size of the memorial itself.

## REFERRED ITEMS

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

#### **86 – Cumbria Police and Crime Panel**

The Executive Director informed the Committee that the Police and Crime Panel (PCP) had met as a Shadow Board to agree its Terms of Reference and Rules of Procedure. As the PCP would be a Joint Committee of the District and County Councils in Cumbria it required formal endorsement of the Council.

It was reported that the reference in the Panel arrangements should refer to Cumbria not Thames Valley.

RECOMMENDED:- To recommend the Council:-

- (i) To agree the Police and Crime Panel Terms of Reference and Rules of Procedure; and
- (ii) To agree that the Police and Crime Panel should be a Joint Committee under Article 9 of the Council Constitution.

#### **87 – War Pensions Disregard**

The Borough Treasurer informed the Committee that under current legislation local authorities could disregard up to 100% of war pension payments when calculating entitlement to Council Tax Benefit; the first £10 was statutorily disregarded. That included all War Disablement Pensions, War Widow's Pensions, Armed Forces Compensation Scheme payments and any corresponding pensions payable to a widower or a surviving civil partner. Despite the final regulations not yet being published for the Council Tax Support Scheme, the Committee was asked to agree the discretionary local scheme for 2013-2014, awarding the full 100% for Council Tax support and up to 100% for Housing Benefit.

RECOMMENDED:- To recommend the Council:-

- (i) To agree to the adoption of a 100% disregard of War Pension payments for Council Tax support, and
- (ii) To continue the disregard of War Pension payments for Housing Benefit of up to 100%.

The meeting ended at 2.30 p.m.

## **HOUSING MANAGEMENT FORUM**

Meeting: 29th November, 2012  
at 2.00 p.m.

PRESENT:- Councillors Hamilton (Chairman), Irwin, Johnston, Murray, Pointer and Richardson.

Tenant Representatives:- Mrs P. Charnley, Mr M. Burton, Mr W. McEwan, Mrs C. McFadyen, Mr A. McIntosh and Mr W. Ward.

### **13 – Minutes**

The Minutes of the meeting held on 14th June, 2012 were taken as read and confirmed.

### **14 – Apologies for Absence/Changes in Membership**

Apologies for absence were submitted from Councillor Williams and Mr N. Hird and Mrs K. Warne.

### **15 – Cumbria Choice: Choice-Based Lettings Scheme - Update**

The Housing Manager submitted a report providing Members with an update on the progress of the review of the Cumbria-wide Choice Based Lettings (CBL) Policy.

It was noted that the Cumbria Choice County-wide Choice Based Lettings Scheme had been in operation since April 2011. The partnership had agreed a full review would take place of the CBL policy within the first 12 months of implementation.

The Project Board had commissioned Housing Quality Network (HQN) Equality and Diversity consultant Chris Root to carry out a detailed equality impact assessment of the Cumbria-wide CBL Policy which had involved:-

- A review of the existing CBL Equality Impact Assessment;
- A development of a small survey for stakeholder groups;
- A development of a small survey of a sample group of CBL users;
- A telephone survey of a small sample group of users who had never made a bid on Cumbria Choice but remained on the CBL waiting list;
- Analysis of all surveys with outcomes reported to the Project Board to feed into and form an integral part of the policy review; and
- A new reviewed Equality Impact Assessment (EIA) of the CBL Policy.

The Project Board had organised a Policy Review Day which took place on 23rd February, 2012 and had been attended by all partners and representatives from the Tenants' Panel. The work carried out by HQN had been fed into the review to



ensure any amendments reflected issues identified and to ensure the policy had taken due regard to accessibility for all groups.

The draft review policy had been out to a four-week public consultation which had closed on 12th October, 2012. During that period letters had been sent out to all Stakeholders advising them on how to access the online consultation. An overview of the consultation had also provided to the Tenant Participation Compact Working Party on 18th September, 2012. The proposed changes had been highlighted in a summary on the Cumbria Choice and the Housing Services Websites.

Members had been requested to agree the final draft of the review of the Allocation Policy which formed the operating basis for Cumbria Choice, a copy of which had been placed in the Members' Room and was also available to view online on the Housing Service's Homepage. A summary of the changes to bands in the Choice Based Allocations Policy had been noted as follows:-

<b>Band A – Urgent housing need</b>	No change to criteria for this Band. A few changes will be made to how the criteria are assessed.
<b>Band B – High Need for housing</b>	<p>2 additional criteria will be added to the Band B on cumulative preference grounds. If the customer is:-</p> <ul style="list-style-type: none"> <li>• An existing social tenant who is under occupying the accommodation;</li> </ul> <p><b>or</b></p> <ul style="list-style-type: none"> <li>• An existing social tenant who is suffering financial hardship as a result of housing benefit changes under Welfare Reform;</li> </ul> <p><b>and</b> also has another qualifying need from Band C they will be awarded Band B.</p> <p>A few changes will be made to how the criteria are assessed.</p>
<b>Band C – Medium need for housing</b>	<p>2 additional criteria will be added to the Band C:-</p> <ol style="list-style-type: none"> <li>1. Customers who are not currently in social housing who are suffering housing related hardship as a result where rehousing would alleviate the situation; and</li> <li>2. Existing social housing tenants who suffer financial hardship as a result of housing benefit changes under welfare reform.</li> </ol> <p>The following criterion will be removed from Band C:-</p> <ol style="list-style-type: none"> <li>1. Customers who share facilities with other households who are not members of their household / family.</li> </ol> <p>A few changes will be made to how the criteria are assessed.</p>
<b>Band D – Low need for housing</b>	No change
<b>Band E – Reduced priority</b>	No change

## **Other changes**

Numbers of rooms required by a household and overcrowding are currently based on a requirement that two children of the same sex share a room until they are 21. It is proposed to reduce this to 16.

In addition to these changes some alterations will also be made to clarify the existing policy and to allow the partners to make lettings which take account of housing benefit changes which are being made by the Government in its Welfare Reform programme.

RECOMMENDED:- (i) To note the information contained in the report; and

(ii) To agree the final draft of the review of the Allocation Policy which formed the operating basis for Cumbria Choice.

### **16 – 9-12 Pennine Gardens, Barrow-in-Furness**

The Housing Manager submitted a report requesting Members to consider what action should be taken with regards to a block of four flats, 9-12 Gardens, Barrow-in-Furness which were subsiding due to on-going settlement which had resulted in damage to the fabric of the flats and would involve significant costs to resolve.

The block in question formed the end part of a terrace of 12 flats constructed around 1970. Built on two floors with two one bed flats on each floor they were served by an open corridor and staircase. Three properties were currently tenanted and the fourth was leasehold.

It was noted that whilst there was clear evidence of movement in the four flats it did not extend to the remainder of the block.

The Housing Service had been aware of the problem of settlement in these four flats for a number of years which was evidenced by cracking in the fabric of the building and sloping floors to differing levels inside the flats. More recently, Structural Engineers, M & P Gadsden, had assessed the extent of the movement and the options for rectifying the problem. It was noted that they had advised that, “unfortunately due to specific site conditions in the sub-grade material and the presence of simple strip foundations of variable quality, flats 9-12 had undergone severe settlement due to foundation failure. This had resulted in damage to the exterior and interior fabric of the building. On-going repairs had been undertaken over a long period of time but, there was evidence to suggest that the on-going movement had not ceased”.

The Housing Manager had reported that the Structural Engineers had concluded their investigations and advised that damage could potentially reach a point where the structure would become unsafe.

Options available were noted as follows:-

**Option 1** Pile and needle beam scheme to underpin the existing structure - estimated cost £114k. This scheme would involve the removal of the

ground floor slab with internal piling works. Upon completion, the building would be technically safe from major further settlement, but would not correct the sloping floors.

**Option 2** Demolish and re-build using a mini pile scheme – estimated cost £225k. This scheme would result in the construction of new property, and would require piled foundations.

**Option 3** Demolish – estimated cost £45k. This was the simplest solution but entailed the loss of four residential units.

It was noted that the properties would have to be vacated for all the options resulting in loss of rent for the three tenanted flats and for the fourth leaseholder as the Council would need to provide alternative accommodation without charge. The loss varied according to the option chosen and it was noted that the Council would have to meet the residents' reasonable costs of relocation.

Relocation costs would be similar for all options with the additional cost of buying back the leasehold property in Option 3. With regards Option 3, this would appear to be the cheapest option but would leave the Council in the position that it had debt attributable to those properties and would lose their rental income.

The outline costs for each of the options had been presented as follows:-

<b>OUTLINE COSTS PENNINE GARDENS</b>	<b>Factor</b>	<b>REPAIR</b>	<b>DEMOLISH &amp; REBUILD</b>	<b>DEMOLISH</b>
Build Costs		£114,000	£225,000	£45,000
Buy Back (market value)	1			£50,000
Mortgage debt	£13,341			£40,023
Rent Loss - Demolition	£65			£456,901
Rent Loss Repair (weeks)	16	£4,144		
Rent Loss Rebuild (weeks)	32		£8,288	
Disturbance	0			
Moving costs	1,000	£8,000		£4,000
<b>TOTAL</b>		<b>£126,144</b>	<b>£233,288</b>	<b>£595,924</b>

It was noted that the Council's block insurance policy excluded subsidence caused by 'settlement or movement of made up ground' and the cost of work would therefore have to be met from Housing Revenue Account resources. It was the responsibility of the Council to insure the building therefore any contribution could not be requested from the Leaseholder.

In respect of consultations with residents, it was noted that the three Tenants wished to remain on the Griffin estate and would be prepared to relocate on either a temporary or permanent basis. The Leaseholder was also in agreement with the option of moving on a temporary basis but has had also said indicated that she would consider selling the flat back to the Council.

It was noted that the delivery of the preferred Option would be subject to competitive tendering in accordance with Council Procedures. The Council did not have the resource in-house to project manage the delivery and the Housing Manager therefore recommended that M & P Gadsden be appointed to manage and deliver the scheme on the Council's behalf for an agreed fee of 2.5% for project management and 1% for the CDM requirements.

It was also noted that the adjoining flats would experience some disturbance whilst work was being undertaken and a risk assessment would need to be completed for each of the options to decide whether additional measures would be required.

RECOMMENDED:- (i) To agree Option 1 to repair at an estimated cost of £114k with the cost being met from the Housing Revenue Account Reserves;

(ii) To agree the temporary re-housing of the residents of the four properties and meet the cost of rent loss and residents' removal costs from the Housing Revenue Account Reserves;

(iii) To appoint M & P Gadsden to project manage the appointment of a suitably qualified Contractor through to completion; and

(iv) To agree not to buy back the single leasehold property.

## **17 – Welfare Reform Action Plan – Progress**

The Housing Manager submitted a report to update the Forum on progress made to inform and discuss with Tenants the implications of Welfare Reform and to mitigate the risks to the Housing Revenue Account.

It was noted that on 14th June, 2012 the Forum had agreed a six-point Action Plan in preparation for the Welfare Reform changes and Officers had been progressing the Plan. A copy of the full Action Plan had been appended to the report and the following was information on the progress made to date.

### **Action 3: (Identifying the extent of under-occupation)**

The sum of possible rent shortfall (based on 2012/13 rents) was as follows:-

<b>Property Size</b>	<b>Rent – possible shortfall (48 weeks)</b>
2	£56,751.84
3	£201,551.04
4	£35,171.52
Total	£293,474.40

It was noted that the figures in the table above were the worst case scenario and had been calculated based on Tenants who were under-occupying by one bedroom in two-bedroomed properties and by two bedrooms in three or more bedroomed properties.

The number of Tenants potentially under-occupying was as follows:-

Property Size	Number of Tenants
2	114
3	198
4	32
Total	344

All Tenants identified had now been written to and asked to contact the Service. The response from Tenants who had been in contact was as follows:-

- 14 were not under-occupying;
- 64 were under-occupying;
- 49 would make payment;
- 15 would like to move.

Total 78 (22.6% response).

As a general comment, from those Tenants who did get in contact, it would appear many were already aware of the changes being introduced. The Housing Manager advised that the service would be following up by telephone, where possible, or visits to Tenants who had not responded, initially looking to identify Tenants who were already in arrears.

#### **Action 4: (Making best use of stock)**

In considering changes to the Choice Based Lettings System, regard had been given to the Welfare Reform proposals. It was noted that Officers had also continued to promote the Homewrapper service and the Council had also recently agreed an Incentive Scheme to help Tenants downsize which would be rolled out shortly.

#### **Action 5: (Benefits Liaison)**

293 households had been identified with a non-dependent, of which 79 attracted non-dependent deduction. Action would be taken to alert families of whether they may be responsible for changes to their benefits due to non-dependent deductions.

#### **Action 6: (Communication Plan)**

Changes to Welfare Reform would continue to be included in Housing Matters. At present this was concentrating on under-occupation but would be extended to cover Universal Credit as more detail becomes available.

The Housing Manager advised that the above information largely focused on how the Housing Service could help existing Tenants. However, the Welfare Reform agenda may have further implications. For example, some properties had service charges which were currently Housing Benefit rebatable. The introduction of

Universal Credit may leave a shortfall between their benefit level and the Council's charges. In addition, the Housing Service operated two specific services which needed to be reviewed, namely: furnished tenancies and the provision of dispersed accommodation to meet the Council's duties under the Homeless Persons Legislation which may be similarly impacted.

RECOMMENDED:- (i) To note the information contained in the report; and

(ii) To agree a review of furnished tenancies and charges for dispersed accommodation.

## **18 – United Utilities Reward Offer**

Referring to Minute No. 10 of the meeting held on 14th June, 2012 the Business Support Manager submitted a report with further information concerning the introduction of a Water Charge Collection Scheme proposed by United Utilities.

The proposal was that the Council would collect United Utilities water charges from Tenants in return for a fee. The target date for commencement was 1st April, 2013.

The Business Support Manager advised that against the background where the various welfare reforms would reduce benefit entitlements and Universal Credit and Direct Payments would challenge those Tenants who had no experience of paying rent or service charges, the Council needed to be in a position of readiness where it could help Tenants to budget and set up bank accounts (or alternative pay arrangements) if the Council were to continue collecting the same levels of rent and service charge payments.

The United Utilities offer provided both the funding to support a financial inclusion role and the savings on water charges to help offset some of those benefit reductions for Tenants.

The benefits to the Housing Revenue Account were as follows:-

- Funded full time role for 12 months of £30k;
- Between £84k -£119k income dependent on collection rates; and
- Potential to raise the level of Direct Debit payers from 10% to the 30% achieved by United Utilities.

The risk was that the rates would be collected at a lower rate than forecasted however, the HRA could provide for that debt.

The potential savings for Tenants was £280k and benefits were as follows:-

- Housing Officer helping Tenants with water charge assessments/meter installations and setting up pay arrangements;
- The 900 single occupant flats could save up to £180 per annum each;
- £10 discount for every customer;

- £5 discount incentive for Direct Debit Payers (currently 791);
- First step for each of the blocks of flats to have bulk meters installed which would save the individual £120 standing charge (all block Tenants would need to agree to this at a future date);
- Payment of rent and water charges in a single transaction; and
- Ability to pay more flexibly with the Council than United Utilities using all existing Council payment methods and the facility to spread payments over the year by paying weekly or monthly.

Following discussion with the Tenant Participation Compact Working Party, it was considered that consultation should be on the basis of a majority vote of those who respond. Officers would suggest, however, having taken advice, that Tenants be asked to respond if they do not wish the Housing Service to participate. If the majority say 'No', it was suggested that the scheme should not be progressed at that time.

It was noted that legal advice had been sought to determine whether or not the Council would need to vary the tenancy conditions to make the payment of water charges a condition of the tenancy as with the rent and other charges. It was also noted that arrears owed to United Utilities prior to April 2013 would remain payable to them by separate agreement.

The forecast for the first five years had been presented in detail within the report. In summary, for year one, the Council would receive a charging schedule for each of its Tenants after their individual discounts had been deducted at the start of the year of £835,035. The Council would pay United Utilities a total of £681,800, payable in quarterly instalments. The balance of £153,235 would be retained by the Council to cover void loss and arrears. The term of the contract was five years with the ability to terminate on either side with six months notice at year end.

It was noted that the following actions had already been taken:-

- A mapping exercise which provided the profile for the commercial terms;
- Initial consultation with the Tenant Compact Working Party where it was agreed to carry the proposal forward to Tenants on a majority vote and where nil returns would not be counted;
- Newsletter to all Tenants explaining the proposal with Q & A's;
- Ballot form with pre-paid envelope hand delivered to be returned by 5th January; and
- The legal agreement had been properly reviewed and as a result the Contract was back with United Utilities to make amendments.

It was noted that further actions to be taken included awaiting the outcome of the consultation; and awaiting advice on the issue of changes to Tenancy Agreements.

**RECOMMENDED:-** To recommend adoption of the scheme, subject to consultation with Tenants.

## **19 – 2 Clive Street, Barrow-in-Furness**

The Housing Manager submitted a report in respect of a miscellaneous end of terrace house located in Hindpool at 2 Clive Street, Barrow-in-Furness. Whilst the property had benefitted from planned works such as central heating, kitchen and bathroom upgrades over recent years it presently suffered from a number of structural problems which required significant investment.

A recent dilapidation report had recommended the following improvements:-

- Install a new damp proof course to all lower ground floor walls;
- Pebble dashing to the external envelope of the building;
- Renewal of internal ground floor timbers; and
- Repairs to the chimney stack and roof.

The work was expected to cost approximately £20,000 and would take in the region of six to eight weeks to complete. The occupants would need to be relocated during that period.

Initial discussions had taken place with the occupants regarding long term relocation to an alternative property. This proposal would allow alternative solutions such as the disposal to be considered. With Members' agreement the Housing Manager suggested that the Council continued to explore this option and report any options arising from a potential change of tenancy as they arise.

**RECOMMENDED:-** (i) To agree to invest approximately £20,000 from the Housing Revenue Account resources to remedy the structural problems identified in the report; and

(ii) To agree that the Housing Manager would explore the option to relocate the occupants to an alternative property.

## **20 – Performance Information Report**

The Housing Manager submitted information relating to a selection of Local and National Performance Indicators and Best Value Performance Indicators. The information is attached at **Appendix A** to these Minutes.

**RESOLVED:-** To note the Performance Information report.

## **21 – Planned Maintenance Programme 2012/13**

The Housing Manager reported information relating to the Planned Maintenance Programme for 2012/13. The information is attached at **Appendix B** to these Minutes.

