

BOROUGH OF BARROW-IN-FURNESS

EXECUTIVE COMMITTEE

Meeting, Wednesday, 29th July, 2015
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 24th June, 2015 (Pages 1-30).
6. Apologies for Absence/Attendance of Substitute Members.

FOR DECISION

- (R) 7. Financial Outturn 2014-2015 (Pages 31-40).
- (D) 8. North Central Renewal Area – Site of Buccleuch Court Flats (Pages 41-42).

- (R) 9. Establishment of a Market Liaison Committee (Pages 43-44).
- (D) 10. Thorncliffe Crematorium Refurbishment (Pages 45-47).
- (D) 11. Shop Front Grants and Support for Town Centre Initiatives (Pages 48-50).
- (D) 12. Performance Appraisals – Executive Director (Pages 51-52).
- (R) 13. Risk Management Policy (Pages 53-54).

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

Membership of Committee
Councillors

Councillors Pidduck (Chairman)
Sweeney (Vice-Chairman)
Barlow
Biggins
Brook
Graham
Hamilton
R. McClure
Maddox
Pemberton
Roberts
Williams

For queries regarding this agenda, please contact:

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Published: 21st July, 2015.

EXECUTIVE COMMITTEE

Meeting: Wednesday 24th June, 2015
at 2.00 p.m.

PRESENT:- Councillors Pidduck (Chairman), Sweeney (Vice-Chairman), Barlow, Biggins, Brook, Graham, Hamilton (Items 1 to 7 only), R. McClure, Maddox, Pemberton, Roberts and Williams.

Also Present:- Sue Roberts (Director of Resources), Steve Solsby (Assistant Director - Regeneration and Built Environment), Colin Garnett (Assistant Director - Housing), Helen Houston (Senior Planning Officer) and Jon Huck (Democratic Services Manager and Monitoring Officer).

17 – Minutes

The Minutes of the meeting held on 20th May, 2015 were agreed as a correct record.

18 – Housing Management Forum: Recommendations

The recommendations of the Housing Management Forum held on 11th June, 2015 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:-

Appointment of Representatives to Working Groups etc.

That the Members for 2015/2016 be as follows:-

Tenant Scrutiny Working Party

Council Representatives (2:1) Councillors Barlow, Heath and McEwan.
Tenant Representatives – To be decided by the Tenants Forum.

Homelessness Funding Working Group

Council Representatives (2:0) Councillors Brook and Thurlow.
Tenant Representatives – To be decided by the Tenants Forum.

Tenants Complaints Panel

Council Representatives (1:0) Councillor Hamilton.
Tenant Representatives – To be decided by the Tenants Forum.

Housing Revenue Account – Potential for Council New Build

- (i) To agree investigatory work was completed with the objective of developing an appropriate model to deliver a Council new build scheme for consideration at a future meeting;
- (ii) To agree any proposed model should seek to contribute to the Council's four strategic priorities, with particular reference to adding further to the area-based initiatives that had been progressed in the inner wards; and
- (iii) To agree resources of £30k be made available to complete this investigatory work and the Assistant Director (Housing) be given delegated authority to use up to this figure in order to complete this initial work.

Housing Management ICT System Replacement

To agree the strategy to replace the Housing Management System including the services of an Independent IT Consultant whose costs would be met from the existing agreed Budget. A business case for the Purchase and Implementation investment costs would be sought from capital in 2016-17 budget.

Cumbria Housing Partners Contractor Selection Procedure – Windows and Doors

To note and retrospectively agree the appointment of Top Notch Contractors Limited as the Council's preferred window and door contractor for the period 2015 to 2019.

2015/16 Planned Investment Programme: Appointment of Additional Support

To agree the appointment of this Building Surveyor for up to a twelve month period and agree to classify the appointment as an "exception" under Item 15 of the Council's Standing Orders.

Equality and Diversity Strategy

- (i) To note the content of the report; and
- (ii) To agree the final draft of the Equalities and Diversity Strategy for the Housing Service which would form the operating basis on developing the Council's approach to equality and diversity.

Survey of Tenants and Residents (STAR)

To note and endorse the proposals to conduct the STAR Survey.

Housing Management Performance Report 2014/15

- (i) To note the information contained in the report at Appendix C; and

- (ii) To agree actions 1-4 for 2015/16.

Allocation of Housing Right to Move Grant Funding

- (i) To note the information on the allocation of Housing Right to Move grant funding; and
- (ii) To agree to operate in line with Cumbria Choice Based Lettings allocation policy and for the £3044 funding grant to be transferred to the Cumbria Choice Budget in line with other partner local authorities.

19 – Preferred Options Draft Local Plan

The Committee was informed that the Borough's existing Local Plan had been adopted in 2001 and therefore some of the policies were out of date and needed updating or replacing. The Planning Policy Team was responsible for preparing the new Local Plan which sets the broad framework for acceptable development in the Borough for the next 15 years up to 2031.

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

The Council had 'saved' the under-mentioned documents to be replaced in due course by a new Local Plan.

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

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

As a result of new planning guidance, the National Planning Policy Framework introduced in March 2012, Local Planning Authorities could now produce a single Local Plan rather than a suite of policy documents. The Local Plan would contain strategic policies, land allocations, development control policies and a proposals map.

In November 2012, consultation had taken place under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012 regarding what should be contained in the new Local Plan. The comments that had been received and development sites put forward informed the production of the Issues and Options Draft Local Plan in September 2014.

In October/November 2014, informal consultation had taken place on the Issues and Options Draft Local Plan, and the comments that had been received and development sites put forward informed the production of the Preferred Options Draft Local Plan.

The Draft had contained the Council's preferred options for a suite of policies on Strategy, Sustainable Development, Housing, Employment, Retail, Environment, Infrastructure, Open Space, Health, Flood Risk, Heritage, Design and Climate Change. The Draft had also included the Council's preferred development sites.

Officers had worked with Members of Planning Policy Working Group (comprising three Members of Executive and three Members of Planning Committee) to produce the Draft Plan, Members had been involved in the process from the initial stages in 2012. That would be an ongoing dialogue allowing members to engage with the process and strengthen the Plan as it progressed.

The Committee also considered the revised Housing Requirements and Employment Sites.

Upon agreement, the Preferred Options Draft Local Plan would be available for informal consultation for a minimum six week period during July/August 2015. During that time comments would be invited from Statutory bodies, organisations, individuals, groups, developers/landowners and other interested parties. A number of exhibitions would be held throughout the Borough. The options within the Draft would undergo a Habitats Regulations Assessment (HRA), Sustainability Appraisal (SA) and Viability Assessment.

At the end of 2015, a Publication Draft Local Plan would be finalised and brought back to Committee.

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

RESOLVED:- (i) To agree the Preferred Options Draft Local Plan; and

(ii) To agree to proceed with informal consultation for a minimum period of six weeks.

20 – Appointments to Outside Bodies, Panels, Working Groups etc.

The Committee were reminded that at the Annual Council Meeting on 18th May, 2015 the allocation of seats in respect of Forums, Panels, Working Groups etc. had been agreed.

Members were requested to appoint all Dalton North and Dalton South Councillors to the Billincoat Charity Trust until 2019 namely Councillors Bleasdale, Harkin, Heath, Maddox, Murray and Thurlow.

A list of Outside Bodies were on pages 2-5 of the Minutes of the meeting held on 20th May, 2015 for information.

A request had also been received from the Labour Group that Councillor Derbyshire replaces Councillor M. A. Thomson on the Member Training Working Group and

Councillor Wall be appointed as the Council's representative on Furness Abbey Fellowship.

RESOLVED:- (i) To approve the appointment of all Dalton North and Dalton South Councillors to the Billincoat Charity Trust (until 2019), namely Councillors Bleasdale, Harkin, Heath, Maddox, Murray and Thurlow;

(ii) To agree that Councillor Derbyshire replaces Councillor M. A. Thomson on the Member Training Working Group; and

(iii) To agree that Councillor Wall be appointed as the Council's representative on the Furness Abbey Fellowship.

21 – Park Leisure Centre Online Booking

It was reported that the Manager of the Park Leisure Centre had identified the need for online booking and there was also the need to upgrade some of the IT kit in use at the Centre.

In accordance with the Council's Purchasing Procedure, the purchase was estimated at over £10k and required three specific quotations to be obtained; specific quotations required the purchase details to be provided to suppliers and a price requested in writing.

Three companies had been invited to quote but only two were able to supply a quotation, the third would only participate if the membership administration were to be transferred to the system host. The Manager had assessed the information provided by the two remaining companies and the basic provision in terms of cost was similar but the added value of the eXerp system did provide much more for customers and had the potential to have more of an impact on the Centre moving forward. The eXerp system was already managing the membership status of over 1,800 Park Leisure Centre customers.

The eXerp system was provided by Pulse Fitness with whom the Council had a long term operating agreement for gym facilities. The system was web based and was used by over 500 centres throughout Europe. The system would allow the front-facing reception staff to take bookings, handle cash and card transactions and deal with membership etc. The membership data managed by Pulse Fitness on behalf of the Council would also be visible in real time.

For customers, classes and sessions could be booked online or at self-service kiosks within the Centre. The kiosk also allowed customers to print their tickets for any sessions booked online; customers could go to their class or session without going to the reception desk.

Along with the software that integrated the use of the Centre's facilities, turnstiles were proposed to be placed outside the entrance to the gym. That would allow gym members to swipe their card and enter the gym for their session without queuing at the reception desk.

The sessions from Pulse Soccer would also be visible within the software and there were other features such as management reporting tools and trend analysis.

The total cost of the project was estimated to be £24k for the Leisure Management System (including the turnstiles) and another £6k to replace the other IT hardware and software at the Centre.

The report had been brought for approval as it did not seem as though a better price or better provision would be found with any further research. There was a delegation within the Purchasing Procedure for Management Board to authorise a variance from the Procedure for purchases of a specialist nature, that particular purchase did not meet that criteria.

The funding for the project had been identified from the Transformation Fund.

RESOLVED:- To approve the procurement of the eXerp system (hardware and software) as outlined in the report.