**RESOLVED:-** To note the information.

The meeting closed at 2.32 p.m.



Performance Indicator	Actual 2011/12	Apr -Jun 2012	Apr -Sept 2012	Apr - Dec 2012	Actual 2012/13	Target (Median)
<b>£ Rents Collection</b>						
£ Rent & Service Charges due	£9,228,558	£2,234,815	£4,589,411			
£ Rent collected	£9,134,875	£2,221,338	£4,544,226			£ 8,855,938
Rent collected as % of rent due (inc ft)	97.62%	99.40%	99.02%			99%
£ Current Arrears (dwellings)	£181,230	£207,455	£266,501			£175,679
£ Former Arrears (dwellings)	£92,499	£86,355	£92,012			£128,081
Write Offs (Gross)	£75,538	£24,910	£28,353			£42,803
Tenants evicted for rent arrears	6	2	3			6
Current tenants arrears % of rent owed	1.96%	2.34%	3.01%			3.16%
Former tenants arrears % of rent owed	1.02%	0.98%	1.04%			1.29%
£ Rent arrears Garages	£1,824	£4,144	£7,073			£ 3,750
£ Rent Arrears Shops	£16,602	£17,225	£18,137			£ 25,000
<b>Void management</b>						
Tenancy Turnover %	10.3%	3.2%	4.9%			8.05%
Total number of re-lets during the period benchmarked (inc Dispersed)	278	85	114			217
No. of Voids	227	76	114			218
Average relet time for dwellings (days)	37	38	42			28
£ rent loss through vacant dwellings	£ 100,227	£ 25,119	£ 48,965			£ 109,685
£ rent loss due to vacant garages	£5,098	£1,019	£1,323			£ 4,500
£ rent loss due to vacant shops	£16,546	£1,999	£3,000			£ 4,000
% properties accepted on first offer	86.4%	72.0%	73.7%			70%
Loss per Void (Rents, Repairs, Mgt & Arrears)	£ 2,846	£ 2,640	£ 2,658			£2,000
<b>Maintenance</b>						
No. Repair Orders issued (Tenant Demand)	11,587	2,799	5,189			9,197
Responsive & Void repairs per property	4.3	1.0	1.9			3.4
P1 & P2 as a % of total repairs	61.7%	52.5%	56.9%			47.5%
% all responsive repairs completed on time	87.3%	72.5%	72.8%			96.3
P1 % emergency repairs completed on time	94.6%	92.2%	93.5%			96.7
P2 % urgent repairs completed on time	78.9%	68.9%	79.4%			94.6
Average end-to-end time for all reactive repairs (days)	12.25	12.33	21.1			8.2
Percentage of repairs completed 'Right First Time'	78.5%	80.0%	74%			88.8
Appointments kept as a percentage of appointments made	77%	58%	64%			96.8
Appointments made as a percentage of repair orders (exc gas & voids)	NA	100%	100%			94.1
Percentage of dwellings with a valid gas safety certificate	99.89%	99.93%	99.80%			99.8%
Percentage of homes that fail to meet the Decent Homes Standard	0.0%	0.0%	0.0%			0.2%
*Average energy efficiency rating of dwellings (based on RD SAP 9.83)	69.2	69.2	69.2			68.90%
<b>Equality &amp; Diversity</b>						
ASB cases reported	82	17	40			143
Percentage of closed ASB cases that were successfully resolved	91%	100%	96%			88%
% Diversity Information : Age	100%	100%	100%			100%
Gender	100%	100%	100%			98%
Ethnicity	95%	73%	73%			75%
Disability	100%	100%	100%			75%
Sexuality	56%	38%	39%			55%
Religion or belief	57%	40%	40%			55%
Percentage of Stage 1 complaints upheld	22%	0%	0%			NA

Performance Indicator	Actual 2008/09	Actual 2011/12	Actual 2012/13			Target (Median)
<b>Satisfaction</b>						
Percentage of tenants satisfied with the landlord's services overall	87%					83%
Percentage of tenants satisfied with repairs and maintenance	88%					79%
Percentage of tenants satisfied that their views are taken into account	76%					64%
Percentage of new tenants satisfied with the allocation and letting process	NA					NA
Percentage of residents satisfied with estate services	81%					82%
<b>Value for Money -</b>	<b>Actual 2010/11</b>	<b>Actual 2011/12</b>	<b>Apr -Sept 2012</b>			
<b>Direct Costs per property</b>						
Overhead per property		£ 140				
Major & Cyclical works	£1,294	£ 1,256				£1,241
Responsive Repairs	£455	£ 480				£424
Void Repairs	£144	£ 167				£176
Rent Arrears & Collection	£53	£ 54				£71
Community Involvement	£27	£ 38				£46
Anti Social Behaviour	£29	£ 41				£38
Neighbourhood Mgt (Estates/Tenancy mgt.)	£34	£ 102				£66
Housing Options	£43	£ 36				£37
Leasehold	£50	£ 70				£136
Total staff turnover	10.3%	7.0%	2.0%	3.9%		8%
Ave. working days lost / sickness absence	22.3	14.0	4.1	9.0		10.5

Housing Property	2011-12	DISPERSED 2011-12	2012-13	DISPERSED 2012-13
HSE	1290	0	1289	0
FLATS	1258	11	1246	11
BUNGALOWS	157	0	157	0
<b>TL DWELLINGS</b>	<b>2705</b>	<b>11</b>	<b>2692</b>	<b>11</b>
<b>Community Centres</b>			<b>5</b>	
LEASEHOLDS	202		203	
GARAGES	484		486	
SHOPS	20		20	

SOLD PROPERTIES	2011-12	SOLD 2011/12	2012-13	SOLD 2012/13
HSE	148,500	3	38,000	1
FLAT	27,000	1	22,000	1
LAND	2,312	1		
<b>TL</b>	<b>177,812</b>	<b>4</b>	<b>60,000</b>	<b>2</b>

HOMELESSNESS	Actual 2010/11	Actual 2011/12	Apr -Jun 2012	Apr-Sep 2012
Homeless ave. days in temporary dispersed accommodation	46	59	53	71
Homeless ave. days in temporary B&B accommodation	31	20	26	21
Homeless Total Cases Closed	616	752	334	515
Homeless Advice	216	339	210	313
Homeless Prevention	174	114	42	59
Homeless Applications	226	185	36	78
Homeless Successful Preventions	146	85	38	52
Eligible Homeless (Owed a full duty)	27	29	8	13

HOUSING REGISTER	Actual 2010/11	Actual 2011/12	Apr -Jun 2012	Apr -Sept 2012
Applicants on housing register	1700			
Active Direct Applicants			1508	1553
Active Transfer Applicants			316	323
Cumbria Choice Register		1745	1824	1876

## PLANNED INVESTMENTS 2012-13

SCHEME	CONTRACTOR OR SUPPLIER	AVAILABLE BUDGET	NO OF PROPERTIES	EXPENDITURE TO DATE	START DATE	ESTIMATED COMPLETION DATE	CONTRACTOR	COMMENTS	Leasholders affected?
RE-ROOFING WORKS (GRIFFIN)	TBC	£300,000	183	£ -	TBC	Mar-14	Tender due for return 30/11/12	2 YEAR CONTRACT	Yes
BALCONY REPAIRS	TBC	£50,000	52	£ -	TBC	Feb-13	TBC	2 YEAR CONTRACT	Yes
FENCING WORKS (HINDPOOL)	TBC	£50,000	69	£ -	TBC	Feb-13	Tender due for return 30/11/12	3 YEAR CONTRACT	Yes
REWIRES	CUMBRIA HOUSING PARTNERS	£254,000	120	£ 127,001	1.4.2012	Feb-13	K WILSON	65% COMPLETE	No
BATHROOMS	CUMBRIA HOUSING PARTNERS	£300,000	200	£ 150,449	1.4.2012	Feb-13	AB MITCHELL	50% COMPLETE	No
KITCHENS	CUMBRIA HOUSING PARTNERS	£800,000	325	£ 440,148	1.4.2012	Feb-13	AB MITCHELL	60% COMPLETE	No
HEATING	CUMBRIA HOUSING PARTNERS	£575,000	200	£ 464,378	1.4.2012	Feb-13	AB MITCHELL	80% COMPLETE	No
RE-POINTING	CUMBRIA ROOFING	£150,000	66	£ 130,993	1.4.2012	Feb-13	CUMBRIA ROOFING	70% COMPLETE	Yes
PAINTING	CUMBRIA HOUSING PARTNERS	£200,000	500	£ 157,094	1.4.2012	Feb-13	GH JONES	80% COMPLETE	Yes

## HOUSING MAINTENANCE COMMITMENTS 2012-13

	Funding Available 2011-12	EXPENDITURE TO DATE	Weekly Available	Gross Comm. as a % funds available
Tenant Demand Repairs	£ 500,326	£ 126,868	£ 9,622	25%
Preliminary Cost	£ 399,674	£ 236,860	£ 7,686	59%
Voids	£ 200,000	£ 25,252	£ 3,846	13%
Gas Servicing	£ 280,000	£ 12,008	£ 5,385	4%
Decoration Vouchers	£ 35,000	£ 15,693	£ 673	45%
Disrepair Claims	£ 25,000	£ 351	£ 481	1%
Environmental Impmts	£ 25,000	£ 11,212	£ 481	45%
Disabled Adaptations	£ 300,000	£ 100,098	£ 5,769	33%
Electrical Testing	£ 75,000	£ 22,101	£ 1,442	29%
Door Entry Maintenance	£ 20,000	£ 20,394	£ 385	102%
<b>Total</b>	<b>£1,935,000.00</b>	<b>£570,837.00</b>	<b>£35,769.23</b>	

<b>EXECUTIVE COMMITTEE</b>	<b>Part One (R/D) Agenda Item 8</b>
<b>Date of Meeting: 23rd January, 2013</b>	
<b>Reporting Officer: Borough Treasurer</b>	

**Title: Budget Proposals 2013-2014**

**Summary and Conclusions:**

This report presents the revenue budget proposals for 2013-2014. The General Fund is aligned to the Budget Strategy agreed on 24th January 2012; this is the second year of the four year plan. The Housing Revenue Account will be in the second year of self-financing and a balanced budget is proposed. The Capital Programme and Treasury Management Strategy Statement for 2013-2014 are included and the position on reserves and balances.

**Recommendations:**

To recommend the Council:

- (R) 1.** Set the revenue budget as £11,054,830 excluding parish precepts, with a 1.9% increase in the borough element of the Council Tax.
- (R) 2.** Agree to use £219,174 of the financial settlement to balance the 2013-2014 budget.
- (R) 3.** Agree to add £167,780 of the financial settlement to reserves.
- (R) 4.** Agree to retain the Neighbourhood Management Team at a cost of £75,870 as set out in Section 6.4.
- (R) 5.** Agree to the £8,000 increase in professional fees for Environmental Health duties.
- (R) 6.** Agree to the £5,000 reduction in the Members training budget.
- (R) 7.** Agree to the addition of £3,500 for membership of the Industrial Communities Alliance.
- (R) 8.** Agree to end the supply of dog fouling bags, saving £2,000.
- (R) 9.** Agree the car parking pay and display changes set out in Section 6.11.
- (R) 10.** Agree the price increase referred to in Section 6.12.

(R) 11. Decline the Council Tax Freeze Grant offered for 2013-2014 referred to in Section 6.13.

(R) 12. Approve the Housing Revenue Account budget and the individual recommendations contained in the report referred in Section B.

(R) 13. Approve the Capital Programme for 2013-2014 to 2015-2016 as referred to in Section C.

(R) 14. Approve the Treasury Management Strategy Statement for 2013-2014 to 2015-2016 as referred to in Section D.

(R) 15. Approve the borrowing Approved Limit for 2013-2014 as £58 million.

(R) 16. Approve the movements in reserves and balances as set out in Section E.

Members are recommended to approve:

(D) 17. Under delegated authority, this committee is asked to agree the proposed budget consultation set out in Section F.

**Members are asked to note that the Budget Council is to be held on 26th February, 2013, at 5:30pm.**

## **Report**

### **A. General Fund**

#### **1. Budget Strategy**

The approved Budget Strategy covers the financial years 2012-2013 to 2015-2016. The Budget Strategy is designed to reduce the Council's core budget to the levels that will be supported by Government support and income from the council tax. The long term aim is to have a sustainable budget level.

Government support in 2010-2011 was £9,084,171 and was projected to be £4,949,312 in 2015-2016. This is a reduction of £4,134,859, or 46%. As the funding available to the General Fund reduces, so must the net expenditure. Reducing the net expenditure means that spend can be reduced and income can be increased, together these reduce the net expenditure.

If no action had been taken and the Budget Strategy was not implemented, then by 2015-2016 the shortfall on the revenue budget would be £5,012,688.

The key components of the Budget Strategy and their current status is:

- Savings from staff pay – the establishment review is complete and the savings achieved.
- Efficiency savings – the savings identified in the Budget Strategy have all been implemented and efficiency savings are identified and realised on an on-going basis.
- Service reductions – the changes identified in the Budget Strategy have all been implemented and the savings achieved.
- Increased income – income has been reprofiled to reflect 2012-2013 which has been used as the new base for taking the income targets forward through the Budget Strategy. The minimum annual increase has been applied for 2013-2014 prices.
- Growth from economic recovery – this appears in the later years of the Budget Strategy but is largely dependent on circumstances beyond the Council's control.
- Annual use of reserve – the Budget Strategy carries a deficit of £600,000 a year that is being funded by the Transition Grant which was put into an earmarked reserve when it was received. At the end of the Budget Strategy and the Transition Grant has run out, there is still £600,000 to find. This means that the net expenditure needs to come down another £600,000, on top of the assumed reductions from the existing key components. The intention is that reductions can be identified during the Budget Strategy period that will lead to a reduction in the core budget by 2015-2016. This is a challenge as each year of the Budget Strategy is reviewed and proposed as the annual budget, there are changes outside the scope of the Budget Strategy that could not be anticipated when it started. Once the revenue budget is agreed to go to Council, the Medium Term Financial Plan will project the Budget Strategy out to 2015-2016 again to determine the revised deficit; this will indicate if any of the budget revisions from 2012-2013 and 2013-2014 have had an impact on the £600,000 deficit.

## 2. Projected outturn for 2012-2013

The projected outturn for 2012-2013 is a contribution to the General Fund balance of £61,610. This consists of one-off income of £65,810 including a final dividend received and one-off spend of £4,200 including work in default.

The 2012-2013 budget included a contribution to the Restructuring Reserve of £1,309,580. This is now projected to be £839,420, a reduction of £470,160 to take account of the net of revisions in 2012-2013 to income, contracts and treasury management.

## 3. 2013-2014 Settlement

This is the first settlement under the new financial relationship between central and local government. This settlement is also referred to as the Start-Up Funding Assessment because it is the start of the Business Rate Retention scheme. From 2013-2014 Councils will be able to keep half of any increases in business rates to invest locally; shared between the borough Council 40% and

Cumbria County Council 10%. Properties may also come out of rating and those Business Rates would be lost, so there are considerations on both sides for Business Rate Retention. No additional income relating to this has been built into the proposed General Fund revenue budget for 2013-2014.

The provisional settlement for 2013-2014 is £6,843,307 and consists of:

- Revenue Support Grant £4,109,422, of which:
  - Formula Funding £3,524,936
  - 2011-2012 Council Tax Freeze £65,332
  - Council Tax Support funding £462,446
  - Homeless Prevention funding £56,708
  
- NNDR Baseline Funding £2,733,885, of which:
  - Formula Funding £2,345,044
  - 2011-2012 Council Tax Freeze £43,463
  - Council Tax Support funding £307,652
  - Homeless Prevention funding £37,726

Taking the common items together, the settlement can be broken down as:

- Formula Funding £5,869,980
- 2011-2012 Council Tax Freeze £108,795
- Council Tax Support funding £770,098
- Homeless Prevention funding £94,434

The consultation period for the provisional settlement ends on 15<sup>th</sup> January, 2013. A final settlement notice will follow once the responses have been considered by the Government.

The Budget Strategy anticipated £6,456,353 of Government support. The settlement is £386,954 higher than the Budget Strategy. It is proposed that £219,174 of this is used to balance the 2013-2014 revenue budget and that the remaining £167,780 is contributed to reserves.

#### 4. Revenue Spending Power

In calculating the financial settlement, the Government first set the Revenue Spending Power. This is the sum of the Council Tax requirement, the Start-Up Funding Assessment (the settlement) and other non-ring-fenced Government grants awarded. The average reduction in spending power is 1.7% with no Council seeing a reduction of more than 8.8% after taking into consideration the Efficiency Support Grant (Section 7).

The Revenue Spending Power for the Council for 2012-2013 was £13.953 million and for 2013-2014 is £11.594 million; a reduction of £2.359 million, 16.9%.

Taking the Efficiency Support Grant into account, the 2013-2014 Revenue Spending Power becomes £12.725 million; a reduction against 2012-2013 of £1.228 million, 8.8%.

#### 5. Proposed budget for 2013-2014

The proposed General Fund revenue budget for 2013-2014 is £11,054,830 and does not include the parish precepts (**Appendix 1**). There is an element of the Council Tax Support funding that is payable to the parishes and this has been estimated as £15,000 until the parish precepts are known. The exact figure will be included when the budget is presented at the Council meeting.

This net revenue budget is higher than the £10,534,479 estimated in the Budget Strategy by £520,351. The elements making up this increase have either been reported in the quarterly finances monitoring report or are to be reported in the next quarterly report. The elements of the increased net revenue budget are:

These items increased the budget by £1,076,621:

- Car parking income is lower by £350,390 for 2013-2014 following the budget reduction already made in 2012-2013.
- Park Leisure Centre income is lower by £237,230 following the budget reduction already made in 2012-2013.
- Crematorium income is lower by £46,540 following a budget reduction made in 2012-2013; this will be reported with the next quarterly finances.
- Recycling reward is lower by a net £18,160 after taking into account the £250,000 Weekly Collection Support Scheme.
- Council Tax was planned to increase by 3.49% in the Budget Strategy and this is now proposed to be 1.9%. The tax base which determines the number of chargeable dwellings has reduced because of the changes to the benefit. Together these cause a reduction in income of £91,480.
- The recoverable fees from council tax and business rate recovery have been reduced by £39,520. These fees are still recovered where they have been applied, but the recovery takes place over a longer period. The budget level for 2012-2013 is too high compared to the projected outturn and the 2011-2012 actual outturn.
- The benefit administration grant that the Council receives from the Department of Works and Pensions has reduced by £82,480.
- An operational budget of £10,000 for the Neighbourhood Management Team for 2013-2014.
- The net of the other increases and the decreases not listed below is £33,041.
- The final item that increases the budget is the movement of the contribution to reserves from the Government grant settlement of £167,780.



These items reduced the budget by £556,270:

- Income from the commercial property portfolio is £214,030 higher than estimated in the Budget Strategy. There is a slight increase in 2012-2013 that will be reported with the next quarterly finances.
- The inflation on contracted services was lower than estimated for 2012-2013 and for 2014-2015. There have also been savings realised in 2012-2013 from slight contract variations. This makes contracted services £208,430 lower than estimated in the Budget Strategy.
- The treasury management activities in 2012-2013 have produced a net saving for 2013-2014 of £75,440.
- Reductions in staff travelling and staff training totalling £33,360 have been made in the budget for 2013-2014. These headings relate to the establishment and have not yet been reduced. The reduction reflects the projected outturn for 2012-2013. Staff training was £310 per head in 2011-2012, no adjustment was made in 2012-2013 leaving £380 per head and this reduction brings it back to £290 per head for 2013-2014.
- Staff pay in the proposed budget is £25,010 lower than the Budget Strategy. This is made up of no increase in 2012-2013, a 1% increase in 2013-2014 compared to the Budget Strategy and the financial impact of the establishment in relation to the Neighbourhood Management Team.

## 6. Items within the proposed budget

The following items are identified separately for Members and as stated are either included in or excluded from the proposed revenue budget of £11,054,830.

### 6.1. Local Council Tax Support Scheme

The Local Council Tax Support scheme is included in the budget without a contribution from reserves. The Council can apply for £21,181 from the Transition Grant Scheme for 2013-2014 and this has been included within the budget. The net cost of retaining full council tax benefit, under the new local scheme, included in the budget is £28,000. This assumes that the council tax discounts that change from 1st April 2013 will be collected as these cover part of the cost of the local scheme.

### 6.2. Weekly Collection Support Scheme

The grant from this Scheme at £250,000 for 3 years (beginning 2012-2013) has been included within the budget to mitigate the loss of the recycling reward for 2013-2014.

### 6.3. Council Tax increase

The budget includes an increase in the Barrow Borough Council element of the Council Tax of 1.9% and Band A goes up from £139.28 to £141.93. This is an annual increase of £2.65, or 5 pence a week. 42% of the chargeable dwellings in the borough are in Band A.

#### 6.4. Neighbourhood Management Team

It is proposed that the Neighbourhood Management Team is retained as far as possible and the budget includes an element of staffing for which there is a separate Establishment report (part two) on today's agenda, plus an operational budget of £10,000. This gives a total cost for the service of £75,870. No provision has been made for the retention of the current premises; the service would operate from the Town Hall.

#### 6.5. Environmental Health

£8,000 has been added to the professional fees for the food hygiene and health and safety duties performed by the Environmental Health department. These are statutory services and additional resources are required to ensure that the work is performed as effectively as possible.

#### 6.6. Members training

The Members training budget has been reduced from £10,000 to £5,000. This is in line with the 2012-2013 projected outturn and does not reduce the training that is available.

#### 6.7. Subscription

The £3,500 subscription to the Industrial Communities Alliance has been added into the budget. This subscription has been paid by the Council in previous years from savings identified at the time. As the total supplies and services budget has been reviewed and rationalised, it is unlikely that this cost will be found, so the budget has been included to ensure the continued subscription.

#### 6.8. Community Co-ordinators

For the financial years 2010-2011 to 2012-2013 the budget included funding for two community co-ordinators. As the funding agreement ends in March 2013, this budget has been removed in line with the assumptions in the Budget Strategy.

#### 6.9. Dog fouling bags

The supply of dog fouling bags currently costs £2,000 a year and this item has been removed from the budget for 2013-2014. The service is discretionary.

#### 6.10. Conservation Area partnership

The budget for Conservation Area partnerships £12,000 has been used to pay for various matters in recent years and is no longer included in the core budget.

#### 6.11. Car parking pay and display

The Budget Strategy assumed 10 pence on each tariff every year and an inflationary increase on contract parking. Following a review of the usage of the car parks and the tickets sales for 2012-2013 compared to 2011-2012, the following price increases are proposed:

- The 1 hour tariff will go up by 10 pence to £1.30.
- The 2 hour tariff will go up by 10 pence to £2.30.
- The monthly staff parking charge will go up by £2 to £20.
- The 3 hour tariff on Market Street and Emlyn Street is amended to last 4 hours, with no increase in the £3 charge.
- The 10 hour tariff for Whittaker Street is removed and this becomes a short stay car park.

#### 6.12. Other price increases

Fees and charges have been increased by a minimum of 2.5% in accordance with the Budget Strategy and these are set out in **Appendix 2**. Building Control prices are set out on a complex schedule; 2.5% will be applied consistently across their pricing structure.

#### 6.13. Council Tax Freeze Grant 2013-2014

The Government have proposed a grant worth a 1% council tax rise that would be paid for 2013-2014 and 2014-2015 for a freeze in 2013-2014. The provisional amount for Barrow is £44,996. The budget has been based on a 1.9% increase and as Members are aware, that increase builds into the Council Tax demand year on year. The Council Tax increase for 2013-2014 will generate £69,600 and comparing the offer in terms of the Budget Strategy, the Council would receive grant of £89,992 but would have lost £212,790 by 2015-2016.

#### 7. Efficiency Support Grant 2013-2014

Where the Revenue Spending Power has reduced more than 8.8%, the Government have awarded an Efficiency Support Grant; 7 Councils have been awarded this grant for 2013-2014. The Council is the 4th biggest loser and has been awarded £1,132,562. There are conditions that the Council must undertake to comply with in the use of the grant and they are awaited.

The grant will be available for 2014-2015 but is dependent upon performance in 2013-2014.

#### 8. 2014-2015 Settlement

The initial draft figures for 2014-2015 show Government support of £5,961,000 which includes £95,000 for homeless prevention and £109,000 as the last year of the 2011-2012 Council Tax Freeze Fund.

The Budget Strategy anticipates £4,961,062 before the changes in Council Tax Support that are now rolled into the Government support figure and are not identified separately after 2013-2014. That means that there is an assumed £904,938 included for Council Tax Support and potential additional grant. Given that £219,174 was required to balance the 2013-2014 budget, any additional grant may be required to support the budget going forward. The projections of the Medium Term Financial Plan will make that position clearer.

The homeless prevention funding is added into the expenditure once it is awarded so that is not additional funding for the General Fund.

### **B. Housing Revenue Account**

The Housing Revenue Account budget was presented to the Housing Management Forum on 17th January, 2013. The report is attached as **Appendix 3** and Members are asked to consider the report and recommend the Housing Revenue Account budget to Council for approval.

The Housing Revenue Account is a balanced budget for 2013-2014 with a 3.85% rent increase for dwellings and garages.

### **C. Capital Programme**

The Capital Programme was last presented to this committee on 17th October, 2012. The Capital Programme is reported in **Appendix 4** and includes the proposed programme for 2013-2014 to 2015-2016, the variations made to the programme since the last report and the expenditure as at the 31st December, 2012 (quarter 3). The borrowing across the programme has not changed but it has been reprofiled between years to match the project spend profiles. Members are asked to recommend the Capital Programme to Council for approval.

### **D. Treasury Management**

The Treasury Management Strategy Statement is reported in **Appendix 5**. The strategy covers 2013-2014 to 2015-2016 and is based on a low risk, prudent approach providing adequate security and liquidity before considering investment return. The strategy is based on the current treasury management portfolio and the proposed Capital Programme. The impact of the strategy is included in the General Fund and Housing Revenue Account budgets and is in line with the Budget Strategy and self-financing for the HRA. Members are asked to recommend that Council approve and adopt Treasury Management Strategy Statement and the indicators that it sets out. Members are asked to specifically approve the Authorised Limit for 2013-2014 of £58 million as set out in the strategy report.

## **E. Reserves and Balances**

The core reserves of the Council are those that have been built up from contributions from revenue over time. The expected balance for 2013-2014 is shown in table 4.

Table 4 – Core Reserves

	<b>1/4/2013</b>	<b>Movement</b>	<b>31/3/2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Committed</b>			
Public buildings – major repairs	500,000	-	500,000
VAT – exempt VAT deminimus	250,000	-	250,000
Insurance – MMI	779,544	-	779,544
Insurance – excesses	80,000	(20,000)	60,000
Insurance – uninsured loss	500,000	-	500,000
Pay review	175,625	-	175,625
<b>Earmarked</b>			
Festival fund	9,000	(9,000)	-
Market Hall	50,650	(50,650)	-
Park Vale	56,290	-	56,290
<b>Uncommitted</b>			
General reserve	1,000,000	-	1,000,000
<b>Core reserves</b>	<b>3,401,109</b>	<b>(79,650)</b>	<b>3,321,459</b>

The VAT and insurance lines were previously shown as an amalgamated reserve of £1,144,264 at the 1st April 2012 and have been split out in 2012-2013 to the individual elements:

- £250,000 for the VAT deminimus for exempt supplies (explained below).
- £100,000 for insurance excesses.
- £500,000 for uninsured losses.
- £294,264 for the liability to Municipal Mutual Insurance ‘MMI’ (explained below).

### *VAT – exempt VAT deminimus*

The VAT deminimus relates to the recovery of VAT reclaimed for exempt services. If the amount of VAT on exempt services goes above the deminimus of 5%, then the VAT must be paid back to HMRC for that year. For 2011-2012 the Council’s exempt VAT represented 4.94% of the total VAT reclaimed. The position is under review and it is appropriate to retain this reserve at the moment.

### *Insurance - MMI*

The insurance line for MMI relates to the Council’s membership 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. The Council has been notified that a call on the scheme members will be made any time now. This is likely to be around 15% of the claims paid, £233,687.

The total claims paid plus the estimated outstanding claims as of September 2012 was £1,557,910, before any payment is made. The reserve has been held at £294,264 for a number of years, but no call was anticipated. I advise Members that I have earmarked the following funds now because it will be unlikely that funds will be found in future years:

- £351,232 from the General Fund balance, reducing this to the minimum level of £2 million.
- £367,735 from the General Reserve, reducing this to the minimum level of £1 million.

The MMI reserve at 31st March 2014 covers 59% of the current liability assuming the 15% called is paid in 2012-2013. This will be reviewed should another contribution be called for.

#### *Transition Grant*

The reserves set up from the Transition Grant are shown in table 5. These are not ring-fenced and are being used to deliver the Budget Strategy.

Table 5 – Transition Grant reserves

	<b>1/4/2013</b> <b>£</b>	<b>Movement</b> <b>£</b>	<b>31/3/2014</b> <b>£</b>
Restructuring reserve	1,084,983	692,870	1,777,853
Budget setting support	1,800,000	(600,000)	1,200,000
Grants to external bodies	241,340	(106,930)	134,410
CCTV	85,386	(50,360)	35,026
<b>Transition Grant</b>	<b>3,211,709</b>	<b>(64,420)</b>	<b>3,147,289</b>

The planned use of the Transition Grant reserves is contained in the Budget Strategy which will be used when the Medium Term Financial Plan is reviewed and updated for 2013-2014.

#### *Restricted reserves*

The Council holds ring-fenced funds relating to Government funded industrial units as reserves. The balance at the 31<sup>st</sup> March 2014 is projected to be £790,333.

Grants that are awarded for specific services and projects are also carried as reserves until they are spent. These grants are used and added to each

financial year and it is not possible to project a definite figure, but it is expected that by the 31st March 2014 the balance will be around £3 million.

#### *Level of reserves and balances*

In accordance with Section 25 of the Local Government Act 2003, I confirm that I am satisfied that the budget assumptions and estimates are robust, and that I consider the level of reserves held by the Council to be adequate.

#### **F. Budget consultation**

Once the budget proposals are agreed by this committee, public consultation will commence immediately on the Council's website until 15th February, 2013. This report will be made available via a link on the website with a brief prompt for feedback as follows:

- Do you have any comments in relation to the recommendations contained in the budget report?
- Are there any areas or services that the Council operates where more money should be spent?
- Are there any areas or services that the Council operates where spend should be reduced?

In addition, the Overview and Scrutiny Committee will meet to discuss the budget proposals on 31st January 2013.

The Council will meet on 26<sup>th</sup> February, 2013, to consider the results of the consultation process and recommend any amendments as necessary. At this meeting, the Council is to approve the budgets and set the Council Tax for 2013-2014.

#### (i) Legal Implications

It is a statutory requirement to set the budgets, prudential indicators and the Council Tax.

#### (ii) Risk Assessment

The recommendation has no significant implications. The latest available information and available trends have been used in setting the budget.

#### (iii) Financial Implications

The financial implications are included in 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

Budget preparation files  
DCLG settlement information



General Fund Budget 2013-2014

	Actual Expenditure 2011-2012	Original Budget 2012-2013	Projected Budget 2012-2013	Proposed Budget 2013-2014
Staff pay	5,341,265	4,683,670	4,705,490	4,486,110
Pension accounting	421,896	0	0	0
Staff other costs	793,630	119,740	227,950	106,900
Transport	164,455	124,650	139,030	103,320
Property	1,994,633	2,045,000	2,092,240	1,918,190
Supplies and services	3,653,287	2,706,020	3,348,130	2,486,890
Contracts	6,391,006	6,585,060	6,467,810	6,652,230
Concessionary travel	(15,580)	0	0	0
Benefits	25,942,388	26,555,180	26,598,750	20,445,750
Benefits grants	(26,126,744)	(26,431,880)	(26,431,880)	(20,350,750)
External income	(9,509,063)	(7,594,200)	(7,475,170)	(6,659,380)
<b>Direct Costs</b>	<b>9,051,173</b>	<b>8,793,240</b>	<b>9,672,350</b>	<b>9,189,260</b>
Internal recharges	4,327,340	3,270,030	3,265,760	2,864,580
Capital charges	7,069,083	1,942,890	1,942,890	1,816,660
Internal income	(5,188,759)	(4,235,920)	(4,231,650)	(3,826,360)
<b>Indirect Costs</b>	<b>6,207,664</b>	<b>977,000</b>	<b>977,000</b>	<b>854,880</b>
<b>Net Expenditure</b>	<b>15,258,837</b>	<b>9,770,240</b>	<b>10,649,350</b>	<b>10,044,140</b>
External interest earned	(24,411)	(49,000)	(20,000)	(20,000)
External interest paid	584,644	637,440	584,650	659,050
Minimum Revenue Provision	1,085,674	943,200	935,370	955,660
Items excluded from Council Tax	(5,493,424)	(1,942,890)	(1,944,790)	(1,816,660)
Items included in Council Tax	1,816,189	1,110,810	1,083,730	1,164,870
Movements in reserves	1,204,783	2,682,848	1,813,778	67,770
Movements in the balance	0	0	61,610	0
<b>Net Revenue Budget</b>	<b>14,432,292</b>	<b>13,152,648</b>	<b>13,163,698</b>	<b>11,054,830</b>
<b>Budget Funded by:</b>				
Revenue support grant	(1,656,828)	(120,065)	(120,065)	(4,109,420)
NDR pool income	(5,360,118)	(6,193,783)	(6,193,783)	(2,733,890)
Local Services Support grant	(2,657,749)	(2,085,778)	(2,085,778)	0
New homes bonus	(172,065)	(175,226)	(175,226)	(189,800)
New Burdens	0	0	(11,050)	(16,400)
Other Government grants	0	0	0	(250,000)
Council Tax Freeze grant	(108,795)	0	0	0
Collection fund - Barrow	(4,476,737)	(4,602,250)	(4,602,250)	(3,732,880)
Collection fund - surplus	0	0	0	(22,440)
Collection fund - deficit	0	24,454	24,454	0
<b>Total Revenue Financing</b>	<b>(14,432,292)</b>	<b>(13,152,648)</b>	<b>(13,163,698)</b>	<b>(11,054,830)</b>



## APPENDIX No. 2

<u>Fees &amp; Charges</u>				
Cemetery & Crematorium		Charges 2012/2013	Charges 2013/2014	Increase
Sale of Grave		£440.00	£450.00	2.27%
Interment for 1		£420.00	£431.00	2.62%
Interment for 2		£420.00	£431.00	2.62%
Interment for 3		£450.00	£462.00	2.67%
Extra depth	Internment of ashes	£160.00	£165.00	3.13%
	Non resident fee	£200.00	£205.00	2.50%
Headstone		£80.00	£82.00	2.50%
Full Kerb		£80.00	£82.00	2.50%
Headstone & Kerb		£100.00	£103.00	3.00%
Vase/small headstone		£25.00	£26.00	4.00%
Crem kerbs		£25.00	£26.00	4.00%
Tablet		£25.00	£26.00	4.00%
Add ins		£25.00	£26.00	4.00%
Grave Maintenance	Rate 1	£250.00	£256.00	2.40%
	Rate 2	£150.00	£154.00	2.67%
	Planting twice yearly	£250.00	£256.00	2.40%
	2nd year heather payment	£150.00	£154.00	2.67%
Book of Remembrance	2 lines	£25.00	£26.00	4.00%
	5 lines	£40.00	£41.00	2.50%
	5 lines & emblem	£70.00	£72.00	2.86%
	8 lines	£60.00	£62.00	3.33%
	8 lines & emblem	£90.00	£93.00	3.33%
White Memorial Card		£20.00	£21.00	5.00%
Coloured Memorial Card		£40.00	£41.00	2.50%
Leather Bound Booklet		£60.00	£62.00	3.33%
Additional Fee for Emblem (cards/books)		£40.00	£41.00	2.50%
Cremation	Resident	£620.00	£636.00	2.58%
	Non Resident	£620.00	£636.00	2.58%
	Environmental surcharge	£50.00	£52.00	4.00%
	Memorial service	£100.00	£103.00	3.00%
	Body parts	£15.00	£16.00	6.67%
Cremation Grave		£150.00	£155.00	3.33%
Interment of Ashes	Resident	£160.00	£165.00	3.13%
	Non-resident	£200.00	£205.00	2.50%
Plastic urn		£20.00	£21.00	5.00%
Wooden casket		£40.00	£41.00	2.50%
Scattering of ashes		£20.00	£21.00	5.00%
Memorial Plaques	Green slate tablet & plaque	£160.00	£164.00	2.50%