22 – Public Space CCTV System

The Committee was informed that the Council had managed a Public Space CCTV system in the Borough since approximately 1995. The system had been funded through two main tranches of Home Office funding in the mid and late 1990s, and consisted of eighteen cameras in Barrow and three in Dalton. In recent years, the equipment was becoming progressively more dilapidated and was reaching the end of its useful life.

During 2012/13, the Police and Crime Commissioner for Cumbria made funding available to target anti-social behaviour and invited District Councils to put forward bids for the funding. Most of the Districts prepared bids to renew or improve their CCTV systems. The PCC had decided to take over the responsibility for Public Space CCTV and to fund a new single integrated system for Cumbria. That removed from the Council the cost burden for the management and maintenance of CCTV.

Because of cost restrictions, the new system was less extensive and 12 new cameras had been installed in Barrow. These were currently at the stage of final commissioning. There were no new cameras in Dalton. The positions of cameras in the new system had been determined following an analysis of the incidence of crime and anti-social behaviour in the vicinity of the cameras in the old system.

The PCC had indicated that it may be possible to fund an expansion phase of the new system, and that the phase may be able to take in settlements not included in the initial installation. Enquiries had been made by officers about the possibility of extending the new system to Dalton. Any requests should be made formally to the office of the PCC.

RESOLVED:- To authorise the Executive Director to write to the Police and Crime Commissioner requesting an extension of the new CCTV system into Dalton town centre.

23 – Walney Community Centre, Central Drive, Barrow-in-Furness

The Committee was informed that Walney Community Centre was currently vacant as was the adjacent accommodation formerly occupied by the Territorial Army (TA) North West.

A plan showing the vacant accommodation hatched which extended to 550 sq.m approximately was considered by the Committee.

Leonard Cheshire Disability, the UK's leading charity supporting disabled people, had requested a tenancy of the Community Centre and the former T A Hall.

Leonard Cheshire Disability wished to operate out of the building providing their core services as well as traditional community centre services. They required a long lease to enable WREN Funding to be drawn down and invested in the property.

A 10 year lease was requested with an annual rent of £5,000pa excluding VAT. The tenant would be responsible for internal decorations and the Council would remain responsible for structural repairs and services.

RESOLVED:- (i) To note the report; and

(ii) To authorise the Commercial Estate Manager to let Walney Community Centre, Central Drive, Barrow-in-Furness on the terms reported.

REFERRED ITEM

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

24 – Housing Management Forum: Recommendations

Consideration was given to the recommendations of the Housing Management Forum held on 11th June, 2015.

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

Housing Maintenance and Gas Servicing – Future Arrangements

RECOMMENDED:- To recommend the Council:-

- (i) To agree not to offer a Contract extension to the current service provider;
- (ii) To note the outcome of the process that had been undertaken in conjunction with Procure Plus to ensure the Council complied with the OJEU requirements and identify the preferred provider(s);
- (iii) To agree a new model of delivery by separating the “fabric” repairs from the “gas” element of the current Contract; and

(iv) To agree the following Contractors be offered the two resultant Contracts for four years with potentially a further six years with two-yearly break clauses:

- Gas: Contractor "Number 13"; and
- Fabric: Contractor "Number 5".

25 – War Pensions Disregard

The Committee was reminded that Local authorities could disregard up to 100% of war pension payments when calculating entitlement to housing 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.

The disregard for housing benefit had a £10 statutory disregard, with the remainder split between the DWP and the Council. The disregard for housing benefit was funded by the DWP for the first £10 plus 75% of the remainder and the Council funded the remaining net 25%.

For 2014-2015 there were 16 claims with a cost to the Council of £5,539.

The disregard was governed by the Social Security Administration Act 1992 Section 134 which permitted the Council to adopt the war pensions disregard. The same section permitted the subsequent revocation or modification of the disregard.

RECOMMENDED:- To recommend the Council to approve the disregard of war pensions up to 100% for housing benefit until the resolution was revoked or modified.

26 – Lowsy Point Beach Huts and Piel Island Cottages

The Committee was reminded that the Council currently awarded a 50% discretionary discount to the beach huts at Lowsy Point and Piel Island cottages; which was reviewed annually.

The particular characteristics of these properties had been established on 25th October, 2005 with the conditions that there was a covenant restricting the length of time that the dwelling could be occupied, that vehicular access to the dwellings made it impractical for the Council to deliver key direct services such as the collection of domestic waste and street cleansing, and wheeled vehicular access was prevented at least daily by the tide.

The discount currently applied to 18 beach huts at Lowsy Point costing £1,447 and eight Piel Island cottages costing £579; based on the Borough element of the Council Tax for 2015-2016.

The access and amenities would be kept under review and a report would be brought to the Committee should any circumstances prompt a review of the discount, that may be from factors outside the conditions currently accepted.

RECOMMENDED:- To recommend the Council to agree that until the access and amenities for the beach huts at Lowsy Point and Piel Island cottages altered, or other factors prompted a review, the Council awarded the 50% discretionary discount.

The meeting ended at 3.10 p.m.

HOUSING MANAGEMENT FORUM

Meeting: Thursday 11th June, 2015
at 2.00 p.m.

PRESENT:- Councillors Hamilton (Chairman), McEwan (Vice-Chairman), Barlow, Bleasdale, Brook, Heath, Johnston and Thurlow.

Tenant Representatives:- Mr A. McIntosh, Mrs L. Webb and Mrs M. Anderson.

Officers Present:- Colin Garnett (Assistant Director - Housing) and Keely Fisher (Democratic Services Officer).

1 – Minutes

The Minutes of the meeting held on 26th February, 2015 were taken as read and confirmed.

2 – Appointment of Representatives to Working Groups etc.

The Executive Director reported that at the Annual Council meeting on 18th May, 2015 the allocation of seats in respect of Forums, Panels, Working Groups etc. were agreed.

The Housing Management Forum were requested to nominate Members and Tenant Representatives to the Tenant Scrutiny Working Party, the Homelessness Funding Working Group and the Tenants Complaints Panel for 2015/2016.

Three Member representatives by proportionality indicated in the report and three Tenant representatives were required for the Tenant Scrutiny Working Party, two Member representatives by proportionality indicated in the report and two Tenant representatives were required for the Homelessness Funding Working Group and one Member representative by proportionality indicated in the report and two Tenant representatives were required for the Tenants Complaints Panel.

RECOMMENDED:- That the Memberships for 2015/16 be agreed as follows:-

Tenant Scrutiny Working Party

Council Representatives (2:1) Councillors Barlow, Heath and McEwan.
Tenant Representatives – To be decided by the Tenants Forum.

Homelessness Funding Working Group

Council Representatives (2:0) Councillors Brook and Thurlow.
Tenant Representatives – To be decided by the Tenants Forum.

Tenants Complaints Panel

Council Representatives (1:0) Councillor Hamilton.
Tenant Representatives – To be decided by the Tenants Forum.

3 – Housing Revenue Account – Potential for Council New Build

The Assistant Director – Housing sought Members’ views with regards directly developing new Council properties for rent.

The report also sought Members approval for resources to be identified to enable Officers to complete the necessary preparatory work and to establish the best options available including the associated operational risks, the funding requirements and delivery models.

A further report would then be prepared to enable the Council to consider the options for delivering a new build project and to consider whether it would like to progress.

The current financial framework for the HRA provided an opportunity to consider the option for a stock holding Council to consider directly constructing new property.

The Council had not built new property since the late 1980s. Since then any new properties for social rent had been developed in conjunction with housing associations. However, in recent years there did not appear to have been any appetite for any new developments through the traditional housing association option.

In making a proposal to investigate the options for new builds, the Assistant Director would like Members to agree the principles behind why the Council would give consideration to investing in new build and the objectives it sought to achieve.

He suggested the basis for any investment should be “more than to merely provide additional housing but to clearly seek to link investment to the Council’s four strategic objectives”. For example, any proposed model should consider directly linking with previous or ongoing area-based initiatives, to contribute to creating confidence in the area, to encourage involvement by other developers, and to improve the housing offer in the area, both in terms of type and needs identified through the recent Housing Needs Survey.

The process of new build would involve a number of key stages, ranging from the funding options through to how they would be delivered on site and subsequently managed. The Council would need to agree a business model that met the cost of development and achieved longer term income levels to ensure the scheme was financially viable.

Any decision to proceed would involve significant investment from the HRA and it was important all potential risks were carefully considered.

It was many years since the Council had directly built residential accommodation and external assistance and advice would be required to develop an appropriate model of delivery for Members consideration.

The Assistant Director therefore suggested that Members may wish to make resources available from the Housing Revenue Account to look at developing an appropriate financial model and secondly delivery options for further consideration.

The development of the model and any future funding costs would be included within the HRA. It was proposed that resources be made available from the HRA to carry out this investigatory work. At this stage the Assistant Director could not give Members a clear indication of the likely cost of such work, but suggested a figure of £30k be identified and that he be authorised to use up to this figure in order to investigate and develop an appropriate model.

No monies had been identified in the HRA 2015/16 for this purpose. However, recently the Cumbria Housing Partnership had agreed to distribute amongst its members the surplus that had built up. The Borough Council's share of this amounted to c£30,000.

Should the Council reach a decision to progress a new build initiative, it would involve a very significant investment. The Assistant Director therefore suggested to Members the initial stages of considering an appropriate business plan option would take some time and that the Council should look to be in a position to report further in time for the budget approval process for 2016/17.

RECOMMENDED:-

- (i) To agree investigatory work was completed with the objective of developing an appropriate model to deliver a Council new build scheme for consideration at a future meeting;
- (ii) To agree any proposed model should seek to contribute to the Council's four strategic priorities, with particular reference to adding further to the area-based initiatives that had been progressed in the inner wards; and
- (iii) To agree resources of £30k be made available to complete this investigatory work and the Assistant Director (Housing) be given delegated authority to use up to this figure in order to complete this initial work.

4 – Housing Management ICT System Replacement

The Assistant Director – Housing reported that the main Housing Management System, provided by Civica, was over 30 years old and had served the Council well but it was designed for a different way of doing business – maintaining rent accounts and recording payments mainly via Housing Benefit, matching available properties to a waiting list, and processing repairs requests received over the phone. It was several generations out of date and didn't fit easily alongside other corporate systems. It was hard and expensive to manipulate to meet the Department's basic day to day needs for service delivery and information.

As the Housing Service was now self-financing that meant that it had to be much clearer, much earlier about the risks, issues and support needs of tenants and the condition and investment to its properties. Systems were needed which identified

trends and predicted risk so that resources and the business was managed proactively.

Customers carried out their business differently and increasingly on a self-serve basis, from bidding for properties to paying their rent via digital channels and whilst mobile.

Staff and customers needed access to information and services via tablets and smart phones.

During the review, Capita interviewed all stakeholders/or their representatives (including staff, IT, Senior Managers, tenant representatives and Housing Management Forum chair) and their findings were conclusive that the current system did not meet needs nor service aspirations.

The options were limited as the system could not be left as it was nor updated In-House any further. There was an option of migrating to Civica's new platform "Civica CX" or go to market for a replacement Integrated Housing Management System.

Capita recommended a full open market competitive tender, however, because of the Council's size, aspirations and cost it was felt and recommended that a 'soft market' and direct award approach using the Crown Commercial Service (CSS) was recommended.

The Framework:-

- It was fully EU compliant and saved customers the time and money associated with conducting their own procurement exercise;
- CCS ensured customers had access to the most competitive deals; and
- Suppliers were carefully evaluated during the tender process and pre-agreed terms and conditions offered customers sound contractual safeguards.

Housing Operational Managers initially needed to see what modern management systems could do before the Council were in a position to draw up its key requirements to shortlist matching products (using some external IT expert assistance). The shortlist would then be subjected to a closer scrutiny before awarding the contract. An IT Consultant with Housing Management system expertise would be engaged as Implementation Manager reporting to the Business Support Manager. Their brief would be to co-ordinate and liaise with the Software Company Project Manager and internally with IT, to establish the detailed operational parameters working with the functional teams and to pass on their knowledge to the IT Support Officer.

Replacement of any Housing Management System was a mammoth and lengthy amount of work for everyone involved and especially the already hard-pressed Housing Management and IT Department. With that in mind the following plan was outlined:-

What	Who	When
Understand and view modern Housing management systems	Housing Management	June/July 2015
Draw up key system requirements	IT Consultant/Housing	Sept/Oct 2015
Contract Approval, Capital Appraisal (Prepare & propose Business Plan)	Business Support Manager.	Nov/Dec 2015
Shortlist & award contract via CSS	Housing /IT	Jan 2016
Appoint external IT consultant	Housing /IT	Mar 2016
Start project	Housing /IT	April 2016
Workshops -	Housing /IT/consultant	Apr – Sep
Data migration	Business Support Manager /IT/consultant	Aug - Sep
User acceptance testing	All	Oct - Dec
Parallel operation Live and In-house to year end	All	Jan 2017

RECOMMENDED:- To agree the strategy to replace the Housing Management System including the services of an Independent IT Consultant whose cost would be met from the existing agreed budget. A business case for the Purchase and Implementation investment costs would be sought from capital in the 2016/17 budget.

5 – Cumbria Housing Partners Contractor Selection Procedure – Windows and Doors

The Assistant Director – Housing reported that at the meeting of the Housing Management Forum on 27th November, 2014 Members had agreed the methodology for the selection and appointment of contractors from the 2014 CHP framework using one of two selection methodologies:-

1. Direct call off; and
2. Mini competition

In line with this recommendation, Officers had requested Procure Plus to undertake a review of window and door contractors from the CHP framework to install windows and doors to Council properties.

Window and Doors – Direct call off procedure

The Maintenance Team, in conjunction with Procure Plus had evaluated 10 window and door contractors from the CHP framework. Top Notch Contractors Limited had

been identified as its preferred window and door contractor for the period 2015 to 2019.

The review was completed on 17th April 2015. A copy of the report was attached as an appendix to the Assistant Director's report for information.

RECOMMENDED:- To note and retrospectively agree the appointment of Top Notch Contractors Limited as the Council's preferred window and door contractor for the period 2015 to 2019.

6 – 2015/16 Planned Investment Programme: Appointment of Additional Support

On 15th January 2015 Members had agreed the expenditure profile for 2015/16 investments. The proposed profile and priorities were based on the agreed Five-year Asset Management Strategy 2010 and made reference to some of the provisional findings of the 2014 Stock Condition Survey.

The report identified a number of newly arising investment needs, including:-

- Re-roofing and re-rendering properties on the Roosegate estate;
- Re-rendering properties on the Ormsgill estate;
- Renewal of flat roof coverings to Lower Hindpool and Ewan Close;
- Commencement of a replacement window programme;
- Undertaking improvements to the 76 No HHSRS properties;
- Upgrading communal lighting with energy efficient bulbs or fittings (LED);
- Undertaking garage improvements (roofing and damp repairs); and
- Upgrading perimeter fencing in Ormsgill and Roosegate

The delivery of these additional work streams and in particular the larger projects such as re-roofing and external works required additional temporary resources to ensure compliance with the specification and to ensure health and safety matters were effectively managed on site.

At this time it was envisaged the additional support required would not become a permanent requirement and could therefore be dealt with by the appointment of a suitable building surveying company to provide the additional capacity.

The Housing Maintenance Team had utilised the services of a temporary Building Surveyor to cover periods of long term absence. The Surveyor had knowledge and familiarity with the Cumbria Housing Partners e-procurement systems and had been engaged on a competitive hourly rate. His role would be to supervise contractors undertaking the new work streams during 2015/16 on the basis of 16 hours per week.

RECOMMENDED:- To agree the appointment of this Building Surveyor for up to a twelve month period and agree to classify the appointment as an "exception" under Item 15 of the Council's Standing Orders.

7 – Equality and Diversity Strategy

The Assistant Director – Housing reported that the Equality Act 2010 had introduced new equality strands and replaced previous anti-discrimination laws with a single Act that simplified the law, removing inconsistencies and making it easier for people to understand.

At present, the Housing Service was subject to the general public sector ‘equality duty’ due to carrying out public functions. This meant that the service must, as a minimum, have due regard to the following when we carry out functions:-

- The need to eliminate unlawful discrimination and harassment;
- The need to advance equality of opportunity; and
- The need to promote good relations and positive attitudes.

The Act helpfully explained that having due regard for promoting equality involved:-

- Removing and minimising disadvantages suffered by people due to their protected characteristics;
- Taking steps to meet the needs of people from protected groups where these were different from the needs of other people; and
- Encouraging people from protected groups to participate in public life or in other activities where their participation was disproportionately low.

Embedding Equality and Diversity (E&D) across the Housing Service was the key aim of this strategy. To achieve this the following specific key objectives had been set:-

- To provide an excellent service that was responsive, non-discriminatory and sought to deliver continuous improvement;
- Establish clear diversity standards for monitoring and improving services;
- Establish effective leadership and governance arrangements to scrutinise performance on diversity and to make sure that this strategy was delivered; and
- To promote and encourage equality and diversity in all areas of work.

The Housing Service would ensure that it monitored and scrutinised its performance on E&D and make sure its Strategy was delivered by:-

- Effectively communicating this Strategy across the Housing Service, making sure the key actions were co-ordinated and delivered effectively;
- Publishing awareness on E&D key aspects in the Housing Matters newsletter;

- By ensuring that E&D awareness was a key aspect of Committee, resident and employee training. Annual training events on all aspect of E&D for Members, residents group members and employees were held annually;
- By rolling out mentoring programmes for employees – through the Council’s ‘Induction process’ for all new members of staff; and
- Updating all staff with E&D factsheets.

The Housing Service was committed to the principles of equality. It aimed to make sure that its services were effectively tailored to the needs of its existing and future customers, and that all sections of the community had equal access to those services.

RECOMMENDED:-

- (i) To note the content of the report; and
- (ii) To agree the final draft of the Equalities and Diversity Strategy for the Housing Service which would form the operating basis on developing the Council’s approach to Equality and Diversity.

8 – Survey of Tenants and Residents (STAR)

The Assistant Director – Housing reported on the Housing Department’s proposal to undertake a Tenants’ Satisfaction Survey to enable continued promotion of tenant involvement, benchmarking of performance against other social housing providers and as a basis for action planning in respect of future service reviews and development.

In early 2011, the Department for Communities and Local Government (DCLG) signalled the end of the regulatory requirement to carry out the large STATUS tenants’ satisfaction surveys. Under STATUS, housing providers were required to compulsory survey at least every three years.

Housemark, a leading provider of performance improvement services, quickly identified that many housing providers wanted to continue to survey tenants and residents on a voluntary basis and sought to provide a flexible survey based upon the main features of STATUS. Following a consultation with housing providers, a new survey called STAR (Survey of Tenants and Residents) was developed.

STAR could be summarised effectively as the following:-

1. A flexible survey which could be conducted in-house or by commissioning an external market research company;
2. Has a number of core questions but users could also include any of the set optional questions or alternatively include their own specifically worded questions;

3. Could be conducted across the whole stock (census) or across a sample of the stock (sampling);
4. Could be adapted to target different categories of tenants and residents, e.g. general needs, supported, older people, leaseholder; and
5. Could be undertaken using a variety of methods such as postal, face to face, telephone, on-line. Postal was suggested as the primary method with the option to compliment this using other methods.

There were many things to be gained from undertaking the STAR survey which were summarised below:-

1. Facilitated meaningful tenant involvement;
2. Enabled scrutiny of services and therefore assisted with regulatory compliance in co-regulation;
3. Results could be used to benchmark performance against other housing providers;
4. Enabled effective service review and development;
5. Assisted in promoting value for money as trends in performance could be addressed earlier; and
6. It supported good practice throughout the housing sector.

There was no compulsory requirement to carry out tenants' satisfaction surveys but it was regarded as good practice to do so. Surveys gave opportunities to tenants to be involved in the review and development of services. In addition, surveys gave tangible results which could be benchmarked against other housing providers and enable effective performance management.