<b>Fees &amp; Charges</b>				
<b>Cemetery &amp; Crematorium</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
	Bronze plaque	£100.00	£103.00	3.00%
	Renewal fee - 10 years	£30.00	£31.00	3.33%
	Rose & plaque	£120.00	£123.00	2.50%
	Memorial tree	£80.00	£82.00	2.50%
	Perspex plaque	£35.00	£36.00	2.86%
	Memorial seat	£440.00	£451.00	2.50%
	Seat plaque	£80.00	£82.00	2.50%
Miscellaneous	Records search fee	£15.00	£16.00	6.67%
	Scattering of ashes from away	£20.00	£21.00	5.00%
	Plastic urn	£20.00	£21.00	5.00%
	Wooden casket	£40.00	£41.00	2.50%





<b>Fees &amp; Charges</b>			
<b>Dock Museum</b>	<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Hall Hire	£130.00	£133.50	2.69%

<b>Fees &amp; Charges</b>				
<b>Leisure Centre</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Casual Swim	Junior / Senior Citizen	£3.00	£3.10	3.33%
	Leisure Card - Junior / Senior Citizen	£2.40	£2.50	4.17%
	Leisure Card - Adult	£3.60	£3.70	2.78%
	Adult	£4.60	£4.70	2.17%
Family Swim	Leisure Card	£8.80	£9.00	2.27%
	Junior / Senior Citizen/Adult	£10.80	£11.10	2.78%
Swimming Lessons (10 week course)	Junior	£53.50	£54.80	2.43%
	Adult	£68.50	£70.20	2.48%
Aquarobics	Adult	£4.90	£5.00	2.04%
	Leisure Card - Adult	£3.90	£4.00	2.56%
	Junior/Senior Citizen	£3.40	£3.50	2.94%
	Leisure Card - Junior/Senior Citizen	£2.50	£2.60	4.00%
Badminton Tennis Peak	Junior / Senior Citizen	£5.00	£5.10	2.00%
	Leisure Card - Junior/Senior Citizen	£4.10	£4.20	2.44%
	Leisure Card - Adult	£5.30	£5.50	3.77%
	Adult	£7.00	£7.20	2.86%
Badminton Off Peak	Junior / Senior Citizen	£4.00	£4.10	2.50%
	Leisure Card - Junior/Senior Citizen	£3.40	£3.50	2.94%
	Leisure Card- Adult	£3.80	£3.90	2.63%
	Adult	£5.00	£5.10	2.00%
Table Tennis	Adult (per table)	£5.00	£5.10	2.00%
	Leisure Card - Adult	£3.80	£3.90	2.63%
	Junior/Senior Citizen	£4.00	£4.10	2.50%
	Leisure Card - Junior/Senior Citizen	£3.40	£3.50	2.94%



<b>Fees &amp; Charges</b>				
<b>Leisure Centre</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Climbing Wall	Junior / Senior Citizen	£2.50	£2.60	4.00%
	Leisure Card - Junior/Senior Citizen	£2.00	£2.10	5.00%
	Adult	£3.50	£3.60	2.86%
	Leisure Card - Adult	£2.50	£2.60	4.00%
5 a side court (casual)	Junior	£24.00	£24.60	2.50%
	Adult	£35.00	£35.90	2.57%
5 a side court (Series non- vatable)	Adult	£29.20	£29.90	2.40%
	Junior	£16.70	£17.10	2.40%
Rollerskating including skate hire	Junior	£2.50	£2.60	4.00%
	Adult	£3.50	£3.60	2.86%
Sports Hall Party	Junior	£65.00	£66.60	2.46%
Club Pulse - Casual Use	Adult - Peak	£5.50	£5.60	1.82%
	Adult - Off Peak	£4.00	£4.10	2.50%
	Induction	£25.00	£25.60	2.40%
Club Max - Casual Use	Junior	£2.50	£2.60	4.00%
Spin Cycling	Adult	£4.90	£5.00	2.04%
	Leisure Card - Adult	£3.90	£4.00	2.56%
	Senior Citizen	£3.40	£3.50	2.94%
	Leisure Card - Senior Citizen	£2.50	£2.60	4.00%

<b>Fees &amp; Charges</b>				
<b>Leisure Centre</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Fitness Classes (in Dance Mats)	Adult	£4.90	£5.00	2.04%
	Leisure Card - Adult	£3.90	£4.00	2.56%
	Junior/Senior Citizen	£3.40	£3.50	2.94%
	Leisure Card - Junior/Senior Citizen	£2.50	£2.60	4.00%
	Dance Mat Party	£50.00	£51.25	2.50%
Sports Courses - per session (Gymnastics, trampolining, climbing)	Junior	£5.35	£5.50	2.80%
	Adult	£6.85	£7.00	2.19%
Climbing Wall	Adult	£3.50	£3.60	2.86%
	Leisure Card - Adult	£2.50	£2.60	4.00%
	Junior	£2.50	£2.60	4.00%
	Leisure Card - Junior	£2.00	£2.10	5.00%
Soft Play	Child sessions	£2.50	£2.60	4.00%
	Soft Play Party	£65.00	£66.60	2.46%
	Sensory Room - (30 minutes)	£2.70	£2.80	3.70%
Miscellaneous Hire	Commercial hire - court - series	£8.90	£9.10	2.25%
	Commercial hire - court - casual	£10.20	£10.50	2.94%
	School hire - court - series	£3.50	£3.60	2.86%
	School hire - court - casual	£4.20	£4.30	2.38%
	Studio hire - 2 hrs	£16.00	£16.40	2.50%
	Studio hire - half day	£21.30	£21.90	2.82%
	Studio hire - full day	£35.00	£35.90	2.57%
Leisure Card	Leisure Card - in Borough	£18.10	£18.60	2.76%
	Leisure Card - out Borough	£22.30	£22.90	2.69%
	Leisure Card - Junior	£10.00	£10.30	3.00%

<b>Fees &amp; Charges</b>				
<b>Leisure Centre</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Leisure Pool Hire 45 mins - casual	Leisure pool only	£48.60	£49.80	2.47%
	Leisure pool with flume and waves	£63.60	£65.20	2.52%
Leisure Pool Hire 45 mins - series	Leisure pool only	£40.50	£41.50	2.47%
	Leisure pool with flume and waves	£53.00	£54.30	2.45%
Leisure Pool Party		£75.00	£76.90	2.53%
Training Pool Hire	Club hire - 45 mins	£50.00	£51.25	2.50%
	Club hire - 60 mins	£66.60	£68.25	2.48%
	Pool hire - 45 mins	£60.00	£61.50	2.50%
	Pool hire - 60 mins	£80.00	£82.00	2.50%
	Lane hire - 45 mins - casual	£10.00	£10.25	2.50%
	Lane hire - 60 mins - casual	£13.30	£13.65	2.63%
	Lane hire - 45 mins - series	£8.30	£8.50	2.41%
	Lane hire - 60 mins - series	£11.10	£11.40	2.70%
School Swimming	Leisure Pool - half hour with instructor	£37.00	£37.90	2.43%
	Leisure Pool - half hour without instructor	£27.00	£27.70	2.59%
	Training Pool - half hour with 1 instructor	£50.00	£51.25	2.50%
	Training Pool - half hour with 2 instructors	£60.00	£61.50	2.50%
	Training Pool - half hour without instructor	£40.00	£41.00	2.50%

<b>Fees &amp; Charges</b>				
<b>Barrow Park</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Bowling	OAP Green Hire	£10.00	£10.25	2.50%
	Evening Green Hire	£17.00	£17.50	2.94%
<b>Allotments</b>				
Band A		£43.00	£44.00	2.33%
Band B		£86.00	£88.15	2.50%
Band C		£129.00	£132.20	2.48%
Band D		£172.00	£176.30	2.50%
Band E		£215.00	£220.40	2.51%
Garages		£86.00	£88.15	2.50%

<b>Fees &amp; Charges</b>				
<b>Indoor Market</b>		<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Stall	Single	£39.72	£40.71	2.49%
	Double	£75.66	£77.55	2.50%
Miscellaneous	Promotional space	£0.00	£10.00	N/A
	Stockroom	£16.47	16.88	2.49%
<b>Outdoor Market</b>				
Small stall	Day	£10.00	£10.50	5.00%
	3 days - paid in advance	£25.00	£26.50	6.00%
Medium stall	Day	£12.50	£13.00	4.00%
	3 days - paid in advance	£31.25	£32.75	4.80%
Small /medium/corner	Non-market day per day	£5.00	£5.50	10.00%

<b>Fees &amp; Charges</b>			
<b>Land Charges</b>	<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>
Full search	£95.00	£97.50	2.63%
LLC1 Form	£44.00	£45.00	2.27%
Con 29 Form (Part 1)	£51.00	£52.50	2.94%
Parcel of land full official search	£19.00	£19.50	2.63%
Parcel of land con 29 only	£17.00	£17.50	2.94%
Con 29 part II optional enquiries	£10.00	£10.50	5.00%
Part II Optional Enquiry No 22 when submitted with Part I	£18.00	£18.50	2.78%
Verification of information NOT supplied by Barrow Borough Council	£18.60	£19.00	2.15%

<b>Fees &amp; Charges</b>				
<b>Estates</b>	<b>Charges 2012/2013</b>	<b>Charges 2013/2014</b>	<b>Increase</b>	
Grazing - per acre	£170.00	£200.00	17.65%	
Legal Fees	£65.00	£75.00	15.38%	
Stable Licence Fee	£65.00	£100.00	53.85%	
Charges have been reviewed against the current market.				

<u>Fees &amp; Charges</u>						
			Charges 2012/2013	Charges 2013/2014	Increase	
Town Hall						
Banqueting Hall/Drawing Room/Council Chamber						
	Subsidised rate - Hourly		£36.80	£37.70	2.45%	
	Subsidised rate - Half Day		£88.30	£90.50	2.49%	
	Subsidised rate - Full Day		£110.30	£113.00	2.45%	
	Non-profit Making Bodies - Hourly		£73.60	£75.40	2.45%	
	Non-profit Making Bodies - Half Day		£110.30	£113.00	2.45%	
	Non-profit Making Bodies - Full Day		£191.20	£196.00	2.51%	
	Commercial Rate - Hourly		£147.10	£150.80	2.52%	
	Commercial Rate - Half Day		£220.70	£226.20	2.49%	
	Commercial Rate - Full Day		£367.80	£377.00	2.50%	
Committee Room No 4/Law Library						
	Subsidised rate - Hourly		£11.80	£12.10	2.54%	
	Subsidised rate - Half Day		£55.20	£56.60	2.54%	
	Subsidised rate - Full Day		£80.90	£82.90	2.47%	
	Non-profit Making Bodies - Hourly		£23.50	£24.10	2.55%	
	Non-profit Making Bodies - Half Day		£55.20	£56.60	2.54%	
	Non-profit Making Bodies - Full Day		£80.90	£82.90	2.47%	
	Commercial Rate - Half Day CAPITA ONLY		£66.80	£68.50	2.54%	
	Commercial Rate - Full Day - CAPITA ONLY		£95.60	£98.00	2.51%	



<b>HOUSING MANAGEMENT FORUM</b>	<b>(R) Agenda Item 7</b>
<b>Date of Meeting: 17<sup>th</sup> January 2013</b>	
<b>Reporting Officer: Jane Coles, Business Support Manager</b>	
<p><b>Title: Housing Revenue Account</b></p> <p><b>Summary and Conclusion:</b></p> <p>The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2013/14.</p> <p>The report also provides an Expected Outturn Budget for the current year 2012/13 and information regarding balances.</p> <p><b>Recommendations:</b></p> <p>Members are asked to:</p> <ol style="list-style-type: none"> <li>1. Note information at (1).</li> <li>2. Note information on balances at (2).</li> <li>3. Note and agree the information in point 3 and agree 2013/14 budget as shown in <b>Appendix A</b>.</li> <li>4. Agree an increase of 3.85% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at <b>Appendix B</b>.</li> <li>5. Agree an increase of Garage charges of 3.85% point 4.1.</li> <li>6. Note the information at 4.2 &amp; 4.3</li> </ol>	

**Report**

The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2013/14.

Under Self Financing introduced last year Barrow Borough Council took on additional borrowing of £17.089 million. We are expected to service the cost of that debt and manage and maintain our stock to the Decent Homes Standard from the rents collected from our tenants.

The Settlements Payments Determination 2012/13 was calculated on the assumption that we would continue to bring our rents in line with and converge by 2015/16 and thereafter increase rents by Retail Price Index (RPI) + 0.5%.

We expect that the revised Business Plan (to take account of the actual loan profile and the comprehensive spending review) will indicate significant HRA surpluses in future, assuming that management & maintenance costs remain stable. We will therefore need to review and agree prioritising the possible applications of any surpluses: (1) accelerated debt repayment, (2) increased investment in stock (3) investment projects where the need or the return is clearly identifiable, (4) increased levels of management services to assist with the challenges imposed by Welfare Reform (5) a blend of all 4.

The Report also provides an Expected Outturn Budget for the current year 2012/13 and information regarding balances.

The expected outturn for 2012/13 and proposed HRA Budget for 2013/14 is attached at **Appendix A**.

## 1. Expected Outturn Budget 2012/13

The outturn for the year forecasts a net surplus of £ 49,640. Key factors are:

- HRA Income will be higher than expectations
- Dwelling rents, other services and charge income are in line with budget
- Right to Buy sales may be higher than budgeted due to this year's raise in the discount available which has an effect on stock levels. We are expecting a stock level of 2,696 by 31<sup>st</sup> March 2013
- Tenancy terminations have increased by 13% in the last quarter which is mainly attributed to increases in deaths and transfers to the private sector
- Management costs are marginally higher than budget
- Maintenance expenditure is in line with budget

## 2. Balances on the Expected Outturn for 2012/13

The above is likely to result in the following movement in balances.

2.1 **Balance on the Major Repair Reserve as at 31 March 2012** : **£ 1,601**

The above funds are expected to be spent in year and therefore the balance on MRR at year end will be zero

2.2 **Balance on the Housing Revenue Account as at 31 March 2012** : **£ 1,521,771**

### 2.3 Breakdown of Balance on Account

Balance on the Housing Revenue Account as at 31 March 2012	:	£ 1,521,771
Forecast Surplus 2012/13	:	£ 49,640
Estimated Balance at year end	:	<b>£ 1,571,411</b>

## 3. Proposed HRA Budget 2013/14

In proposing the budget for 2013/14 the following factors have been taken into account:

- 3.1 The Settlements Payments Determination provided a budgetary and business planning framework for rental income and management, major repair and maintenance expenditure. Rents should increase by RPI + 0.5% however, rents are still expected to converge with those of a similar size, type and location by 2015/16, as they did under the Subsidy Determinations, by adding or subtracting a maximum of £2.00 per week to move the property to its 'target rent'. As a result dwelling rents increase by £354,540.
- 3.2 We face many challenges with the introduction of the various Welfare Reforms, Universal Credit and loss of Direct Payments. The greatest risk is to our income collection which could reduce by as much as 2% unless we provide sufficient resource to pursue non payers and provide assistance for those with difficulties. We will take a risk based approach to debt cases which means that debts which are escalating are caught at the first opportunity and directed towards an experienced case officer. This means that officers carry a smaller but more complex, challenging and time consuming caseload. I would recommend that we employ an additional full time Income & Debt Recovery officer. We have may provision for this post in the proposed budget as well as increasing the bad debt provision by £114,300.
- 3.3 I would like to suggest that we carry out General Needs Survey to establish future Housing Needs within the borough at an estimated cost of £30k.
- 3.4 The budget has allowed for an additional £200k Voluntary Repayment Provision and £390k for investment projects to be considered which either address a need highlighted in the recent Tenant's STAR Survey to improve the appearance and safety of certain neighbourhoods or which will bring about a sustainable improvement in cost to tenants / HRA.

## 4 Dwelling Rents

4.1 The effect for this authority is as follows:

### Calculation for 2013/14

RPI in September 2012= 2.6%

+ 0.5% = 3.1% increase to Barrow Borough Council rents

Plus or minus a maximum of £2.00 to move the property towards its individual target rent.

	52 Weeks	48 Weeks
2012/13	£68.65	£74.37
2013/14	£71.29	£77.23
+/-	£2.64	£2.86
Increase	3.85%	3.85%

### Average Rent increase over 48 weeks

<b>£2.86</b>
--------------

Attached at Appendix B are further details of the resultant rents for different property types. Rents on an individual property basis will differ.

4.2 The housing Major Repairs and maintenance budget has been adjusted in line with guidelines and allows a total £1,807 per dwelling based on a stock level of 2,696.

## 5 Other Charges

5.1 Garage Charges

It is normal practice to recommend that garage rents are increased in line with residential properties. The proposed budget includes a 3.85% increase on garage charges which generates £7,448. The effect on individual garage charges would be as follows:

	2012/13	+3.85%	+5%
Garage rate 1 (27)	£6.19	£6.43	£6.50
Garage rate 2 (459)	£8.55	£8.88	£8.98
<b>Increase</b>		<b>£7,448</b>	<b>£9,672</b>

There is a 160 strong waiting list garages with few vacancies and the proposed new rent still appears less than in the private sector.

I would, therefore, suggest you give consideration to increasing current rents by 3.85%.

## 6 Business Improvement Initiatives

Initiatives for 2013/14 will include:

- Process improvements which streamline and reduce costs on responsive repairs and voids and the effort of administrating and managing the contract.
- Looking at the staffing and management structure for Housing Officers which enable more face to face contact with tenants and their neighbourhoods by eliminating unnecessary admin tasks
- Develop the Information Systems and Technology strategy to support the improvements and reduce IT costs
- Review rents and charges for supported & furnished tenancies and dispersed accommodation.