The Homes and Communities Agency (HCA) Housing Regulatory Framework remained set around the principle of co-regulation, encouraging providers to undertake robust self-regulation which incorporated effective tenant involvement. Since surveys conducted on a large scale were considered more representative and therefore more accurate than smaller surveys, STAR would be a useful tool in assisting the co-regulation process and helping with regulatory compliance.

In the Summer of 2012, following a tender process, BMG Research were commissioned to carry out a STAR survey on behalf of the Housing Service. The results of that survey were then used to develop a plan for improvement of services which included:-

1. A review of Anti-social behaviour policy and procedure;
2. A change of contractor for the staircase cleaning within flat blocks; and
3. A review of the provision of environmental enhancement projects.

Managers and involved tenants had discussed and agreed that the information obtained from the 2012 survey was now out of date and should not be relied upon for benchmarking performance or for service review and development. It was

agreed that a further STAR survey should be utilised to get an up to date view of how satisfied tenants were with the services they received.

Consideration had been given to the resources required to conduct the STAR survey in-house versus tendering the work and it had been agreed that the task would be better managed by an appropriate Market Research Company.

As part of the budget for 2015/16, there were funds of £10,000 allocated to conduct the STAR survey during 2015.

Having regard to the Borough Council's procurement procedure, three market research companies had been identified and they had been invited to tender for the work based on a written specification of Housing Department requirements.

RECOMMENDED:- To note and endorse the proposal to conduct the STAR Survey.

9 – Housing Management Performance Report 2014/15

The Assistant Director – Housing reported on the end of year performance information as shown at **Appendix A** to these Minutes.

The performance indicator report showed Housing Management's overall level of achievement against a set of benchmark targets. The benchmark was the Housemark 'median' cross sector performance scores from 2014/15.

The value for money section would be updated and reported in the next Housing Management Forum report when the benchmarked accounts were available.

The purpose of the report was to provide the background context which had directly strengthened or weakened the results and to suggest what the best opportunities and challenges were for the coming year.

Influence 1

Welfare reforms in the form of 'under occupancy' reduction in Housing Benefit and the introduction of Universal Credit and other sanctions continued to have an impact on arrears.

Influence 2

Water rates were incorporated within the rents from April 2013.

Influence 3

Ongoing issues with the Repairs Contractor

Officers had already considered these influences and would address in the following way:-

Action 1:	Continue to concentrate efforts in identifying and supporting vulnerable tenants through the transition to Universal Credit
Action 2:	Reduce risk to HRA income by continuing to improve rent collection
Action 3:	Bed in the new responsive repairs contract to improve the % of repairs completed first time and on time and improve the turnaround of voids
Action 4:	Prepare for the replacement of the Housing Management system which would improve functionality, help Officers work more effectively whilst mobile and enable a self-service facility for those tenants wishing to access the service outside of normal office hours

RECOMMENDED:-

- (i) To note the information contained in the report and at **Appendix A** to these Minutes; and
- (ii) To agree Actions 1-4 for 2015/16.

10 – Allocation of Housing Right to Move Grant Funding

The Assistant Director – Housing reported that Right to Move came into effect on 20th April, 2015 and was introduced for social tenants who needed to move to take up a job or live closer to employment or training. The Borough Council Housing Service was a partner in Cumbria Choice - Choice Based Lettings Scheme which brought together a number of authorities and registered providers of social housing across Cumbria with a common allocation policy that applied to all the partners.

The purpose of the Assistant Director’s report was to provide Members with information on the allocation of Housing ‘Right to Move’ grant funding of £3,044.

Cumbria Choice provided an excellent basis for cross boundary mobility with provision within the policy to provide for tenants to move between partner authorities for work related reasons in line with new statutory guidance.

The new statutory guidance was intended to assist Local Housing Authorities to ensure that tenants who needed to move for work within or across Local Authority boundaries were given appropriate priority under the Cumbria Choice – Choice Based Lettings Scheme. The guidance set out the Government’s expectation that local authorities should:-

- apply the existing ‘hardship’ reasonable preference category to social tenants who needed to move for work related reasons; and

- set aside a proportion of lets to enable such tenants to move across Local Authority boundaries where necessary guidance stated a quota of at least 1% being appropriate.

Cumbria Choice had previously reviewed the allocation policy and taken advice from the Department for Communities and Local Government to ensure it was in line with the new statutory guidance. Provision was made within the policy under 'hardship' for tenants needing to move for employment purposes.

Partner Local Authorities had transferred the 'Right to Move' grant to the Cumbria Choice Based Lettings budget to assist in the implementation of guidance on the Right to Move quota.

The Borough Council Housing Service was a key partner within Cumbria Choice Based Lettings and would continue to work with the Project Board to implement guidance and agree the Right to Move quota across Cumbria.

RECOMMENDED:-

- (i) To note the allocation of Housing Right to Move grant funding; and
- (ii) To agree to operate in line with Cumbria Choice Based Lettings allocation policy and for the £3,044 funding grant to be transferred to the Cumbria Choice Budget in line with other partner Local Authorities.

11 – Planned Investments and Planned Maintenance 2014/15 Year End Expenditure

The Assistant Director – Housing reported information relating to the Planned Investment and Planned Maintenance Programme for 2014/15 Year End Expenditure. The information is attached at **Appendix B** to these Minutes.

RESOLVED:- To note the information.

REFERRED ITEM

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

12 – Housing Maintenance and Gas Servicing – Future Arrangements

The purpose of the Assistant Director – Housing's report was for Members to consider and agree the future arrangements to provide maintenance services for Council tenants. In particular this included, tenant generated repair requests, repairs to any void properties, gas servicing and maintenance, and an out of hours emergency response service.

The Council operated a repairs and maintenance service to its tenants and leaseholders. Delivery of the works was via a single contract and was awarded for the period 2011/15. The current Contract was due to end on the 4th November, 2015, but did include an option to extend for a further two years.

The objectives when awarding the existing Contract was to provide cost certainty, simplicity of delivery and minimise the level of management input required.

At the Housing Management Forum meeting on 27th February 2014, it was decided to engage Procure Plus to assist in carrying out a procurement exercise to establish if there were any alternative service providers interested in engaging with the Council to provide the above services.

An OJEU compliant procurement process had now been completed and the report would provide details of the outcome of the process and recommended future arrangements for the delivery of these services.

In order to maximise the interest in a potential Contract and how it was structured, the Contract was advertised in the relevant trade journals and also included a “meet the buyer” day to enable any interested parties to discuss with Officers and representatives from Procure Plus the potential Contract and the possible options for delivery, prior to the procurement process commencing.

Following the event a total of 13 contractors submitted Tenders for consideration, 12 of whom were invited to progress to Interview stage. The process enabled Contractors to bid for a comprehensive Contract or for Fabric or Gas separately.

All 12 Contractors were scored against their written submission and interview using a common scoring matrix. Their costs were then evaluated and ranked and the scores from each combined to provide a final score based on the quality and price matrix.

In reading the scores it was important to note that by using the 50/50 quality/price model the highest scoring Contractor was not necessarily the lowest cost. The recommendations contained in the report were all financially within the agreed budgets for completion of these works.

The process had resulted in a spread of scores with a clear lead Contractor, for whichever Option was agreed.

The scoring matrix clearly provided the opportunity for the Council to have choices with regards future delivery arrangements and the Assistant Director commented as follows:-

Option 1: Offering the existing Contractor a two year extension

The current Contractor had suggested they would consider an extension to the Contract. However, the current Contract included a number of performance indicators which had been used throughout the Contract term to measure performance. This had enabled the Council to objectively monitor the quality of delivery both locally and also through a benchmarking club. Throughout the period of the contract, performance had remained “lower quartile” (74%) rather than “upper quartile” (96%) and was significantly below what was expected. Secondly, the administration of the Contract had been operationally more difficult than was

desirable for both parties, and there remained a number of issues yet to be resolved, including final cost of some jobs that had been completed.

The Assistant Director was of the view this had had a negative impact on the service received by tenants and he could not envisage a significant service improvement should an extension be offered.

Option 2: One Contract

With reference to Table 3, Contractor No. 2 had achieved the highest score. The company specialised in the social housing market.

Option 3: Separate Fabric and Gas servicing contracts

With reference to Tables 1 and 2, the procurement process had again identified highest ranked Contractors for either fabric (Contractor No. 5) or gas (Contractor No. 13) should they be separated. Again, both specialised in the social rented sector.

In considering options 1, 2 and 3, the Assistant Director commented as follows:-

- **Option 1:** He would not recommend a two year extension to the existing service provider as he could not envisage achieving the level of improvement that was required within the current Contract arrangements and with regard to the experience of the Contract to date.
- **Options 2 or 3:** In both options Contractors had been identified to deliver the works and the main consideration was whether to operate a single Contract or two; one for fabric and one for gas.

There was no reason why these could not be delivered separately, and this was the case with a number of providers throughout Cumbria. By operating them in one Contract it could be suggested it would provide ease of management, minimise administration and improve co-ordination of service delivery.

However, in practice, and by necessity, separate supervision arrangements had evolved to manage the different work areas and he would have difficulty suggesting any added value had been achieved by operating a single comprehensive Contract either from a delivery or management perspective.

In separating the two areas of work, whilst it created “two” Contracts he suggested from past experience it would not add any greater demands on the management of the process than now, but would ensure clearer focus on the specific areas of work completed by each Contractor. It would be necessary to develop separate IT links with the respective Contractors but the cost of such would be a “one off” and he suggested, not significant in terms of the potential life of the Contract.

With particular reference to gas servicing, a number of Contractors, including the highest scoring Contractor for this work, specialised solely on this area of work.

He suggested from a practical perspective it would enable Officers to work with two Contractors with a different focus and aid the process of service delivery and improvement.

The approach adopted over the last six months had provided options for the future delivery of services. Based on previous experience of such exercises it had been a positive process.

In considering the options that were available, based on the procurement process, and the Assistant Director's comments he recommended the Council agreed changing its model of delivery and award a "Fabric" Contract to Contractor No. 5 and a "Gas" Contract to Contractor No. 13. The award of Contracts in both cases would be for four years with potentially a further six years with two-yearly break clauses.

Legal Implications

Officers would arrange for appropriate Contracts to be signed by the new Contractors in advance of the Contract starting. To maximise the time available for mobilisation, the successful Contractors would be asked to engage in the process as soon as practical subject to Council approval on 21st July, 2015.

Staff currently employed on the Contract would be protected by TUPE. It would probably be the case a new Contractor may wish to make changes to the way the Contracts were delivered. The separation of the two functions would add some complexity, but it would appear the current Contractor already to some extent managed the fabric and gas elements of the Contract separately. Until closer to the handover of the Contract full TUPE information would not be available to the new Contractors. Whilst the new Contractors had been asked to include for the cost of managing these changes in their submissions, some cost for changes in staffing arrangements may have to be met by the Council.

Risk Assessment

Officers had given consideration to the recommendations contained within the report.

Whilst offering an extension was an option considered, it would only be for a further two years and the outcome was uncertain.

It was clear, in terms of Options 2 or 3, the highest scoring Contractors were specialist in the social housing field and successfully delivered the work elsewhere so risk of delivery was seen as low. It was likely they would look to change the day to day management arrangements for the delivery of the Contract to reflect their particular operational preferences.

However, the introduction of a new model of delivery provided opportunity for the Council to work with both Contractors for mutual benefit, achieve its objectives and make the delivery experience of value to tenants.

Financial Implications

Below is a summary of the scores awarded to the Tenders received:-

Table 1

LOT 1 - RESPONSIVE REPAIRS			Quality	Price	Bidders Grand Total (Out of 100%)
Weighting			50%	50%	
Bid No.	Rank	Company Name	Weighted Score	Weighted Score	
5	1	CONTRACTOR No 5	46.67%	27.57%	74.24%
2	2	CONTRACTOR No 2	36.67%	31.31%	67.98%
1	3	CONTRACTOR No 1	26.67%	39.42%	66.09%
11	4	CONTRACTOR No 11	30.00%	33.05%	63.05%
4	5	CONTRACTOR No 4	20.00%	36.30%	56.30%
9	6	CONTRACTOR No 9	20.00%	33.38%	53.38%
7	7	CONTRACTOR No 7	20.00%	27.77%	47.77%
6	8	CONTRACTOR No 6	20.00%	23.29%	43.29%

Table 2

LOT 2 - GAS SERVICING			Quality	Price	Bidders Grand Total (Out of 100%)
Weighting			50%	50%	
Bid No.	Rank	Company Name	Weighted Score	Weighted score	
13	1	CONTRACTOR No 13	33.33%	41.75%	75.08%
11	2	CONTRACTOR No 11	30.00%	36.75%	66.75%
2	3	CONTRACTOR No 2	36.67%	25.39%	62.06%
9	4	CONTRACTOR No 9	20.00%	40.00%	60.00%
12	5	CONTRACTOR No 12	26.67%	28.93%	55.60%
10	6	CONTRACTOR No 10	16.67%	35.26%	51.93%
3	7	CONTRACTOR No 3	16.67%	31.94%	48.61%
7	8	CONTRACTOR No 7	20.00%	25.15%	45.15%
6	9	CONTRACTOR No 6	20.00%	20.03%	40.03%

Table 3

LOT 1 & LOT 2 COMBINED			Quality	Price	Bidders Grand Total (Out of 100%)
Weighting			50%	50%	
Bid No	Rank	Company Name	Weighted Score	Weighted Score	
2	1	CONTRACTOR No 2	36.67%	41.12%	77.79%
1	2	CONTRACTOR No 1	26.67%	31.81%	58.47%
11	3	CONTRACTOR No 11	30.00%	45.56%	75.56%
4	4	CONTRACTOR No 4	20.00%	45.28%	65.28%
9	5	CONTRACTOR No 9	20.00%	39.53%	59.53%

A financial appraisal of the highest scoring Contractors had been made and the indicative costs were within the budgets for delivering this work.

Should the highest scoring Contractor be appointed to deliver a fabric and gas Contract, their cost for delivering the fabric element would potentially be lower than the highest scoring Contractor proposed for fabric only. However, when considering the financial consequences of delivering the two separately, the combined cost of the two was lower.

Officers had looked to identify the cost delivery for the two Contractors being recommended which were shown in the table below. In addition they had looked to compare it against the cost of the current Contract. In doing so the Assistant Director pointed out at the time of appointment the current Contractor was significantly lower than other Tenderers and from information they had provided the cost of managing the Contract was higher than originally agreed. Officers had taken the liberty to factor this in, but would strongly suggest the price comparison was merely that and did not influence the recommendation which focused on the experience of delivery.

Option No	Company	Outturn Estimate (Per year)	TUPE Fabric	Outturn Final
Option No 1 2 Year Extension	Incumbent Contractor	£1,094,000	NIL	£1,094,000
Option No 2 One Contract	Contractor 1 (Fabric & Gas)	£1,103,493	£10,000	£1,113,493
Option No 3 Separate Contracts for Fabric and Gas	Contractor 1 (Fabric)	£815,000	£75,000	£1,153,000
	Contractor 1 (Gas)	£260,000	£3,000	

Health and Safety Implications

The Contractors had been required to provide information on their health and safety arrangements which formed part of the assessment process. For operational purposes, Members should be clear these contracts would operate independently of each other.

Equality and Diversity

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

Health and Well-being Implications

The maintenance of tenants' properties to an agreed standard had a fundamental impact on their health. It was therefore imperative a service which was valued by tenants is delivered.

RECOMMENDED:- That the Executive Committee:-

- (i) Agree not to offer a Contract extension to the current service provider;
- (ii) Note the outcome of the process that had been undertaken in conjunction with Procure Plus to ensure the Council complied with the OJEU requirements and identified the preferred provider(s);
- (iii) Agree a new model of delivery by separating the "fabric" repairs from the "gas" element of the current Contract; and
- (iv) Agree the following Contractors be offered the two resultant Contracts for four years with potentially a further six years with two-yearly break clauses:
 - Gas: Contractor "Number 13"; and
 - Fabric: Contractor "Number 5".

The meeting closed at 2.35 p.m.

EXECUTIVE COMMITTEE	(R) Agenda Item 7
Date of Meeting: 29th July, 2015	
Reporting Officer: Director of Resources	
Title: Financial Outturn 2014-2015	
Summary and Conclusions:	
<p>This report contains the financial outturn for the year ended 31 March 2015. The report includes all aspects of the Council's finances; General Fund, Housing Revenue Account, Collection Fund, Capital Programme and Treasury Management.</p>	
Recommendations:	
<p>To recommend that Council:-</p>	
<ol style="list-style-type: none">1. To note the financial outturn for 2014-2015;2. To approve the final 2014-2015 budget as £12.582m;3. To approve the addition of £300k to the General Fund balance;4. To approve the movements in reserves as set out in Section G;5. To approve the addition of £36k to the Housing Revenue Account balance;6. To note the annual treasury management review; and7. To note the amounts written off under delegation in 2014-2015.	

Report

A. Executive Summary

The headline results for 2014-2015 are summarised below and the sections that follow, provide further details:

- In year:
 - General Fund surplus of £300k
 - Housing Revenue Account surplus of £36k
 - Collection Fund (Borough share) £35k deficit overall
 - Capital Programme of £5m financed with no borrowing

- Year-end position:
 - General Fund balance £2.3m
 - General Fund earmarked reserves balance £9.5m
 - Housing Revenue Account balance £2.4m
 - Housing Revenue Account reserves balance £761k
 - Collection Fund balance (Borough share) £25k
 - Capital receipts balance £0.7m
 - Capital grants balance £3.5m

B. General Fund

The General Fund budget was revised through the year from £10.638m to £12.582m to incorporate additional revenue financing from: Efficiency Support Grant £1.175m; business rate income and reliefs £0.563m; other grants and income £0.206m.

The original budget included support of £483k from reserves to balance. In September 2014 the impacts of the early savings from the Budget Strategy and Efficiency Support Grant realised in 2013-2014 were brought into the 2014-2015 budget and there was no longer a need to use reserves to support the budget. In September 2014 the budget was revised to contribute £258k into reserves to support future budget pressures.

The result on the fund for the year is calculated after any movements with reserves; £74k was added to reserves at the year-end, showing that the complete result for 2014-2015 was a surplus of £374k. £300k was required to bring the General Fund balance to the calculated risk assessed minimum and £74k was added into reserves.

Comparing the original budget deficit of £483k to the complete result of £374k highlights in-year savings and reductions of £857k. The following table identifies where the savings and reductions have occurred and more details are provided at **Appendix 1** for items 1 to 6:

Item	£k
1. Staff related costs	87
2. Office related costs	185
3. Contracted services	126
4. Commercial properties	203
5. Income	216
6. Treasury portfolio	90
Revenue contribution to capital	(50)
Business Rate Retention income	550
Less contribution to Business Rate income reserve	(550)
Sub-total of savings and reductions	857
Remove the original budget's use of reserves	(483)
Total surplus for 2014-2015	374
Less contribution to reserves from the surplus	(74)
Result: contribution to General Fund balance	300

The excess Business Rate Retention income has been moved to reserves as it is a volatile item in terms of budgeting and the Council's finances. The reserve will be used to mitigate losses in future years and is explained further in the Collection Fund section of this report. This includes £0.2m from the Cumbria business rate pool; just over £2m was retained in Cumbria through the pooling arrangement for 2014-2015.

The outturn is presented at **Appendix 2** in a subjective analysis and at **Appendix 3** in an objective analysis; the objective analysis is based on the services attributable to the Management Board officers excluding the Executive Director (ultimately responsible for all services). These figures are presented to highlight the in-year core net expenditure separate to that funded by reserves, grants and matched additional in-year income, as well as excluding technical accounting (pension, accrued leave and capital accounting).

C. Housing Revenue Account

The Housing Revenue Account (HRA) budget was originally set as balanced and had a revised outturn of a £176k deficit. The actual outturn for the fund was a £36k surplus; however this is after an additional contribution towards the repayment of debt of £400k.