## 7 Summary

The proposed HRA budget for 2013/14 is in line with the Settlements Payments Determination and the budgetary and business planning framework it provided for rental income and management, major repair and maintenance expenditure

### Recommendations:

Members are asked to:

1. Note information at (1).
2. Note information on balances at (2).
3. Note and agree the information in point 3 and agree 2013/14 budget as shown in **Appendix A**.
4. Agree an increase of 3.85% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at **Appendix B**.
5. Agree an increase of Garage charges of 3.85% point 4.1.
6. Note the information at 4.2 & 4.3

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has significant financial implications outlined 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

## APPENDIX A

### Barrow Borough Council - HRA Budget Subjective Summary

Housing Revenue Account	Actual	Original	Outturn	New
	2011-12	Budget	Budget	Budget
	2011-12	2012-13	2012-13	2013-14
<b>INCOME</b>				
Dwelling rents	(8,902,880)	(9,514,990)	(9,514,990)	(9,869,530)
Other rents	(315,228)	(318,350)	(318,430)	(336,800)
Charges for services and facilities	(310,362)	(186,990)	(237,830)	(204,090)
Other income	(26,443)	0	(16,350)	(2,000)
<b>Total Income</b>	<b>(9,554,913)</b>	<b>(10,020,330)</b>	<b>(10,087,600)</b>	<b>(10,412,420)</b>
<b>EXPENDITURE</b>				
Repairs and maintenance	2,657,528	2,967,370	2,967,370	2,967,370
Supervision and management	2,496,744	2,371,810	2,387,540	2,338,410
Housing subsidy payable	18,180,463	0	1,900	0
Depreciation and impairment - Dwellings	2,712,100	1,696,920	1,696,920	1,659,770
Depreciation and impairment - Operational assets	202,065	121,350	121,350	127,010
Bad debt provision	79,179	99,180	99,180	213,480
Debt management expenses	18,444	32,970	32,970	15,560
<b>Total Expenditure</b>	<b>26,346,523</b>	<b>7,289,600</b>	<b>7,307,230</b>	<b>7,321,600</b>
<b>NET COST OF SERVICES</b>	<b>16,791,610</b>	<b>(2,730,730)</b>	<b>(2,780,370)</b>	<b>(3,090,820)</b>
HRA share of Corporate & Democratic Core	72,700	310,860	310,860	348,720
<b>NET COST OF HRA SERVICES</b>	<b>16,864,310</b>	<b>(2,419,870)</b>	<b>(2,469,510)</b>	<b>(2,742,100)</b>
Gains and losses on HRA assets	(104,756)	0	(562,480)	0
Interest payable + Voluntary Debt repayment	467,032	2,098,890	2,098,890	2,020,260
Interest on mortgages	(4)	0	0	0
Interest on pension liabilities	785,000	843,000	843,000	785,000
Expected return on pension assets	(627,000)	(582,000)	(582,000)	(627,000)
<b>SURPLUS / DEFICIT ON HRA SERVICES</b>	<b>17,384,582</b>	<b>(59,980)</b>	<b>(672,100)</b>	<b>(563,840)</b>
Statutory debits / credits to the HRA				
Accrued leave - reversal	1,369	0	0	0
SF payment reversal	(17,089,000)	0	0	0
Derecognition of non current assets	(87,217)	0	0	0
HRA premiums on early repayment of debts	130,007	45,760	45,760	43,440
HRA discounts on early repayment of debts	(10,071)	(10,080)	(10,080)	(10,080)
HRA net charges for retirement benefits	(321,058)	(261,000)	(261,000)	(158,000)
Gains and losses on sale of fixed assets	98,350	0	558,150	0
Gain on sale of contingent assets	6,406	0	4,330	0
Gain on previous HRA impairment	79,221	0	0	0
Reversal of impairment loss	(1,087,712)	0	0	0
Transfer to MRR	218,240	208,000	208,000	606,150
Transfer from MRR	(121,593)	(121,350)	(121,350)	(127,010)
HRA employer's contribution to pension scheme	314,594	198,650	198,650	209,340
<b>NET (SURPLUS) / DEFICIT</b>	<b>(483,883)</b>	<b>0</b>	<b>(49,640)</b>	<b>0</b>

## APPENDIX B

### Sample Rents 2013-14

#### Basic Rents Charged

Archetype		No. Beds	Area/Sub Area	Constrained 2012/13 Rent	Constrained 2013/14 Rent	Weekly Difference	% Change
Ground Floor Flat	Low Rise	1	ORM/OR1	£62.53	£64.55	£2.02	3.23%
Upper Floor Flat	Medium Rise	1	CEN/LHI	£63.05	£65.94	£2.89	4.58%
Ground Floor Flat	Medium Rise	1	CEN/CEN	£64.44	£67.68	£3.24	5.03%
Upper Floor Flat	Low Rise	1	WAL/NWA	£65.09	£67.78	£2.69	4.13%
Bungalow	Mid Terrace	1	DAL/DAL	£68.98	£71.58	£2.60	3.77%
Upper Floor Flat	Low Rise	2	ORM/OR2	£70.84	£73.65	£2.81	3.97%
Bungalow	End Terrace	1	WAL/NWA	£70.63	£72.72	£2.09	2.96%
Bungalow	Semi Detached	1	ORM/GRI	£70.63	£72.72	£2.09	2.96%
Upper Floor Flat	Medium Rise	2	ROO/NBN	£72.53	£75.49	£2.96	4.08%
Ground Floor Flat	Medium Rise	2	ROO/NBN	£73.08	£75.87	£2.79	3.82%
Ground Floor Flat	Low Rise	2	ORM/GRI	£73.95	£76.82	£2.87	3.88%
House	End Terrace	2	ORM/OR1	£75.36	£77.80	£2.44	3.24%
House	Mid Terrace	2	CEN/HIN	£76.10	£78.83	£2.73	3.59%
Upper Floor Flat	Low Rise	3	ROO/NBN	£78.25	£81.66	£3.41	4.36%
House	Semi Detached	2	ROO/GGS	£77.77	£80.13	£2.36	3.03%
Bungalow	Semi Detached	2	DAL/DAL	£78.88	£81.30	£2.42	3.07%
Ground Floor Flat	Medium Rise	3	CEN/CEN	£79.50	£81.98	£2.48	3.12%
House	End Terrace	3	ROO/ROO	£81.80	£84.95	£3.15	3.85%
House	Mid Terrace	3	WAL/NWA	£85.61	£89.09	£3.48	4.06%
House	Semi Detached	3	WAL/WAL	£87.44	£90.65	£3.21	3.67%
Bungalow	Mid Terrace	3	ORM/OR2	£87.99	£91.03	£3.04	3.45%
Bungalow	End Terrace	3	ORM/OR2	£88.55	£91.41	£2.86	3.23%
Bungalow	Semi Detached	3	ROO/NBN	£88.55	£91.41	£2.86	3.23%
House	End Terrace	4	ROO/ROO	£89.25	£92.74	£3.49	3.91%
House	Mid Terrace	4	ROO/GGS	£89.78	£94.36	£4.58	5.10%
House	Semi Detached	4	DAL/DAL	£94.95	£98.39	£3.44	3.62%
House	End Terrace	5	ROO/GGS	£97.85	£101.61	£3.76	3.84%
House	Semi Detached	5	ROO/ROO	£105.31	£109.76	£4.45	4.23%

## Capital Programme

### 1. Capital Programme as at 31<sup>st</sup> December 2012

The Capital Programme for 2012-2013 was last reported to the Executive Committee on the 17<sup>th</sup> October 2012 as £6,796,252 and was fully financed. The revised Capital Programme for 2012-2013 presented in this report as at the 31<sup>st</sup> December 2012 is £7,445,108. This is an increase of £648,856 caused by a combination of re-profiling, revised funding and new bids.

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

#### **1.1 Re-Profiling**

- Dock Museum: £236,000 has been reprofiled from 2012-2013 into 2013-2014, £230,000 and 2014-2015, £16,000.
- Town Hall: £150,000 has been reprofiled from 2012-2013 into 2013-2014.
- Forge Close / James Freel Close Business Units £60,000 has been reprofiled from 2012-2013 into 2013-2014.
- Marina Village: £1,500,000 has been reprofiled into 2012-2013 from 2013-2014, £700,000, from 2014-2015, £400,000 and from 2015/2016, £400,000
- Asset Investment Fund: £221,850 has been reprofiled from 2012-2013 and £143,150 re-profiled from 2013-2014 into 2014-2015 £160,000 and 2015-2016 £205,000

#### **1.2 Revised Funding**

- £105,662 from DCLG for Disabled Facilities Grants
- £27,638 Town Centre Shop Front Grants adjustment re owners contributions
- Capitalised Planned Maintenance Major Repair Reserve funding revised as follows 2012-2013 -£1,601, 2013-2014 £343,906, 2014-2015 -£166,271 and 2015-2016 -£171,709

#### **1.3 Asset Investment Fund**

- £229,479 added into Asset Investment Fund from Miscellaneous Properties
- £100,000 added into Asset Investment Fund from Disabled Facilities Grants
- £320,000 added into Asset Investment Fund from Roof Top Car Park

#### **1.4 New Capital Bids**

- £25,000 for Ireleth Road Watercourses the Council is the owner of the land beneath Abbey Heights and is responsible for the replacement of collapsed pipes alongside A595 Ireleth Road.
- £30,000 Forum new sound system for main theatre

The capital expenditure as at the 31<sup>st</sup> December 2012 is £3,039,694 and is set out as Section 5.

The revised Capital Programme for 2012-2013 and future years is set out as Section 6.

## 2. Capital Programme 2012-2013 to 2015-2016

The summarised Capital Programme is set out in table 1:

<b>Table 1 Investment</b>	<b>2012-13 £</b>	<b>2013-14 £</b>	<b>2014-15 £</b>	<b>2015-16 £</b>
Public Housing	1,960,777	2,295,920	1,834,000	1,878,000
Private Housing	629,598	600,000	600,000	600,000
Housing Market Renewal	361,001	1,665,500	284,500	-
Public Buildings	1,128,089	1,274,000	106,000	145,000
Other Public Assets	3,089,672	556,554	990,000	990,000
Community Initiatives	210,054	800,000	-	-
Retentions	15,685	25,000	25,000	25,000
Asset Investment Fund	50,232	338,896	275,000	275,000
<b>Total Capital Programme</b>	<b>7,445,108</b>	<b>7,555,870</b>	<b>4,114,500</b>	<b>3,913,000</b>

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

<b>Table 2 Financing</b>	<b>2012-13 £</b>	<b>2013-14 £</b>	<b>2014-15 £</b>	<b>2015-16 £</b>
Borrowing	1,224,300	3,719,950	1,550,500	1,305,000
Government Grants	1,978,385	909,000	399,000	399,000
Private Contributions	4,467	150,000	-	-
Reserves	1,906,525	2,295,920	1,834,000	1,878,000
Revenue	44,109	-	-	-
Capital Receipts	2,287,322	481,000	331,000	331,000
<b>Total Capital Programme</b>	<b>7,445,108</b>	<b>7,555,870</b>	<b>4,114,500</b>	<b>3,913,000</b>

## 3. Capital projects

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

**Housing IT:** This project provides for the updating of the Housing computer system.

**Disabled Facilities Grants:** These are awarded for essential adaptations to give a disabled person better freedom of movement around the house. This work includes widening doors or installing ramps, providing a specially adapted room in which it is safe to leave a disabled person unattended and



improving accessibility and facilities around the home. This project is supported by an annual grant from the DCLG.

**Thermal Improvements Grants:** These are awarded to improve the thermal efficiency of homes through cavity wall insulation, loft insulation.

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

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

**North Central Renewal – Demolition:** This project is for the demolition of Arthur Street and Marsh Street clearance properties.

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

Central Area A includes 107 properties on Thwaite Street, Brewery Street and Whitehead Street. Area E includes 135 properties within the Renewal Area boundary on Arnside Street, Lindal Street, Harrison Street, Lord Street and Silverdale Street. The proposed works would be similar in nature to those already carried out on Sutherland Street (evens) and Marsh Street (odds). The exact specification will be determined to maximise impact following property surveys and will depend on the condition of the property and the budget available.

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

**Hindpool Environmental Improvements:** These are the Gateways and Key Streets projects which were part of the Hindpool Environmental Improvement Programme that commenced in 2006-2007.

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

**Crematorium:** This project is to replace the monitoring equipment during 2013-2014 and reline the cremators during 2015-2016.

**Dock Museum:** There are two projects within this heading. One is for the works to the building management system, chiller units and the Dock Gate. The other is for the works required to the land and car parking associated with the sale of the adjacent land.

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

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

**Market Hall:** This project is the asbestos removal within the office area of the Market Hall.

**Public Conveniences:** This project is for the demolition of the Amphitheatre toilet block.

**Roof Top Car Park:** This is the project looking to resolve the waterproofing issues on the roof top car park. Completion of this project will remove the water ingress to the Market Hall and Offices.

**Town Hall:** This is a continuing project addressing the refurbishment of the building and fabric.

**Play Areas:** This is the Dalton Multi Use Games Area project; retentions and any minor incidental costs remain to be paid in 2012-2013.

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

**Playing Fields:** This project is the refurbishment of the Tummer Hill changing rooms.

**Forge Close & James Freel Business Units:** This is the project for the sewer and highway remedial works to enable the adoption by Cumbria County Council and United Utilities.

**Waterside Business Park Access Road:** This project constructed the access road from Waterside House to Ferry Road and removed the direct access onto Jubilee Bridge; retentions and any minor incidental costs remain to be paid in 2012-2013.

**Phoenix Court Business Park:** This is the project to expand the capacity of the building to provide extra units for small businesses. Some additional external and internal alterations have been identified.

**77-79 Duke Street:** This is the project to replace the timber ground floor with concrete and damp proofing works to the ground floor walls.

**Town centre shop front grants:** This scheme supports the creation of attractive and customer friendly town centres in Barrow and Dalton which enable shopkeepers to work effectively together to market their town centres in order that they can compete effectively with out of town shopping. The scheme is targeted at small retailers in Barrow Town Centre and Dalton Town Centre and is open to small independent businesses only with less than 50 employees. During the original phase of the scheme Council supported 76 applications, some of which are ongoing.

**93 Dalton Road:** This project purchased the derelict property and has now progressed to demolition and making the site safe and secure.

**Miscellaneous properties:** This provision within the programme is to allow intervention in the commercial property market in the Borough. The funds would be used where a property of strategic importance to the Council regeneration strategy (for example, adjoining an existing property in Council ownership, to facilitate development or a property in poor condition in a highly prominent position) becomes available. The Executive Director, in consultation with the Chair and Vice Chair of the Executive Committee, has delegated authority to use this funding. The delegation will be exercised when urgent or confidential matters arise, subject to Financial Regulations. Any acquisitions will be reported for information to the next available meeting of the Executive Committee.

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

**104 Abbey Road and 102 Abbey Road:** For 104 Abbey Road the provision in the programme is for the final payment on the project. For 102 Abbey Road there will be work to the front elevation (masonry repairs, including re-pointing all stone and brick in lime and street frontage reinstatement), re-roofing pitched roofs, re-covering flat roofs and the provision of car parking.

**School Street Former Presbyterian Church:** This project is for the demolition of the property once ownership has transferred to the Council.

**Link Road:** This project was for the construction of the Link Road; retentions remain to be paid in 2012-2013.

**Town Centre Public Realm Phase II; The Ginnell, Furness House Landscaping and The Mall:** This project was for the works to enhance the public realm and general environment; retentions paid in 2012-2013.

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

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

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

**Ormsgill Reservoir:** This project is for repairs to the reservoir banking and the installation of a depth gauge.

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

**Coastal Defence Work West Shore Park:** This is the project for the installation of 20 year temporary sea defences at the West Shore Park. This project is due to commence in 2013-2014.

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

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

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

**Rural Regeneration – Roa Island Car Park:** This project is for the acquisition of land to be able to convert the grassed area to car parking spaces.

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

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

#### 4. Capital Financing

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

- Establishing whether the Council considers it affordable and prudent to bear additional future revenue costs associated with additional investment;
- Establishing whether the use of existing or new revenue resources to finance capital investment should have precedent over other competing needs for revenue expenditure; and
- Establishing the scope for capital investment to generate future revenue savings or income, taking into account the risks associated with such proposals.

The costs of the borrowing included in the proposed Capital Programme are included in the Medium Term Financial Plan for 2012-2013 to 2015-2016. Throughout the financial year, the variations to the Capital Programme mean that the amount of borrowing required varies as well. However, rather than amend the Prudential Indicator for borrowing with each revised Capital Programme, I will report the actual capital financing to this committee at the end of the year. Borrowing can be reprofiled by the Executive Committee but increases must be agreed by Full Council. The programme presented here has less borrowing for 2012-2013, 2014-2015 and 2015-2016, but increased borrowing in 2013-2014: overall it is the same amount of borrowing, so Full Council approval is not required. Should additional borrowing be required I will report this to Members along with revised Prudential Indicators.

#### **Government Grants:**

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

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

Lottery funding: Lottery funding is project specific and the funding in the programme for 2012-2013 relates to 102 Abbey Road & Abbey Road THI Arts Council: This funding is for Rural Regeneration – Piel Island for 2012-2013.

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

#### Cumbria County Council

This is funding for 2012-2013 for:

- Disabled Facilities Grants £133,170;
- Hindpool Environmental Improvements – Key Streets £7,500; and
- Town Centre Public Realm Phase II (The Ginnell) £57,286.

The funding for 2013-2014 is for the Coastal Defence Work West Shore Park.

**Private Contributions:** This is funding for 2012-2013 towards the Private Sector Housing Condition Survey, where the Council is acting as the lead Cumbria-wide. The funding for 2013-2014 is for the Coastal Defence Work West Shore Park.

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

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

The balance of usable capital receipts brought into 2012-2013 was £1,106,322 and these are committed to finance the Capital Programme. The Capital Programme assumes usable capital receipts of:

- 2012-2013            £2,287,322
- 2013-2014            £481,000
- 2014-2015            £331,000
- 2015-2016            £331,000

This totals **£3,430,322** of usable capital receipts over the life of the Capital Programme.

The usable capital receipts that have been secured to the 31<sup>st</sup> December 2012 are:

- £1,106,322 balance brought forward
- £325,000 sale of Ocean Road shops
- £15,000 sale of land Biggar Bank
- £40,500 sale of 2 council dwellings
- £850,000 sale of land at the Dock Museum
- **£2,336,822 in total**

The usable capital receipts that are anticipated value:

- £102,000 sale of land at Ashburner Way
- £50,000 sale of 62 Sutherland Street
- £45,000 sale of Island Tavern
- **£197,000 in total**

This leaves **£896,500** of usable capital receipts 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.