Comparing the £176k expected deficit to the £36k surplus outturn highlights in-year savings and reductions of £212k. The following table identifies where the savings and reductions, and reduced income have occurred:

Item	£k
Planned maintenance rescheduled into 2015-2016	291
Reduced bad debt provision contribution required	221
Office related costs	157
Staff related costs	99
Non-dwelling depreciation and impairment	54
Other items	15
Sub-total of savings and reductions	837
Income from water charges	(115)
Income from leaseholders	(110)
Total surplus for 2014-2015	612
Less contribution towards the repayment of debt	(400)
Variance between budget and outturn	212

D. Collection Fund

The in-year result for council tax was a surplus of £90k. There is a statutory override governing the figures included in each year's accounts:

- Actual result for 2014-2015 £4.061m
- Precept set with the budget £3.971m
- **£90k surplus returned to General Fund in 2016-2017**

The in-year collection rate for council tax in 2014-2015 was 96.76%; this was 96.6% for 2013-2014.

The in-year result for business rates was a deficit of £125k. Similar to council tax, there is a statutory override governing the figures included in each year's accounts:

- Actual result for 2014-2015 £9.260m
- Share determined with the budget £9.385m
- **£125k deficit returned/charged to General Fund:**
 - £241k surplus returned in 2015-2016
 - £366k deficit returned in 2016-2017

A surplus for 2014-2015 was declared in January 2015, prior to two key events. From 1st April 2015, the appeals process has altered and restricts the backdating of rateable value appeals; this led to an influx of unexpected appeals in February and March 2015. Also, the overall rateable value of the hereditaments on the Council's rating list reduced by £1.7m due to a large deletion from the list.

Business rate is a large income stream for the Council and is proving to be volatile and unpredictable; the rateable valuations and appeals are outside the Council's control. As previously mentioned in this report, the excess business rate income from 2014-2015 has been set aside into a volatility reserve.

The in-year collection rate for business rates in 2014-2015 was 98.69%; this was 98.4% for 2013-2014.

The collection fund adjustment account contains the Borough share of council tax and business rate results yet to be distributed. At 31st March 2015 the account contained the net £35k deficit from 2014-2015 and the net £10k surplus from 2013-2014; totalling £25k. The 2013-2014 net surplus will be distributed in 2015-2016.

E. Capital Programme

The capital programme of £5m was spent in the following areas:

- Housing planned maintenance £1.9m
- Marina village land assembly £0.7m
- Individual elector Home Office project £0.5m
- Disabled facilities grants £0.4m
- Market Hall £0.2m
- James Freel Close business units £0.2m
- Farm Street play area £0.2m
- West Shore coastal defence £0.2m
- Roa Island jetty £0.2m
- Town Hall £0.1m
- Other projects £0.4m

This expenditure was financed without any new borrowing from the following sources:

- Major repairs reserve £1.9m
- Revenue and reserves £1.6m
- Capital grants £1.5m

At 31st March 2015 the unapplied capital reserves were:

- Asset sale receipts of £0.7m
- Capital grants of £3.5m; £2.9m of this balance relates to Clusters of Empty Homes projects being delivered in 2015-2016.

The capital receipts and grants are fully used in the current capital programme and £650k of further asset sales are required to balance the full programme.

F. General Fund Reserves and Balances

The General Fund financial reserves during 2014-2015 were:

1 April 2014 £000		31 March 2015 £k
2,000	General Fund balance	2,300
1,548	General Fund reserve	1,548
5,329	Restructuring reserves	4,305
646	Ring-fenced reserves	606
1,888	Other earmarked reserves	2,371
786	Earmarked revenue grants	691
12,197		11,821

The financial reserves were reclassified in line with the adopted Reserves and Balances Policy during 2014-2015, resulting in the following balances:

	31 March 2015 £k
General Fund balance	2,300
Restructuring: Medium Term Financial Plan support	2,870
Restructuring: service transformation	778
Renewals reserve	1,990
Insurance reserve	100
Losses reserve	631
Budget contingency reserve	1,371
Ring-fenced reserves	606
Other earmarked reserves	484
Earmarked revenue grants	691
	11,821

These reserves were anticipated to be £9.058m at 31st March 2015; the main items of variance are:

- £1.2m slippage on capital spend – into 2015-2016
- £0.6m on-going service transformation – into 2015-2016
- £0.8m set aside from revenue in the year (business rate income volatility and funding for the local plan) – 2015-2016 onwards

Details of the General Fund reserves held at 31st March 2015 are attached at **Appendix 4**.

G. Approval of Movements in Reserves

The movements in the General Fund financial reserves for 2014-2015 are shown at **Appendix 5**.

The movements in reserves that have previously been approved are not repeated here, but there are a number of items where formal approval is requested:

Restructuring: Medium Term Financial Plan support

- £43k used to top-up the General Fund bad debt provision
- £408k added for unspent Efficiency Support Grant
- £74k added from the overall surplus result for 2014-2015

Renewals reserve

- £27k added for the cremator rebuild from additional in-year income

Budget contingency reserve

- £510k added for business rate volatility from additional in-year income
- £131k added for the local plan from additional in-year income
- £40k added for the Cumbria business rate pool volatility

H. HRA Reserve and Balance

The Housing Revenue Account financial reserves during 2014-2015 were:

1 April 2014 £000		31 March 2015 £k
2,377	Housing Revenue Account balance	2,413
597	Major repairs reserve	761
2,974		3,174

£291k of the balance is set aside for planned maintenance commitments. The major repairs reserve is planned to be used for cyclical planned maintenance works.

I. Treasury Management

There was no new borrowing taken out in 2014-2015 and no loans were repaid. The total debt of £39.5m (24 loans) is split, £26.1m Housing Revenue Account and £13.4m General Fund. No loans are maturing in 2015-2016.

The temporary deposits of cash generated £102k in interest earned. At 31st March 2015 £14m was placed on short term investment. The cash position will reduce during 2015-2016 as amounts received and earmarked will be defrayed (such as Cluster of Empty Homes and capital programme financing).

The annual treasury management review is attached at **Appendix 6**. The treasury transactions all complied with Council policy and no limits were breached during 2014-2015.

J. Main Income Streams

Commercial property rents (excluding ring-fenced properties)

The commercial property rent income is in the region of £1m per annum. The income achieved compared to the budget for 2014-2015 resulted in a full year gain of £153k; this includes a large backdated rent review.

Cemetery and Crematorium services

The income for 2014-2015 was £779k; for 2013-2014 this was £775k.

Car parking pay and display sales

The income for 2014-2015 was £611k; for 2013-2014 this was £618k. (Contract spaces for 2014-2015 generated £160k; for 2013-2014 this was £135k.)

Park Leisure Centre facilities

The income for 2014-2015 was £652k; for 2013-2014 this was £664k. (Soccer Centre income for 2014-2015 was £47k; for 2013-2014 this was £8k).

Recycling reward

The reward for 2014-2015 was £566k; for 2013-2014 this was £534k (the reward is based on tonnage and the rate per tonne increased in 2014-2015).

K. Write Offs

In the process of collecting amounts owed to the Council it is sometimes necessary to write off amounts due. All of the amounts written off during 2014-2015 are within the delegation of the Director of Resources and the amounts are:

- Council tax - Borough share £26k; total £191k
- Business rates – Borough share £56k; total £141k
- Housing rents system £92k
- Other services £1k

The bad debt provisions have been assessed at 31st March 2015 and are sufficient to cover potential losses in amounts owed to the Council.

L. Provisions

As part of the Business Rates Retention Scheme, the Council is liable for successful appeals against business rates in the proportionate share; 50% Central Government, 40% for this Council and 10% for Cumbria County Council. The Council has a provision for unsettled appeals and at the 31 March 2015 this was £402k.

The Council also holds a provision for the 15% levy on MMI claims under the scheme of arrangement of £20k; and a provision for the costs of previous early retirements of £23k at 31st March 2015.

These provisions have been assessed at the 31 March 2015 and are sufficient to cover the potential liabilities of the Council.

M. Discretionary Housing Payments

The Council made 397 DHP awards in 2014-2015 and these totalled £82k; for 2013-2014 there were 366 awards totalling £74k.

N. Efficiency Support Grant

£767k of the £1.175m efficiency grant has been spent in 2014-2015:

- Staff savings and senior management restructuring £101k
- Revenue reduction from capital investment £138k
- Transformation programme £6k
- Invest to save £425k
- Other efficiency measures £97k

The £408k carried forward to 2015-2016 is committed to:

- Revenue reduction from capital investment £63k
- Transformation programme £194k
- Other efficiency measures £151k

O. Medium Term Financial Plan

The Medium Term Financial Plan 2015-2020 has not been revised at this stage as there are no significant impacts from the 2014-2015 final accounts that have not already been taken into account when setting the 2015-2016 budget and the projections for subsequent years.

Should the ongoing in-year budget monitoring identify areas for consideration, the plan will be reviewed and reported with the quarterly monitoring report; a full redraft will be carried out during the budget setting exercise.

P. Budget Strategy

In closing the 2013-2014 accounts it was highlighted that the Budget Strategy 2012-2016 had achieved the required reduction in the net running costs of £5m and this has been sustained in the 2015-2016 budget.

Until the financial settlement proposals are available it is not possible to risk assess the Medium Term Financial Plan assumptions. It is very likely that the grants reductions in the current assumptions will be too low.

Q. Statement of Accounts

The draft Statement of Accounts was published on the Council's website on 30th June 2015 and submitted to Grant Thornton LLP for auditing. The Statement of Accounts accompanied by the Annual Governance Statement will be presented to the Audit Committee on 24th September 2015.

The Comprehensive Income and Expenditure Statement (CIES) within the Statement shows the cost of services at £7.9m. This figure includes the Housing Revenue Account and the technical accounting entries that are excluded from the General Fund figures set out in this report. The figures can be reconsolidated as follows:

- General Fund outturn (net expenditure) excluding reserves etc. £7.7m
- Expenditure funded by reserves etc. £1m
- Technical accounting: pension and accrued leave £0.3m
- Technical accounting: capital accounting £2.5m
- Less the Housing Revenue Account £3.6m
- **CIES Cost of Services £7.9m**

(i) Legal Implications

The recommendation has no significant implications.

(ii) Risk Assessment

The recommendation has no significant implications.

(iii) Financial Implications

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

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

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

(vi) Health and Wellbeing Implications

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

Background Papers

Draft Statement of Accounts

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 8
Date of Meeting:	29th July, 2015	
Reporting Officer:	Executive Director	
<p>Title: North Central Renewal Area – Site of Buccleuch Court Flats</p> <p>Summary and Conclusions:</p> <p>Members are recommended to dispose of a derelict site within the North Central Renewal Area.</p> <p>Recommendation:</p> <p>To authorise the Executive Director to dispose of the site on the open market.</p>		

Report

The Council acquired Buccleuch Court Flats (numbers 29-75 Buccleuch Court) at the end of 2006, and demolished the buildings during 2007. A plan of the site is attached at **Appendix 7**. The site has been vacant and fenced off since that time. Attempts were made to enter into a development agreement with either a private developer or a social landlord. However, to date it has not been possible to facilitate development on this site in this way. It is estimated that the site would accommodate 6-8 family houses.

Over time, the fencing has become increasingly dilapidated, and the site is overgrown. There remains little or no interest from Registered Social Landlords to develop in Barrow. Furthermore, development by a private developer is not likely to take place if the Council attempts to place any restrictions on the transfer of the land in the form of a development agreement. It is therefore recommended that the site is offered for sale on the open market.

(i) **Legal Implications**

No significant legal implications have been identified.

(ii) **Risk Assessment**

No significant corporate risk has been identified.

(iii) **Financial Implications**

Sale of the site will result in a small capital receipt for the Council.

(iv) Health and Safety Implications

There are no significant Health and Safety issues.

(vi) Equality and Diversity

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

(vii) Health and Well-being Implications

The recommendation has no detrimental effect on the Health and Wellbeing of residents.

Background Papers

Nil.

EXECUTIVE COMMITTEE	(R) Agenda Item 9
Date of Meeting: 29th July, 2015	
Reporting Officer: Assistant Director – Community Services	
<p>Title: Establishment of a Market Liaison Committee</p> <p>Summary and Conclusions:</p> <p>To establish a Liaison Committee as an open and constructive channel of communication between Members and tenants of the Market and agree its constitution. The Executive Committee is asked to agree on how many Councillors should sit on the Liaison Committee and appoint appropriate representatives.</p> <p>Recommendations:</p> <p>To recommend the Council:-</p> <ol style="list-style-type: none"> 1. To establish a Market Liaison Committee, with the terms of reference set out in Appendix 8 attached to this report; and 2. To agree to appoint appropriate Members to represent the Council thereon. 	

Report

The Council has recently invested considerable capital monies into the refurbishment of the Market Hall. The Market is an important element of the Town's retail offer and it is important that it thrives and encourages enterprise. It sustains not only existing and long established businesses, but also acts as an entrepreneurial hub for new businesses.

With the proposed establishment of a Barrow Business Improvement District, and the need to work together to improve the vitality of the Town Centre, it is considered that the formal channel of communication between the Council and tenants should be established. The Council appointed in May, is working on its budget strategy and plans for the next four years and in the light of the considerable challenges facing Town Centres, this Liaison Committee will be extremely useful.

It is recommended that the proposed Barrow Markets Liaison Committee will report to Scrutiny Committee.

(i) Legal Implications

Not Applicable.

(ii) Risk Assessment

Negligible risk.

(iii) Financial Implications

Secretariat support and Officer time.

(iv) Health and Safety Implications

Reinforce good practice and corporate policies.

(v) Key Priorities or Corporate Aims

Supports the Council's vision that:

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

(vi) Equality and Diversity

Meets Council policy.

(vii) Health and Well-being Implications

Raise aspirations.

Background Papers

Nil.

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 10
Date of Meeting:	29th July, 2015	
Reporting Officer: Assistant Director - Regeneration and Built Environment		
<p>Title: Thorncliffe Crematorium Refurbishment</p> <p>Summary and Conclusions:</p> <p>The report seeks your approval to award the contract for the above works to</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. To appoint Allison Construction Ltd under the 2011 JCT Intermediate Building Contract with contractors design to carry out the proposed works in the sum of £329,820; and 2. To agree that on completion of the works to proceed with the sale of the existing Borough Cemetery Gatehouse. 		

Report

Thorncliffe Crematorium, off Devonshire Road and Thorncliffe Road in Barrow occupies a fairly central position within the wider cemetery site. The proposals bring considerable design improvements to the building as well as much-needed improvements for visitors to the premises. In addition the general office will be relocated from the Grade 2 Listed Borough Cemetery Gatehouse (1874) to within the refurbished crematorium building.

Planning Permission was granted on 10th March, 2015. The tender is for the construction of new office/reception accommodation, together with associated staff areas. The chapel entrance is to be widened and new bi-folding doors installed. The interior of the chapel is to be refurbished, with new carpet and timber floor finishes, brick cladding to the face of the catafalque, replacement plasterboard ceiling and redecoration throughout. The works also include for the removal and infilling of the existing large Chapel windows.

The alterations and refurbishment works are limited to the front section of the building and includes for new finishes throughout, internal/external doors and screens and sanitary ware.

The services include for new electrical installations to the affected areas and heating installations, other areas are to have alterations to the existing installations to suit the new layout. The remaining areas to the rear of the

building including the Furnace/Plant room and rear staff accommodation do not form part of these works.

The existing roof coverings and boarding to the front of the building are to be taken up and replaced with a new insulated flat roof membrane.

The following tenders for the Thorncliffe Crematorium Refurbishment works were received and opened by the Chairman of the Executive Committee on Monday 20th July, 2015:

Allison Construction Ltd	£329,820.00
Contractor A	£340,680.00
Contractor B	£364,132.65
Contractor C	£374,740.00
Contractor D	£438,996.20

The existing asbestos (mainly ceiling tiles and soffit boards to the Chapel roof) to the rooms at the front of the building and within the Chapel area will be carried out prior to commencing the proposed building works. The electrical works required to the Furnace/Plant room areas will be carried out as part of the enabling works. This will also involve the installation of a new distribution board to serve the Chapel and rooms at the front of the building affected by the refurbishment works.

Between mid-October 2015 and the end of March 2016 whilst the Chapel remains closed, temporarily, services will be carried out within St. Matthews Church, Church of England, Harrogate Street, Barrow-in-Furness. Cremations will be unaffected during the proposed refurbishment works.

The works are programmed to last for approximately 25 weeks, commencing on Monday 12th October 2015. On completion of the refurbishment works and once the staff have been relocated the Grade 2 Listed Gatehouse will be put up for sale.

(i) Legal Implications

The Contractor will be required to take a bond out and the Contract will be signed and sealed following approval.

(ii) Risk Assessment

The project shall be programmed and managed safely following a hierarchy of risk control and safe systems of working. The hierarchy shall be based on elimination, reduction, control and personal protection as a minimum. Information on significant risks identified during the design have been provided within the pre-construction information.

(iii) Financial Implications

The recommendation has no financial implications. Funding is contained within the Councils capital programme.

(iv) Health and Safety Implications

A Construction Phase Health and Safety Plan will be produced by the Contractor before commencement for approval by the Councils CDM-C advisor. Baker Mallet will perform all duties under Health and Safety Executive (HSE) Notifiable works, covered by the Construction (Design and Management) Regulations 2015 (CDM 2015). The construction phase plan will identify arrangements for controlling significant site risks.

(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

Planning Committee 10th March, 2015

EXECUTIVE COMMITTEE	(D) Agenda Item 11
Date of Meeting: 29th July, 2015	
Reporting Officer: Executive Director	
Title: Town Centre Shop Front Grants and support for Town Centre Initiatives	
Summary and Conclusions:	
<p>The Council has set aside £250,000 towards retail shop front grants, but uptake has been limited. The Barrow BID process, if supported through a ballot, will result in additional short and medium term costs to the Council and these could be met from the reallocation of finance set aside for retail shop front grants.</p>	
Recommendations:	
To agree:-	
a) to reduce the round 3 Shop Front Grant Scheme allocation to £120,000;	
b) to allocate £5,000 towards stage 2 of BID development;	
c) to finance the BID ballot with an estimated cost of £5,000;	
d) to ringfence additional NNDR payments over the lifetime of the BID scheme - £30,000;	
e) to allocate a maximum of £20,000 towards preparation of a Traffic Study for Barrow; and	
f) that £70,000 is made available to support the BID proposals and other town centre initiatives.	

Report

Shop Front Grants

In September 2014 Members agreed to set aside £250,000 to support a third round of Shop Front Grants for retail premises in Barrow, Dalton and Askam. The funding was committed over 2014/15 and 2015/16. The first two rounds of Shop Front Grants supported 100 premises with an additional three grant applications still outstanding. Following evaluation of rounds 1 and 2, grant rates for round 3 were increased to a maximum contribution of 75% of the cost of eligible works capped at £5000. To date 14 have come forward in round 3. The Council has

tried to market the scheme through the local branch of the Federation of Small Businesses, but given the slow take-up notwithstanding improved grant rates, it seems reasonable to conclude that the scheme is approaching capacity and take-up of the full allocation is unlikely.

Barrow Business Improvement District (BID)

In recognition of the commercial pressures operating on town centres, the Council funded a viability study for a Business Improvement District in Barrow (Feb 2014), the Council accepted the findings of the viability study and resolved to:-

1. Support appointment of KOLEK Consulting to support the BID Steering Group move to stage 1 of BID development.
2. Agreed to provide £1,000 to support this.
3. Agreed in principle to support a proportion of the costs of stage 2 BID preparation.

The BID Steering Group is now at the point of preparing the proposition on which the BID will be presented to businesses and have asked the Council, in view of its earlier resolution, to match Cumbria County Council's contribution towards stage 2 of £5,000.