## **5. Capital Expenditure as at the 31<sup>st</sup> December 2012**

<b>Project</b>	<b>Budget 2012/2013</b>	<b>Expenditure as at 31/12/2012</b>
Capitalised Planned Maintenance	1,906,525	1,455,950
Housing IT	54,252	6,930
<b>Total Investment in Public Housing</b>	<b>1,960,777</b>	<b>1,462,880</b>
Disabled Facilities Grants	600,000	379,515
Thermal Improvement Grants	5,131	0
Private Sector Housing Condition Survey	24,467	5,500
<b>Total Investment in Private Housing</b>	<b>629,598</b>	<b>385,015</b>
Central Refurbishment Property Swaps	16,105	16,105
North Central Renewal - Demolition	48,946	48,945
Group Repair Marsh Street	12,381	903
Group Repair Central Area A & E	300,000	28,317
Rawlinson Street Corridor	50,000	6,369
Hindpool Environmental Improvements - Gateways	-92,000	-92,000
Hindpool Environmental Improvements - Key Streets	25,569	25,569
<b>Investment in Housing Market Renewal</b>	<b>361,001</b>	<b>34,208</b>
<b>Total Investment in Housing</b>	<b>2,951,376</b>	<b>1,882,103</b>
Cemetery	32,704	5,394
Dock Museum	242,121	42,232
Forum	60,000	0
Leisure Centre	600,000	319
Market Hall	33,193	15,958
Public Conveniences	10,082	0
Roof Top Car Park	107,671	65,744
Town Hall	42,318	25,205
<b>Total Investment in Public Buildings</b>	<b>1,128,089</b>	<b>154,852</b>
Play Areas	6,580	0
Barrow Park	43,000	0
Playing Fields	5,898	5,896
Forge Close / James Freel Close Business Units	23,128	7,805
Waterside Business Park Site Entrance	8,367	7,217

<b>Project</b>	<b>Budget 2012/2013</b>	<b>Expenditure as at 31/12/2012</b>
Phoenix Court Business Centre	110,000	102,624
77-79 Duke Street	20,000	18,084
Town Centre Shop Front Grants	185,060	116,365
93 Dalton Road	27,097	27,097
Miscellaneous Properties	40,000	85
Abbey Road THI	1,805	1,805
104 Abbey Road (Cokes Building)	67,380	2,334
102 Abbey Road	347,452	309,139
School Street Former Presbyterian Church	70,000	4,718
Link Road	78,881	2,823
Town Centre Public Realm Phase II (The Ginnell)	4,332	4,332
Furness House Landscaping	4,695	4,695
The Mall	6,645	6,645
Marina Village Land Assembly	1,904,441	149,293
IT Equipment & Development	90,000	54,222
Refuse and Recycling Containers	44,911	44,911
<b>Total Investment in Other Public Assets</b>	<b>3,089,671</b>	<b>870,090</b>
Ormsgill Reservoir	11,457	9,986
Rural Regeneration – Ireleth Road Watercourse	25,000	0
Rural Regeneration - Piel Island	62,620	52,211
Rural Regeneration - Roa Island Jetty	29,998	6,823
Rural Regeneration - Coastal Protection	25,000	7,810
Rural Regeneration - Roa Island Car Park	55,979	55,819
<b>Total Investment in Community Initiatives</b>	<b>210,054</b>	<b>132,649</b>
<b>Retentions</b>	<b>15,685</b>	<b>0</b>
<b>Asset Investment Fund</b>	<b>50,232</b>	<b>0</b>
<b>Total</b>	<b>7,445,108</b>	<b>3,039,694</b>



## 6. Capital Programme for 2012-2013 to 2015-2016

Project	2012/2013	2013/2014	2014/2015	2015/2016
Capitalised Planned Maintenance	1,906,525	2,295,920	1,834,000	1,878,000
Housing IT	54,252	0	0	0
<b>Total Investment in Public Housing</b>	<b>1,960,777</b>	<b>2,295,920</b>	<b>1,834,000</b>	<b>1,878,000</b>
Disabled Facilities Grants	600,000	600,000	600,000	600,000
Thermal Improvement Grants	5,131	0	0	0
Private Sector Housing Condition Survey	24,467	0	0	0
<b>Total Investment in Private Housing</b>	<b>629,598</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
Central Property Refurbishments	16,105	0	0	0
North Central Renewal - Demolition	48,946	0	0	0
Group Repair - Marsh Street	12,381	0	0	0
Group Repair - Central Area A & E	300,000	1,365,500	34,500	0
Rawlinson Street Corridor	50,000	300,000	250,000	0
Hindpool Environmental Improvements - Gateways	-92,000	0	0	0
Hindpool Environmental Improvements - Key Streets	25,569	0	0	0
<b>Investment in Housing Market Renewal</b>	<b>361,001</b>	<b>1,665,500</b>	<b>284,500</b>	<b>0</b>
<b>Total Investment in Housing</b>	<b>2,951,376</b>	<b>4,561,420</b>	<b>2,718,500</b>	<b>2,478,000</b>
Cemetery	32,704	250,000	0	0
Crematorium	0	56,000	0	45,000
Dock Museum	242,121	280,000	6,000	0
Forum 28	60,000	18,000	0	0
Leisure Centre	600,000	0	0	0
Market Hall	33,193	0	0	0
Public Conveniences	10,082	0	0	0
Roof Top Car Park	107,671	420,000	0	0
Town Hall	42,318	250,000	100,000	100,000
<b>Total Investment in Public Buildings</b>	<b>1,128,089</b>	<b>1,274,000</b>	<b>106,000</b>	<b>145,000</b>
Play Areas	6,580	0	0	0
Barrow Park	43,000	0	0	0
Playing Fields	5,898	0	0	0
Forge Close / James Freel Close Business Units	23,128	60,000	0	0
Waterside Business Park Access Road	8,367	0	0	0
Phoenix Court Business Centre	110,000	0	0	0
77-79 Duke Street	20,000	0	0	0
Town Centre Shop Front Grants	185,060	0	0	0
93 Dalton Road	27,097	0	0	0
Miscellaneous Properties	40,000	210,000	250,000	250,000
Abbey Road THI	1,805	0	0	0
104 Abbey Road (Cookes Building)	67,380	0	0	0
102 Abbey Road	347,452	0	0	0

<b>Project</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
School Street Former Presbyterian Church	70,000	0	0	0
Link Road	78,881	0	0	0
Town Centre Public Realm Phase II (The Ginnell)	4,332	0	0	0
Furness House Landscaping	4,695	0	0	0
The Mall	6,645	0	0	0
Marina Village	1,904,441	150,000	600,000	600,000
IT Equipment & Development	90,000	100,000	100,000	100,000
Refuse and Recycling Containers	44,911	36,554	40,000	40,000
<b>Total Investment in Other Public Assets</b>	<b>3,089,672</b>	<b>556,554</b>	<b>990,000</b>	<b>990,000</b>
Ormsgill Reservoir	11,457	0	0	0
Ireleth Road Watercourse	25,000	0	0	0
Coastal Defence Work West Shore Park	0	615,000	0	0
Rural Regeneration - Piel Island	62,620	0	0	0
Rural Regeneration - Roa Island Jetty	29,998	160,000	0	0
Rural Regeneration - Coastal Protection	25,000	25,000	0	0
Rural Regeneration - Roa Island Car Park	55,979	0	0	0
<b>Total Investment in Community Initiatives</b>	<b>210,054</b>	<b>800,000</b>	<b>0</b>	<b>0</b>
<b>Retentions</b>	<b>15,685</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Asset Investment Fund</b>	<b>50,232</b>	<b>338,896</b>	<b>275,000</b>	<b>275,000</b>
<b>Total</b>	<b>7,445,108</b>	<b>7,555,870</b>	<b>4,114,500</b>	<b>3,913,000</b>

### **Funding of Capital Programme**

Borrowing Requirement Non Housing	1,224,300	3,719,950	1,550,500	1,305,000
DCLG Grant	462,423	499,000	399,000	399,000
Area Based Grant	1,164,939	0	0	0
Lottery	141,067	0	0	0
Arts Council	12,000	0	0	0
DEFRA	0	335,000	0	0
Cumbria County Council	197,956	75,000	0	0
Private Contributions	4,467	150,000	0	0
HRA Major Repairs Reserve	1,906,525	2,295,920	1,834,000	1,878,000
Contributions from Revenue	44,109	0	0	0
Usable Capital Receipts	2,287,322	481,000	331,000	331,000
<b>Total</b>	<b>7,445,108</b>	<b>7,555,870</b>	<b>4,114,500</b>	<b>3,913,000</b>

## Treasury Management Strategy Statement

### 1 INTRODUCTION

#### 1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

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."*

#### 1.2 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

**Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

**A treasury management monitoring report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision. This is incorporated into the quarterly finance reports.

**An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### **Scrutiny**

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Executive Committee.

## **1.3 Treasury Management Strategy for 2013/14**

The strategy for 2013/14 covers two main areas:

### **Capital issues**

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy.

### **Treasury management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

## **1.4 Treasury management consultants**

The Council uses Sector as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## **2 THE CAPITAL PRUDENTIAL INDICATORS 2013/14 – 2015/16**

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

## 2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need:

<b>Capital expenditure £000</b>	<b>2011/12 Actual</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>	<b>2015/16 Estimate</b>
Non-HRA	4,559	5,484	5,260	2,281	2,035
HRA*	19,201	1,961	2,296	1,834	1,878
<b>Total</b>	<b>23,760</b>	<b>7,445</b>	<b>7,556</b>	<b>4,115</b>	<b>3,913</b>
<b>Financed by:</b>					
Capital receipts	955	2,287	481	331	331
Capital grants	2,297	1,983	1,059	399	399
Capital reserves	2,112	1,907	2,296	1,834	1,878
Revenue	-	44	-	-	-
<b>Net financing need for the year</b>	<b>18,396</b>	<b>1,224</b>	<b>3,720</b>	<b>1,551</b>	<b>1,305</b>

\* Includes the subsidy settlement of £17.089 million.

## 2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life. The Council is asked to approve the CFR projections below:

<b>£000</b>	<b>2011/12 Actual</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>	<b>2015/16 Estimate</b>
<b>Capital Financing Requirement</b>					
CFR – Non-HRA	24,034	24,323	27,087	27,594	27,837
CFR – HRA	26,099	25,229	24,159	23,289	22,419
<b>Total CFR</b>	<b>50,133</b>	<b>49,552</b>	<b>51,247</b>	<b>50,883</b>	<b>50,256</b>
<b>Movement in CFR</b>	<b>17,310</b>	<b>(581)</b>	<b>1,694</b>	<b>(364)</b>	<b>(627)</b>

<b>Movement in CFR represented by:</b>					
Net financing need for the year (above)	18,396	1,224	3,720	1,551	1,305
Less MRP/VRP and other financing movements	(1,086)	(1,805)	(2,026)	(1,915)	(1,932)
<b>Movement in CFR</b>	<b>17,310</b>	<b>(581)</b>	<b>1,694</b>	<b>(364)</b>	<b>(627)</b>

### **2.3 Minimum revenue provision (MRP) policy statement**

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR (option 2);

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

These options provide for a reduction in the borrowing need over approximately the asset's life.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place). The HRA Business Plan under self-financing includes a voluntary revenue provision to repay the debt on the account.

### **2.4 Use of resources and the investment position**

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

### **2.5 Affordability prudential indicators**

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

## 2.6 Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Non-HRA	11%	11%	14%	16%	17%
HRA	6%	16%	20%	17%	16%

The estimates of financing costs include current commitments and the proposals in this budget report.

## 2.7 Incremental impact of capital investment decisions on council tax.

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

### Incremental impact of capital investment decisions on the band D council tax

£	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Council tax - band D	-	-	-	-	-

## 2.8 Estimates of the incremental impact of capital investment decisions on housing rent levels.

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

### Incremental impact of capital investment decisions on housing rent levels

£	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Weekly housing rent levels	-	-	-	-	-

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

### 3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### 3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2012, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual	Estimate	Estimate	Estimate	Estimate
<b>External Debt</b>					
Debt at 1 April	39,479	39,479	39,479	43,199	44,050
Expected change in Debt	-	-	3,720	1,551	1,305
<b>Actual gross debt at 31 March</b>	<b>39,479</b>	<b>39,479</b>	<b>43,199</b>	<b>44,050</b>	<b>44,555</b>
<b>The Capital Financing Requirement</b>	<b>50,133</b>	<b>49,552</b>	<b>51,247</b>	<b>50,883</b>	<b>50,256</b>
<b>Under / (over) borrowing</b>	<b>10,654</b>	<b>10,073</b>	<b>8,048</b>	<b>6,833</b>	<b>5,701</b>

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Borough Treasurer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

#### 3.2 Treasury Indicators: limits to borrowing activity

**The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.



<b>Operational boundary £m</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>	<b>2015/16 Estimate</b>
Total	45	46	47	48

**The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term:

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

<b>Authorised limit £000</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>	<b>2015/16 Estimate</b>
Total	57	58	59	61

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

<b>HRA Debt Limit £000</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
Total	26,425	36,367	36,367	36,367

### 3.3 Prospects for interest rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Sector central view.

<b>Annual Average %</b>	<b>Bank Rate</b>	<b>PWL B Borrowing Rates (including certainty rate adjustment)</b>		
		<b>5 year</b>	<b>25 year</b>	<b>50 year</b>
Dec 2012	0.50	1.50	3.70	3.90
March 2013	0.50	1.50	3.80	4.00
June 2013	0.50	1.50	3.80	4.00
Sept 2013	0.50	1.60	3.80	4.00
Dec 2013	0.50	1.60	3.80	4.00
March 2014	0.50	1.70	3.90	4.10
June 2014	0.50	1.70	3.90	4.10
Sept 2014	0.50	1.80	4.00	4.20
Dec 2014	0.50	2.00	4.10	4.30
March 2015	0.75	2.20	4.30	4.50
June 2015	1.00	2.30	4.40	4.60
Sept 2015	1.25	2.50	4.60	4.80
Dec 2015	1.50	2.70	4.80	5.00
March 2016	1.75	2.90	5.00	5.20

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

This challenging and uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

### **3.4 Borrowing strategy**

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high. Against this background and the risks within the economic forecast, caution will be adopted with the 2013/14 treasury operations. The Borough Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden*

increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

The Council will maintain the current prudent borrowing strategy to support the approach of minimising counterparty risk.

#### **Treasury management limits on activity**

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

<b>£m</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
<b>Interest rate exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	46	47	48
<b>Limits on variable interest rates based on net debt</b>	14	15	15
<b>Maturity structure of fixed interest rate borrowing 2013/14</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	

#### **3.5 Policy on borrowing in advance of need**

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

### **3.6 Debt rescheduling**

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Executive Committee, at the earliest meeting following its action

## **4 ANNUAL INVESTMENT STRATEGY**

### **4.1 Investment policy**

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of these reflect in the eyes of each agency. Using the Sector ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in paragraph 5 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

#### **4.2 Creditworthiness policy**

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 

The Borough Treasurer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. Credit rating information is supplied by Sector, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
  - i. are UK banks; and/or
  - ii. are non-UK and domiciled in a country which has a minimum sovereign long term rating of AAAand have, as a minimum, the following Fitch, Moody's and Standard and Poor credit ratings (where rated):
  - i. Short term – F1, P-1,A-1
  - ii. Long term – AA-, Aa3, AA-
  - iii. Viability / financial strength – B (Fitch / Moody's only)
  - iv. Support – 2 (Fitch only)
- Banks 2 – Part nationalised UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.
- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- Building societies. The Council will use all societies which:
  - i. meet the ratings for banks outlined above;
  - ii. Have assets in excess of £500 million; or meet both criteria.
- Money market funds
- UK Government (including gilts and the DMADF)
- Local authorities, parish councils etc
- Supranational institutions

**Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part, the country selection will be chosen by the credit rating of the sovereign state in Banks 1 above. In addition:

- no more than 10% will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

**Use of additional information other than credit ratings.** Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

**Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Limit 1: long term	AA-	£2m	5yrs
Limit 2: short term Council's own bank	F1	£10m	1 year
Limit 3: Short term banks and building societies	<i>F1 or eligible institution with £500m of assets</i>	£2m	1 year
Other institutions limit	-	£5m	1 year
DMADF	AAA	Unlimited	1 year
Local authorities	-	£5m	1 year

3. The proposed criteria for specified and non-specified investments are shown in paragraph 5 for approval.

#### 4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

#### 4.4 Investment strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

**Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2014. Bank Rate forecasts for financial year ends (March) are:

- 2012/13 0.50%
- 2013/14 0.50%
- 2014/15 0.75%
- 2015/16 1.75%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next five years are as follows:

2012/13	0.50%
2013/14	0.50%
2014/15	0.60%
2015/16	1.50%

**Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

<b>Maximum principal sums invested &gt; 364 days</b>			
<b>£m</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Principal sums invested > 364 days	£1m	£1m	£1m

#### **4.5 Investment risk benchmarking**

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- **0.1% historic risk of default when compared to the whole portfolio.**



Liquidity – in respect of this area the Council seeks to maintain:

- Liquid short term deposits of at least £2m available with a week's notice.
- Weighted average life benchmark is expected to be 0.15 years, with a maximum of 0.75 years.

Yield - local measures of yield benchmark

- Investments – internal returns above the 7 day LIBID rate

and in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
<b>Maximum</b>	<b>0.03%</b>	<b>0.12%</b>	<b>0.10%</b>	<b>0.08%</b>	<b>0.06%</b>

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

#### **4.6 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### **5 TREASURY MANAGEMENT PRACTICE (TMP1) – Credit and Counterparty Risk Management**

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 14/3/2002 and will apply its principles to all investment activity. In accordance with the Code, the Borough Treasurer has produced its treasury management practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

**Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council,

and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.

- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

**Strategy guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.

**Specified investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated F1, P-1, A-1 by Standard and Poor's, Moody's or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society. For category 5 this covers bodies with a minimum short term rating of F1, P-1, A-1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is:

	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Limit 1: long term	AA-	£2m	5yrs
Limit 2: short term Council's own bank	F1	£10m	1 year
Limit 3: Short term banks and building societies	<i>F1 or eligible institution with £500m of assets</i>	£2m	1 year
Other institutions limit	-	£5m	1 year
DMADF	AAA	Unlimited	1 year
Local authorities	-	£5m	1 year

**Non-specified investments** –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	<b>Non Specified Investment Category</b>	<b>Limit (£ or %)</b>
a.	<p><b>Supranational bonds greater than 1 year to maturity</b></p> <p><b>(a) Multilateral development bank bonds</b> - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p><b>(b) A financial institution that is guaranteed by the United Kingdom Government</b> (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>AAA long term ratings</p> <p>£10 million</p> <p>1 year</p>
b.	<p><b>Gilt edged securities</b> with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>£5 million</p> <p>5 years</p>
c.	<p>The Council's own banker HSBC</p>	<p>£20 million</p>
d.	<p><b>Building societies not meeting the basic security requirements under the specified investments.</b> The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £500m, but will restrict these type of investments to £2 m and a time limit of 1 year.</p>	<p>£2 million</p> <p>5 years</p>
e.	<p>Any <b>bank or building society</b> that has a minimum long term credit rating of AA-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	<p>£2 million</p> <p>1 year</p>
f.	<p>Any <b>non rated subsidiary</b> of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to the parent bank having the necessary credit rating to qualify in its own right.</p>	<p>£5 million</p> <p>1 year</p>
g.	<p>Local authorities</p>	<p>£5 million</p> <p>1 year</p>

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Sector as and

when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Borough Treasurer, and if required new counterparties which meet the criteria will be added to the list.

<b>EXECUTIVE COMMITTEE</b>		<b>Part One</b> <b>(D)</b> <b>Agenda</b> <b>Item</b> <b>9</b>
<b>Date of Meeting:</b>	<b>23rd January, 2013</b>	
<b>Reporting Officer:</b>	<b>Borough Treasurer</b>	
<p><b>Title: Council Tax Base 2013-2014</b></p> <p><b>Summary and Conclusions:</b></p> <p>This report informs Committee that the Council Tax Base has been calculated for the purpose of setting the council tax for the year 2013-2014.</p> <p><b>Recommendations:</b></p> <p>To note the report the report of the Borough Treasurer.</p>		

### **Report**

The Council Tax Base calculation is based on the number of dwellings on the valuation list adjusted by estimates for additions to and deletions from the list going forward into 2013-2014. Adjustments are also made for exempt dwellings, disabled reductions, discounts, premiums and successful appeals.

The Council Tax Base for the financial year 2013-2014 has been set at:

	<b>2013-2014</b>	<b>2012-2013</b>
The whole Borough area	17,534.36	21,535.90
Barrow unparished area	14,120.84	17,663.03
Dalton with Newton Town Council	2,148.57	2,488.37
Askam and Ireleth Parish Council	1,006.95	1,116.52
Lindal and Marton Parish Council	258.00	267.98

The Council Tax Base has reduced significantly from 2012-2013 as the council tax reduction scheme is now discounted from the calculation and is awarded through the settlement grant.

The Council Tax Base will be used to set the Council Tax for the financial year 2013-2014.

(i) **Legal Implications**

The Council Tax Base must be set annually to calculate the Council Tax.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

The recommendation has no financial implications.

(iv) Health and Safety Implications

The recommendation has no significant implications.

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 (R) Agenda Item 10</b>
<b>Date of Meeting:</b>	<b>23rd January, 2013</b>	
<b>Reporting Officer:</b>	<b>Borough Treasurer</b>	
<p><b>Title: Council Tax Discount</b></p> <p><b>Summary and Conclusions:</b></p> <p>There are a small number of second homes where the discount was maintained at 50%. Following the changes to council tax discounts and the second homes discount being reduced to 0%, this award of the discount of 50% is a local discretion.</p> <p><b>Recommendations:</b></p> <p>To consider the report and recommend the Committee's decision to Council.</p>		

### **Report**

In April 2005 the second homes discount was reduced from 50% to 10%. Following this the residents of Piel Island cottages requested a review of this reduction given that the cottages are closed for up to six months of the year and that the services and amenities are restricted. The review also considered the beach huts at Lowsy Point which have similar characteristics and concluded that the 50% discount should remain. This was approved by Council on 25th October 2005 with the conditions that there is a covenant restricting the length of time that the dwelling can be occupied, that vehicle access to the dwelling makes it impractical for the Council to deliver key direct services such as the collection of domestic waste and street cleansing, and wheeled vehicular access is prevented at least daily by the tide.

There are 7 Piel Island cottages that are second homes and 16 of the beach huts at Lowsy Point. The cost of awarding the 50% discount is £12,175, with the Council's share of that cost being £1,602.

Members are asked to consider the award of the discretionary discount and recommend the decision to Council.

(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>(D) Agenda Item 11</b>
<b>Date of Meeting: 23rd January, 2013</b>	
<b>Reporting Officer: Assistant Director of Community Services</b>	
<p><b>Title: Furness Maritime Trust</b></p> <p><b>Summary and Conclusions:</b></p> <p>This report seeks approval for officers at the Dock Museum to spend time working on Gift Aid for the Furness Maritime Trust.</p> <p><b>Recommendations:</b></p> <p>To agree that the Collections and Exhibitions Manager and relevant staff be permitted to spend an appropriate amount of time registering and administering Gift Aid for the Furness Maritime Trust.</p>	

### **Report**

At the meeting of the Furness Maritime Trust on 12th November 2012, the trustees agreed to register for Gift Aid. Gift Aid would allow the Trust to increase the value of monetary gifts from UK taxpayers by claiming back the basic rate tax paid by the donor on the donation. It can increase the value of donations by a quarter at no extra cost to the donor.

An authorised official must be nominated by the Trust to make claims to the HMRC and administer the scheme. The trustees nominated the Collections & Exhibitions Manager. The trustees requested that the Council consider agreeing that the Collections and Exhibitions Manager and relevant staff be permitted to spend an appropriate amount of time on registering and administering Gift Aid for the Furness Maritime Trust.

Members should note that the Trust has no staff itself and the Collections and Exhibitions Manager is a nominee for the purposes of Gift Aid. The liability for the Gift Aid scheme rests with the authorised official and the trustees, not with the Council.

(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 and relate to the use of Dock Museum officer's time.

(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>(D) Agenda Item 12</b>
<b>Date of Meeting: 23rd January, 2013</b>	
<b>Reporting Officer: Executive Director</b>	
<p><b>Title: Revised Local Development Scheme (LDS) and Planning Policy Update</b></p> <p><b>Summary and Conclusions:</b></p> <p>Changes to national planning policy legislation and guidance means that Local Planning Authorities are now required to produce a Local Plan rather than a Local Development Framework. The Local Plan can be prepared as a single document or can comprise a number of separate documents.</p> <p>Planning Policy Working Group has been kept informed of the changes to legislation and guidance and the need for a Local Plan was discussed at the meeting in May 2012.</p> <p>The purpose of this report is to present a revised LDS for approval, illustrating the timetable for production of the Council's Annual Monitoring Report, an updated Statement of Community Involvement and a single Local Plan document.</p> <p><b>Recommendation:</b></p> <p>To agree the Local Development Scheme, which will take effect on 31st January 2013 and approve the production of a single Local Plan document.</p>	

### Background

The Localism Act 2011 and new planning policy guidance in the form of the National Planning Policy Framework (NPPF), introduced in March 2012, has resulted in significant changes to the national system for producing planning policy documents.

Local Planning Authorities are now required to produce a Local Plan rather than a Local Development Framework (LDF). This can be made up of several separate planning policy documents e.g. a document concentrating on strategic policies, a document concentrating on development control policies and a proposals map (similar to an LDF), or it could be produced as a single Local Plan document (similar to the Council's saved Local Plan Review).

Timely production of coherent and effective planning policy documents have proved difficult to achieve as part of the Local Development Framework system. One of the reasons for this is that LDF documents were often produced separately, usually with considerable periods of time between the production of each document. This can result in a disjointed rather than joined up strategy. Therefore, a single Local Plan document is considered the best vehicle for developing a coherent and effective planning strategy for the Borough.

Until the production of a new Local Plan, the NPPF allows full weight to be given to all relevant planning policies adopted since 2004, until 27th March 2013, even if there is limited conflict with the NPPF. This is to allow a transitional period for plan production. After 27th March 2013, and in other cases, such as where the relevant planning policy was adopted prior to 2004, due weight should be afforded according to the degree of consistency with the NPPF.

### Saved Planning Policy

The Council have formally 'saved' the following local planning documents:

- Barrow-in-Furness Borough Council Local Plan Review 1996-2006; and
- Barrow-in-Furness Borough Council Local Plan Review 1996-2006 - Housing Chapter Alteration 2006.

However, as neither the Local Plan Review, nor the Housing Chapter Alteration were adopted in accordance with the Planning and Compulsory Purchase Act 2004, it is important to note that weight is afforded these policies according to the degree of conformity with the NPPF.

The Barrow Port Area Action Plan (the Action Plan) was adopted in July 2010. As the Action Plan was adopted post 2004, as part of the Local Development Framework, the NPPF affords it full weight in planning policy consideration until 27th March 2013, even if there is limited conflict with the NPPF. After this date, the policies, like those of the Local Plan Review and the Housing Chapter Alteration now, will be afforded weight according to their consistency with the NPPF.

### The Local Development Scheme

The 2010 LDS identified eight local planning policy documents to be produced and set out the targets for the stages of production for these. The eight documents were:

1. Statement of Community Involvement (SCI)
2. Annual Monitoring Report (AMR)
3. Core Strategy
4. Barrow Port Area Action Plan
5. Site Allocations (detailed residential, employment and other land allocations outside the Barrow Port and Town Centre Action Plan areas)
6. General Policies for the Control of Development

7. A Proposals Map
8. A Shopfront and Advertisement Design Supplementary Planning Document

Changes to planning policy legislation and guidance, and progress against the 2010 LDS, means that the revised LDS identifies a reduced number of documents:

1. The Local Plan
2. Annual Monitoring Report
3. The Statement of Community Involvement

The Barrow Port Area Action Plan and the Shopfront and Advertisement Design SPD no longer appear in the LDS as they have been produced.

The Local Plan will replace the Core Strategy, the Site Allocations, the General Policies for the Control of Development and the Proposals Map.

The revised list of documents, their profile and the proposed timescales for production are set out in the LDS, which is attached as **Appendix 6**.

#### The Local Plan

It is proposed that the new Local Plan will form a single document, including an Ordnance Survey based map(s), to set out the vision for the Borough and how the Council intends to achieve its vision up to 2031. It will incorporate both strategic and detailed policies and it will contain borough wide and site specific policies that address employment, housing, the environment, community facilities, transport, retail, leisure and tourism. It will include land allocations and detailed development control policies.

This will replace, in due course, the current 'saved' local policies and the policies contained within the Barrow Port Area Action Plan.

The transitional period for new Local Plan production ends 27th March 2013. Although this is an extremely tight deadline to produce, not only the Local Plan, but also the substantial evidence base required to underpin it, the LDS indicates that the Council intend to have a draft Local Plan for consultation (under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulation 2012) by October 2013.

#### (i) Legal Implications

The Planning and Compulsory Purchase Act 2004 (as amended) requires Local Planning Authorities to prepare and maintain a local development scheme.

#### (ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The LDS timetables the commencement of the Local Plan Hearing for August 2015. The Hearing is part of the Local Plan Examination process. The Local Plan Examination will have financial implications for the Council, although it is not possible to determine what these will be, as the cost will be dependant upon the course and duration of the Examination.

(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 Implication

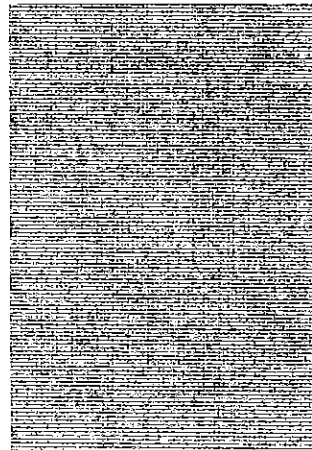
The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

# Local Development Scheme

January 2013



Barrow-in-Furness Borough Council

Part of the Barrow-in-Furness Local Development Framework

---

# **Local Development Scheme: January 2013**

**Scheme takes effect from 31 January 2013**



**Executive Director  
Barrow-in-Furness Borough Council  
Town Hall  
Duke Street  
Barrow in Furness  
Cumbria LA14 2LD**

**Contact:**

**Planning Policy Team  
(01229) 876349 or 876363 or 876388  
Email: [developmentplans@barrowbc.gov.uk](mailto:developmentplans@barrowbc.gov.uk)**

---



---

<b>Contents</b>	<b>Page</b>
<b>1 Introduction</b>	<b>1</b>
1.1 The Planning System and the Local Development Framework	1
1.2 The Planning System, the Localism Act and the NPPF	1
1.3 The Development Plan	1
1.4 The Local Plan	3
1.5 Barrow in Furness Planning Policy Summary Diagram	4
<b>2 The Local Development Scheme (LDS)</b>	<b>5</b>
2.1 The 2010 LDS and Progress	5
2.2 The Revised LDS	5
2.3 Resources and Contingencies	7
2.4 Other Documents	7
<b>3 Monitoring and Review</b>	<b>9</b>
<b>Appendices</b>	
<b>A Schedule of Planning Policy Documents</b>	<b>11</b>
<b>B Gantt Chart showing LDS Programme and Milestones</b>	<b>12</b>

---

---

---

---

## **1 Introduction**

### **1.1 The Planning System and the Local Development Framework**

As a result of the Planning and Compulsory Purchase Act 2004 (The 2004 Act), the national system for producing planning policy documents changed and the 'old' development plan system of a County Structure and Borough-wide Local Plan was replaced by a 'new' system comprising a Regional (Spatial) Strategy and a Local Development Framework.

To take account of the transitional period, older style development plans and supplementary planning guidance were formally saved, to be gradually replaced by new documents in a Local Development Framework (a portfolio of documents setting out the Council's spatial planning policies for the Borough of Barrow-in-Furness)

The majority of local planning policies for Barrow borough, contained within the old style Borough-wide Local Plan Review (adopted August 2001) and the Local Plan Housing Chapter Alteration (adopted June 2006), were saved. Some have since been replaced by policies within the Barrow Port Area Action Plan, which was produced to be part of a Local Development Framework.

### **1.2 The Planning System, the Localism Act and the National Planning Policy Framework**

Introduction of the Localism Act 2011 and new planning policy guidance in the form of the National Planning Policy Framework (NPPF) in March 2012, resulted in further significant changes to the national system for producing planning policy documents.

Local Planning Authorities are now required to produce a Local Plan rather than a Local Development Framework. It appears this can be made up of several Local Development Documents e.g. a document concentrating on strategic policies, a document concentrating on development control policies and a proposals map, or it could be produced as a single Local Plan document (similar to the Borough Council's saved Local Plan Review, which was produced pre 2004).

The Council intend to produce a single Local Plan document.

Until the production of a new Local Plan, the NPPF allows full weight to be given to all relevant planning policies adopted since 2004, until 27 March 2013, even if there is limited conflict with the NPPF, to allow a transitional period for plan production. After 27 March 2013, and in other cases, such as where the relevant planning policy was adopted prior to 2004, due weight should be afforded according to the degree of consistency with the NPPF.

### **1.3 The Development Plan**

The Development Plan for Barrow Borough currently comprises the following;

- The Regional Spatial Strategy for the North West, 2008 (which incorporates the 'saved' Cumbria County Council Structure Plan Policies)
  - 'Saved' planning policies in the Barrow in Furness Borough Council Local Plan Review, 2001, and the Barrow in Furness Local Plan Review Housing Chapter Alteration 2006
  - The Barrow Port Area Action Plan, 2010
-

---

## **Regional Strategies**

Regional Strategies remain part of the development plan until they are abolished by Order using powers in the Localism Act. The current government have made it clear that it is their policy intention to revoke regional strategies outside of London, subject to the outcome of environmental assessment.

## **'Saved' Planning Policy**

The Council have formally 'saved' the following local planning policy:

- Barrow-in-Furness Borough Council Local Plan Review 1996-2006; and
- Barrow-in-Furness Borough Council Local Plan Review 1996-2006 - Housing Chapter Alteration, 2006.

The Barrow-in-Furness Borough Council Local Plan Review 1996-2006 (the Local Plan Review) policies were automatically saved under the provisions of the Planning and Compulsory Purchase Act 2004 for a three year period from the commencement of the Act (i.e. until 27th September 2007).

A request to extend the saved period for most of the policies within the adopted Local Plan Review was submitted to the Secretary of State on the 30 March 2007 and a Direction to that effect was received on 18 September 2007.

The policies of the Barrow in Furness Borough Council Local Plan Review 1996-2006 - Housing Chapter Alteration 2006 (the Housing Chapter Alteration) were automatically saved under the provisions of the Planning and Compulsory Purchase Act 2004 for three years from their date of adoption.

A request to extend the saved period for all but one of the policies within the Housing Chapter Alteration was submitted to the Secretary of State on the 19 December 2008 and a Direction to that effect was received on 3 February 2009.

The policies were saved with the caveat that "the extended policies should be read in context. Where policies were adopted some time ago, it is likely that material considerations, in particular the emergence of new national and regional policy and also new evidence, will be afforded considerable weight in decisions."

As neither the Local Plan Review, nor the Housing Chapter Alteration were adopted in accordance with the Planning and Compulsory Purchase Act 2004, it is important to note that weight is afforded these policies according to the degree of conformity with the NPPF.

The Annual Monitoring Report sets out a list of all saved policies.

## **The Barrow Port Area Action Plan**

The Barrow Port Area Action Plan (the Action Plan) was adopted in July 2010. As the Action Plan was adopted post 2004, as part of the Local Development Framework, the NPPF affords it full weight in planning policy consideration until 27 March 2013, even if there is limited conflict with the NPPF. After this date, the policies, like those of the Local Plan Review and the Housing Chapter Alteration now, will be afforded weight according to their consistency with the NPPF.

## **Supplementary Planning Guidance and Documents**

Supplementary Planning Guidance and Documents (SPG and SPD) support and expand on existing planning policy contained within the Development Plan.

The Council continues to regard the following SPG and SPD as material planning

---

---

considerations:

- Parking Guidelines in Cumbria SPG (1997)
- Layout of New Residential Development SPG (1996)
- Shopfront & Advertisement Design SPD (2010)

The Wind Energy Development in Cumbria (1997) SPG, referred to in the previous LDS's, has been removed from the Council's policy framework.

## **1.4 The Local Plan**

Barrow Borough Council intends to produce a single Local Plan document that will include an Ordnance Survey based map(s), to set out the vision for the borough and how the Council intends to achieve its vision. It will incorporate both strategic and detailed policies and it will contain borough wide and site specific policies that address employment, housing, the environment, community facilities, transport, retail, leisure and tourism.

The Plan will be borough wide and will include land allocations and detailed development control policies.

This will replace, in due course, current 'saved' local policy and policy contained within the Barrow Port Area Action Plan.

The preparation of the Local Plan will be guided by the Council's Local Development Scheme and its production and content will be influenced by the Statement of Community Involvement. Its performance and progress will be monitored by the Annual Monitoring Report.

### **The Local Development Scheme (LDS)**

The 2004 Planning Act requires Local Planning Authorities to prepare an LDS. The LDS is intended to set out the targets for the stages of production of each relevant planning policy document, identify the resources that will be required to ensure that the work is completed in accordance with the timetable and identify any risks that could result in delay.

The Council's first LDS was produced in March 2005 and updated, firstly in June 2006, and then in August 2007, September 2009 and July 2010.

### **The Statement of Community Involvement (SCI)**

The 2004 Planning Act requires each Local Planning Authority to prepare an SCI. The SCI describes how the Council will engage with the community and others in preparing other planning policy documents and also in dealing with planning applications.

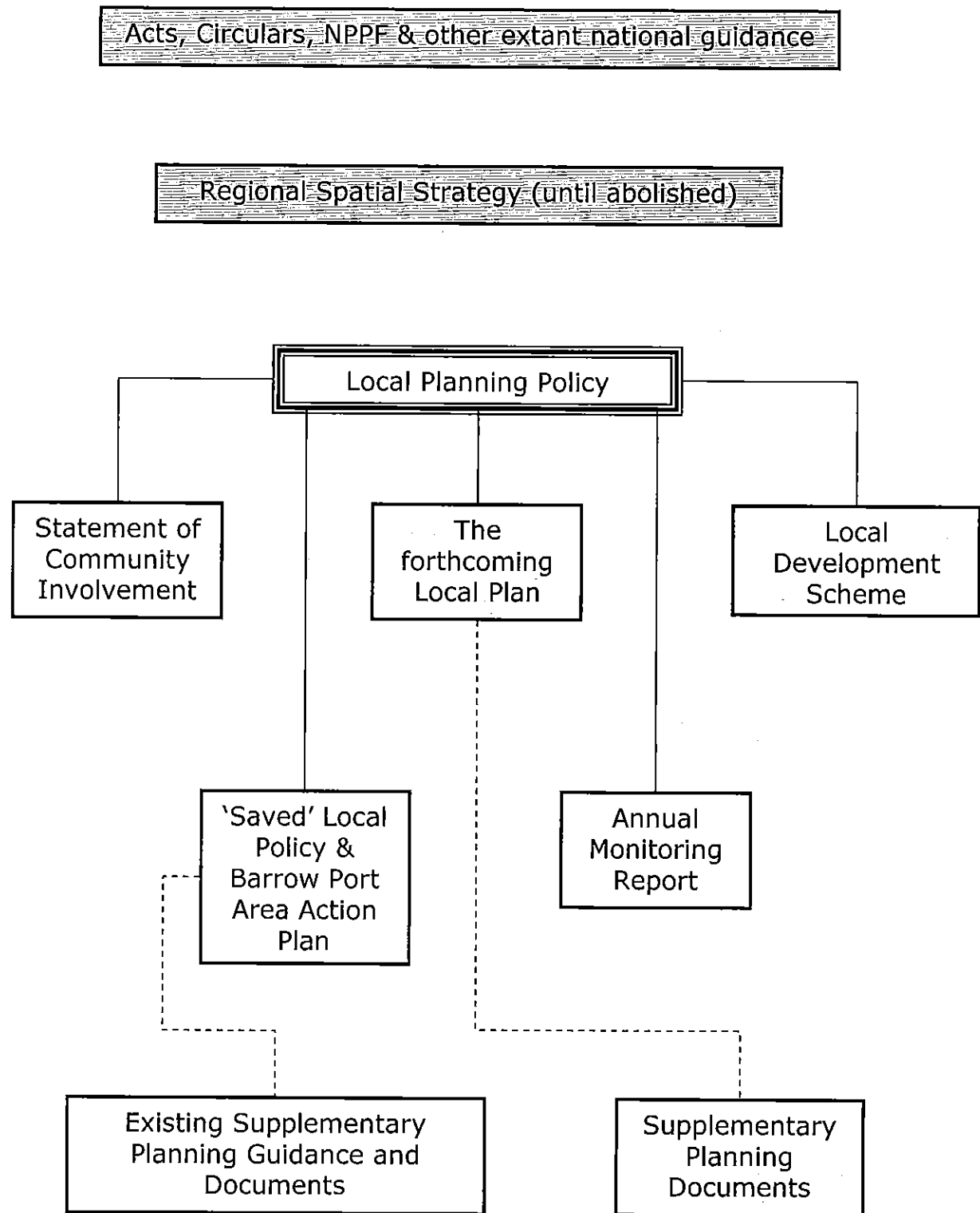
The Barrow in Furness SCI was originally adopted by the Council in July 2007 and an updated version was adopted in November 2010.

### **The Annual Monitoring Report (AMR)**

The AMR assesses the implementation of the LDS and the extent to which planning policies within adopted planning policy documents and 'saved' documents are being successfully implemented. In the transitional period it also sets out which policies continued to be saved.

---

1.5 Barrow in Furness Planning Policy Summary Diagram



---

## 2 The Local Development Scheme (LDS)

### 2.1 The 2010 LDS and Progress

The 2010 LDS identified eight local planning policy documents to be produced and set out the targets for the stages of production for these. The eight documents were:

1. Statement of Community Involvement (SCI)
2. Annual Monitoring Report (AMR)
3. Core Strategy
4. Barrow Port Area Action Plan
5. Site Allocations (detailed residential, employment and other land allocations outside the Barrow Port and Town Centre Action Plan areas)
6. General Policies for the Control of Development
7. A Proposals Map
8. A Shopfront & Advertisement Design Supplementary Planning Document (SPD)

Changes to planning policy legislation and guidance, and progress against the 2010 LDS, means that the revised LDS will identify a reduced number of documents. These will be:

1. The Local Plan
2. Annual Monitoring Report
3. Statement of Community Involvement

### 2.2 The Revised LDS

#### The Key Issues to be addressed

Although planning policy legislation and guidance has changed significantly recently, the key issues that Barrow Borough faces have, to a large extent, not changed. The key issues that need to be addressed include the social and economic challenges the area continues to face. The Council, Cumbria County Council and the former Barrow Regeneration (formerly known as West Lakes Renaissance, the Urban Regeneration Company for Furness and West Cumbria) worked closely over recent years to develop a number of projects and initiatives to stimulate the regeneration of the area.

The Council, through Furness Partnership (the now disbanded Local Strategic Partnership for Barrow Borough), prepared the Sustainable Community Strategy for the Borough. The Sustainable Community Strategy's vision is that:

**"Barrow Borough will become recognized, both by local people and by those outside the area, as a prosperous, pleasant, healthy and safe place to live and work."**

To achieve this vision the Partnership will concentrate on eight key priorities:

- Worklessness: providing more and better jobs for local people
  - Health: improving health and life expectancy for people living in the area
  - Lifestyle and environment: developing a more attractive place to live
  - Housing: offering higher quality housing choices
  - Community safety: reducing levels of crime, and people's fear of crime
  - Children and Young People: ensuring our young people have the start in life that they deserve
  - Learning: delivering better education for people at all levels
  - Deprivation: giving extra help to those in the greatest need
-

---

The Council's Corporate Vision is:

**"To enhance the economic and social future of the Borough to meet the needs and aspirations of the community."**

The Key aims to support the vision are:

- Effective community leadership.
- Investing in our economic future.
- Creating an enhanced quality of life for local residents.
- Developing a safe confident and socially inclusive community.
- Delivering high quality accessible services.

The former Barrow and Furness Peninsula Task Force was charged with overseeing regeneration activity in the Furness Peninsula. The Task Force comprised senior representatives from a range of organisations from Furness, Cumbria and the Northwest Region who worked together to revitalise the economic health of Furness and address the main issues facing the peninsula at the beginning of the 21st Century. The aim was, and remains, to create a physical renaissance in Barrow that can complement a 'step-change' in the performance of the Furness economy.

Although the Barrow and Furness Peninsula Task Force no longer meets, the Barrow-in-Furness Peninsula Task Force Action Plan, February 2008, remains relevant. This sets out the key infrastructure (whether commercial property, new residential or improved transport) and skills development needed in order to help stimulate private sector investment and to help build sustainable communities. There are six key strands of activity that form the basis for the Task Force action, all aimed at supporting a diversified economy in Barrow. These six main strands are:

- Strengthening and diversifying Barrow's economy
- Investing in new businesses, skills and reducing worklessness
- Creating a Vibrant Town Centre
- Renewing the Housing Market
- Creating new gateways and connections
- Culture, Leisure and Lifestyle

The Council is also a partner in the Furness and West Cumbria Housing Market Renewal initiative which aims "To create the right housing for sustainable communities to support the new economy in Furness and West Cumbria". The initiative will involve large scale public sector investment to improve the choice and quality of homes, neighbourhoods and access to services; including through targeted demolition in Barrow and the conversion of some existing properties into larger units.

These Strategies will be key considerations in developing a new Local Plan, as will the timetables to secure appropriate funding for the regeneration programmes.

### **The Revised Planning Policy Documents and Timetable**

As a result of the significant changes to national planning policy legislation and guidance, the Council has reviewed its LDS and timetable. The revised list of documents, their profile and the proposed timescales for production are summarised in Appendix A. An overall summary timetable, indicating the production milestones of planning policy documents is included at Appendix B.

---



---

## 2.3 Resources and Contingencies

Preparation of planning policy documents will be led by the Council's Planning Policy Team within the Regeneration and the Built Environment Directorate. This small team consists of one full-time Senior Planning Officer and two part-time Senior Planning Officers, one of whom is currently seconded from the Council's Development Control Section.

The NPPF requires Local Planning Authorities to produce 'sound' Local Plans and the NPPF defines soundness as 'positively prepared', 'justified', 'effective' and 'consistent with national policy'. Local Plan soundness is dependant upon the production of an adequate, up to date and relevant evidence base to underpin it. For Barrow Borough Council this will include the production of a Strategic Housing Land Area Assessment, a Strategic Housing Market Assessment, a Retail Study, an Open Space Audit, an Employment Study, a Strategic Flood Risk Assessment and any other audits, assessments, studies or surveys deemed necessary.

Some Local Planning Authorities are also preparing an Infrastructure Assessment as an evidence base document. However, given the varied nature of infrastructure issues, the number of bodies and organisation involved, and the potential complexity of the alternative options that may arise, Barrow Borough Council have chosen to utilise a more flexible process of early consultation and meaningful engagement throughout the development of the Local Plan.

The possibility of engaging consultants to prepare specialist evidence base studies is limited but has been undertaken in relation to the preparation of a Retail Evidence Base Study and is being explored in relation to the Environmental and Sustainability Assessment of the Local Plan.

Where consultants are employed, the responsibility for the content of the document will remain with the Council and therefore wherever possible, preparation in-house is preferred as the content of the studies also forms a key part of the Examination of the Local Plan, which officers need to explain and defend.

The LDS includes anticipated and target dates for the Pre-Examination meeting and the Examination Hearing for the Local Plan. The meeting of these targets will depend on the capacity of the Planning Inspectorate to deal with the workload. The time allowed between the various stages in the process is in line with currently available guidance.

The length of Examination of the Local Plan has been anticipated. The Council will seek to minimise the volume of issues to be resolved at Examination through early and wide public participation and consultation. The Council will seek to minimise the risk of the Local Plan being found unsound by ensuring that the Local Plan is based on an adequate and relevant evidence base, it is realistic and able to be implemented, and has taken proper account of the views of the community.

## 2.4 Other Documents

In preparing the Local Plan, regard needs to be had to a number of other plans and strategies, including:

- The Sustainable Community Strategies (Cumbria and Barrow)
- The Local Transport Plan

A number of other studies have been commissioned to develop the planning policy evidence base or, although not directly commissioned for planning policy, are considered to form a key part of the evidence base. These documents include:-

- Barrow Port Masterplan (2004)
  - Barrow Town Centre Urban Design Framework (2005)
  - Housing Needs Survey (2006)
-

- 
- Barrow Marina Village Masterplan (2006)

Further specialist studies have been/will be undertaken, mostly in-house by the Planning Policy Team, to support policy development as required. These will include:

- Strategic Housing Market Assessment (SHMA) (completed in-house May 2012)
- Strategic Housing Land Availability Assessment (SHLAA) (underway in-house 2012/13)
- Employment Land Study/Audit (underway in-house 2012/13)
- Open Space Audit (underway in-house 2012/13)
- Retail Capacity Study Update (2012/13)
- Strategic Flood Risk Assessment (underway in-house 2012/13)
- Strategic Environmental Assessment (underway in-house 2012/13)
- Sustainability Assessment (underway in-house 2012/13)
- Appropriate Assessment

This is not an exhaustive list and other audits, assessments, studies or surveys may be deemed necessary.

---

---

### **3 Monitoring and Review**

The LDS and the Local Plan will be monitored on an annual basis through the Annual Monitoring Report and this will;

- Track the Council's performance against the timescales set out in the LDS and indicate whether a review of the LDS is necessary.
- Provide an up to date list of saved policies and documents together with an indication of when saved policies are likely to be cancelled or replaced.
- Monitor the extent to which policies in the local plan and saved documents are being achieved.
- Provide an up to date list of background studies.
- Conclude whether any planning policy documents need reviewing in advance of their scheduled review date.

The AMR will be publicly available, including through the Council's Website and will be submitted to the Secretary of State in accordance with the relevant Regulations.

---



---

# Appendices

---

## Schedule of Development Plan Documents

## Appendix A

Document Title	Role & Content	Geographic Coverage	Consultation	Adoption/ Completion
Local Plan	<p>A single document that sets out the Council's vision for the borough up to 2031. It will incorporate both strategic and detailed policies and it will contain borough wide and site specific policies that address employment, housing, the environment, community facilities, transport, retail, leisure and tourism, to replace, in due course, 'saved' policies and policies within the Barrow Port Area Action Plan.</p> <p>The Local Plan will include an Ordnance Survey based proposals map(s) setting out the allocations, policies and proposals of the Plan and this will be revised as necessary.</p>	Whole Local Authority Area	<p>Oct 2012 to Mar 2014 - Reg 18 consultation (This included a formal round of consultation that ran from 7 Aug to 2 Nov 2012, which asked for comments on what the Plan should include. It will also include a formal round of consultation in Oct 2013 on a draft plan)</p> <p>Sept 2014 – Publication</p> <p>Jan 2015 – Submission</p> <p>Apr 2015 – Pre Hearing Meeting</p> <p>Aug 2015 – Hearing</p> <p>Feb 2016 - Adoption</p>	Feb 2016
Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA) and Appropriate Assessment (AA)	<p>All Local Plans must be subject to a Sustainability Appraisal and most to a Strategic Environmental Assessment, the latter being incorporated into the former.</p> <p>The Sustainability Appraisal seeks to assess the environmental, social and economic effects of the implementation of the policies contained in the documents or the effects of not having these policies, and to influence them in an attempt to ensure they produce sustainable development.</p> <p>Where a Local Plan would have a significant effect on a European Nature Conservation Site, it must also be subject to an Appropriate Assessment under The Conservation of Habitats and Species Regulations 2010.</p>	Whole Local Authority Area	<p>SA is an iterative process and consultation will be carried out during the development of, and consultation on, the Local Plan.</p> <p>N/A</p>	N/A
Annual Monitoring Report	Assesses the implementation of the Local Development Scheme and the extent to which planning policies are being successfully implemented. In the transitional period it also sets out which policies continue to be saved.	Whole Local Authority Area	N/A	N/A
Statement of Community Involvement	This explains, to stakeholders and the community, how and when they will be involved in the planning process and the steps that will be taken to facilitate this.	Whole Local Authority Area	Apr 2013	Jun 2013










# Gantt Chart

# Appendix B

## Barrow Borough Council Local Development Scheme

Document Title	2012			2013			2014			2015			2016		
	J	F	M	J	F	M	J	F	M	J	F	M	J	F	M
Local Plan															
Annual Monitoring Report															
Statement of Community Involvement															

### Key

- Regulation 18 Consultation 
- Publication 
- Submission 
- Pre Hearing Meeting 
- Commencement of Hearing 
- Adoption 
- Publication of the AMR 
- Consultation on draft SCI 
- Publication of the SCI 

<b>EXECUTIVE COMMITTEE</b>		<b>Part One (D) Agenda Item 13</b>
<b>Date of Meeting:</b>	<b>23rd January, 2013</b>	
<b>Reporting Officer:</b>	<b>Executive Director</b>	
<p><b>Title: Borough Council Representative on Furness Enterprise Board</b></p> <p><b>Summary and Conclusions:</b></p> <p>Furness Enterprise have reviewed their Board membership and the Borough Council representation has been reduced from three to one. Nominations for this position are requested.</p> <p><b>Recommendations:</b></p> <p>To agree to nominate a Councillor to serve on the Furness Enterprise Board for the remainder of the municipal year.</p>		

### **Report**

As members will be aware Furness Enterprise has undergone a radical restructuring, changing its Senior Management roles, reducing its staffing levels, and focussing on delivery of the successful Coastal Communities Fund bid. To reflect this restructure the current Board agreed at their meeting on 12th December 2012 to reduce the number of board members from 25 to 11 comprising The Company Chairman, The Company Executive Director, A Senior Elected Member from this Council, A Senior Elected Member from South Lakeland District Council, The Principal of Furness College, Five Senior Representatives of Business and A Senior Trade Union Representative.

The Council had three representatives on the former Board comprising two elected members and the Chief Executive. Under the new structure representation would reduce to one senior representative of the Council with a senior officer in attendance though not a member of the Board.

This Committee on 23rd May 2012 agreed that Council representatives on the Board should be Councillors Pidduck and Richardson. Your nomination for the Council's representative on the Furness Enterprise Board for the remainder of the municipal year is requested.



(i) Legal Implications

The Council's representative would become a member of the FE Board and be subject to the relevant legislation on Company Governance. Suitable training will be made available.

(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

Correspondence held by the Executive Director.