BID's operate by pooling an additional levy of 1-2% on NNDR on commercial properties within the BID area over a five year period. Whilst the boundary of the BID has yet to be agreed, it is clear that the Council will pay additional NNDR on operational and vacant properties within the BID. These include the Town Hall, Forum, car parks and other vacant buildings in our ownership. On current valuations and levels of occupancy, I estimate the additional cost to the Council will be £6,000 pa over a five year period assuming a 2% levy, and it would be prudent to set aside finance to meet this additional cost.

In addition, the Council are obliged to pay the cost of conducting the BID ballot. Based on experience from other BIDs, I estimate this will be £5,000. Ballots are usually conducted by the Electoral Reform Society.

Town Centre Partnership Group

The Council continues to support the Partnership Working Group on the town centre and this group, through Cumbria County Council, has commissioned a traffic study planning traffic and pedestrian flows through the town centre as a basis for future improvement and policy development. The work is currently out to tender and the Council has been asked to match CCC's £20,000 contribution towards the work.

Taking these issues and costs together it is clear the Council faces additional medium term expenditure (subject to the outcome of the BID ballot) as follows:-

i)	Support for BID development	5,000
ii)	Bid ballot costs	5,000 (estimate)
iii)	Additional NNDR payments in BID proceeds	30,000
iv)	Traffic Study for Barrow Town Centre	20,000
	<u>Total:</u>	<u>60,000</u>

Given that Shop Front Grants appear to have reached their capacity, it would seem prudent to limit allocations to £120,000 which would allow 24 properties, at maximum grant level, to proceed. This would allow the Council to fund the additional commitments above from the balance of £130,000 leaving £70,000 available to support the BID proposals and other town centre initiatives.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

An expenditure proposal is already budgeted.

(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

EXECUTIVE COMMITTEE		Part One (D) Agenda Item 12
Date of Meeting:	29th July, 2015	
Reporting Officer:	Executive Director	
<p>Title: Executive Director – Performance Appraisal 2015</p> <p>Summary and Conclusions:</p> <p>In accordance with the agreed policy of the Council, the Council Leader and Deputy Leader have agreed key objectives for the Executive Director.</p> <p>Recommendations:</p> <p>To note the key objectives to January 2016 as detailed in the report.</p>		

Report

Council is in the process of rolling out performance appraisals to all staff during the 2015/16 financial year in accordance with your agreed policy. The Executive Director is appraised by the Leader and Deputy Leader of the Council. It was agreed that as a new administration would be taking office in May 2015, the appraisal should be interim and conducted again when the new administration had established its strategic policies, particularly in response to further reductions in Government Grant.

For this reason they are largely a continuation of existing objectives. The following key objectives were agreed for this period.

1. To lead on the Council's response to economic growth and regeneration of the Borough.
2. To prepare a four year Budget Strategy for consideration by Council taking into account reductions in Government Grant.
3. To maintain an overview of the current national and local position on devolution and structural reform of local government.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has no financial implications.

(iv) Health and Safety Implications

The recommendation has no implications.

(v) Equality and Diversity

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

(vi) Health and Well-being Implications

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

Background Papers

Nil

EXECUTIVE COMMITTEE	(R) Agenda Item 13
Date of Meeting: 29th July, 2015	
Reporting Officer: Executive Director	
Title: Risk Management Policy	
Summary and Conclusions:	
The Council's Risk Management Policy has been reviewed and updated. The policy sets out the Council's approach to risk management and the risk assessment process adopted.	
Recommendations:	
To recommend that Council approve the Risk Management Policy.	

Report

The Council's Risk Management Policy is attached at **Appendix 9**. The document sets out the purpose of the policy and explains the Council's approach in identifying and then assessing risks and mitigating actions.

The key considerations when identifying and assessing risks are:

- What is the worst that could happen?
- What is the likelihood of it happening?
- What would be the impact if it did?
- What can we do about it?

The policy sets out the matrix used by Management Board in initially assessing the risk score in terms of impact and likelihood, and also the subsequent re-score once mitigating factors are taken into consideration.

Mitigating factors lead onto the management of risk and there are four possible scenarios:

- Tolerate the risk.
- Treat the risk.
- Terminate the risk.
- Transfer the risk to a third party.

The possible mitigations will depend on the particular risk being assessed and will identify which of the four scenarios the risk falls into. If the result does not fit

within the Council's risk appetite (not tolerable, not treatable, can't be terminated or transferred) then alternative actions will need to be identified.

The policy determines that an initial risk score of 15 will be the threshold for mitigating actions to be identified.

The Council has a corporate risk register and an operational risk register. These are published on the Council website and are periodically reviewed.

Members are asked to recommend that Council approve the Risk Management Policy.

(i) Legal Implications

The recommendation has no implications.

(ii) Risk Assessment

The recommendation updates the Council's Risk Management Policy to reflect best practice.

(iii) Financial Implications

The recommendation has no implications.

(iv) Health and Safety Implications

The recommendation has no significant implications.

(v) Equality and Diversity

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

(vi) Health and Well-being Implications

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

Background Papers

Nil

General Fund 2014-2015

Reductions in expenditure and increases in income

This analysis is concerned with the original budget excluding the use of reserves; it also excludes any items funded from additional income such as Efficiency Support Grant and any technical accounting entries (indirect costs).

1. Staff related costs	Saving
Homeless Support Officer post vacant all year	£29k
Staff training (in-year training funded from other sources)	£24k
Officers travel reimbursements	£14k
Former employee pension fund costs reduced	£20k
Total	£87k

2. Office related costs	Saving
Reduction in spend on utilities net of increased repair costs	£14k
Rationalised ICT equipment and support	£69k
Officer conference costs and Member training	£22k
Efficient spend on other equipment and office supplies	£80k
Total	£185k

3. Contracted services	Saving
Changes to contracted services	£74k
Inflation assumptions	£52k
Total	£126k

4. Commercial properties	Saving
Additional rents and reduced liabilities from properties let:	
• Craven House (includes a one-off rent settlement)	£186k
• Other commercial properties	£17k
Total	£203k

5. Income	Saving
Net subsidy position on pre-audit Housing Benefit claim	£65k
Net additional service income (fees and charges)	£49k
Net additional general Government grants received	£5k
Support services charged to the HRA (including office space)	£97k
Total	£216k

6. Treasury portfolio	Saving
Interest earned on short term temporary deposits	£57k
Required amount set-aside to repay debt (capital financing)	£33k
Total	£90k

General Fund 2014-2015
Subjective Analysis

	2014-2015 Core Outturn	2014-2015 Ledger	Reserves, grants & matched income
Staff pay	4,593,947.54	4,689,805.05	95,857.51
Staff other costs	31,546.49	100,666.82	69,120.33
Transport	88,439.54	88,756.62	317.08
Property	1,351,893.27	1,689,431.33	337,538.06
a Supplies & services	2,048,975.49	3,129,885.30	1,080,909.81
Contracted services	6,573,547.68	6,582,594.65	9,046.97
Housing benefits	8,442.62	- 31,557.38	- 40,000.00
Commercial properties	- 1,144,993.54	- 1,278,431.46	- 133,437.92
b External income	- 5,031,895.06	- 5,469,842.40	- 437,947.34
Direct costs	8,519,904.03	9,501,308.53	981,404.50
Internal income	- 839,747.06	- 827,758.69	11,988.37
Net expenditure	7,680,156.97	8,673,549.84	993,392.87
External interest earned	- 104,270.89	- 104,270.89	-
External interest paid	584,643.26	584,643.26	-
Minimum revenue provision	926,500.80	926,500.80	-
Contribution to capital	50,070.00	188,404.02	138,334.02
Pension fund costs	1,132,335.49	1,132,335.49	-
Reserves/adjustments	-	806,980.37	806,980.37
Net revenue budget	10,269,435.63	12,208,142.89	1,938,707.26
Revenue support grant	- 3,113,620.00	- 3,113,620.00	-
Business rate retention	- 2,816,710.00	- 3,379,685.54	- 562,975.54
c Other grants	- 721,513.99	- 2,026,516.55	- 1,305,002.56
Council tax	- 3,991,597.21	- 4,062,326.37	- 70,729.16
Total revenue financing	-10,643,441.20	-12,582,148.46	- 1,938,707.26
Surplus on the year	- 374,005.57	- 374,005.57	-
Added to reserves	74,005.57	74,005.57	-
Result for General Fund	- 300,000.00	- 300,000.00	

Items a, b and c are detailed overleaf.

These figures exclude technical accounting: pensions, accrued leave and capital accounting.

General Fund 2014-2015

Subjective Analysis

a Supplies & Services

Funded by reserves: insurance	8,034.74	
Funded by reserves: renewals	5,398.00	
Funded by reserves: CCTV	16,552.56	
Funded by reserves: grants to external bodies	13,350.00	
Funded by reserves: restructuring reserve	168,314.87	
Funded by reserves: welfare support	56,970.00	
Funded by reserves: sports facilities	56,290.00	
Funded by reserves: service specific grants	143,549.01	468,459.18
In year income: efficiency support grant	275,373.55	
In year income: elections & IER grants	109,034.34	
In year income: additional service income	147,825.51	532,233.40
In year movements: with other headings	80,217.23	80,217.23
		<u><u>1,080,909.81</u></u>

b External income

Added to reserves: renewals (cremator)	- 27,230.36	
Added to reserves: contingency (local plan)	- 130,803.75	- 158,034.11
In year expenditure: elections & IER spend	- 113,116.42	- 113,116.42
In year expenditure: additional service spend	- 166,796.81	- 166,796.81
		<u><u>- 437,947.34</u></u>

c Other grants

Added to reserves: efficiency support grant	- 408,420.95	
Added to reserves: service related grants	- 127,961.06	- 536,382.01
Used in year: efficiency support grant	- 766,579.05	
Used in year: RTI DWP grant	- 2,041.50	- 768,620.55
		<u><u>- 1,305,002.56</u></u>

General Fund 2014-2015

Objective Analysis

	2014-2015 Core Outturn	2014-2015 Ledger	Reserves, grants & matched income
Corporate, democratic and support services	763,184.95	1,393,935.65	630,750.70
Community services	3,889,685.65	4,194,889.73	305,204.08
Revenues and benefits	2,181,977.62	2,215,350.47	33,372.85
Regeneration and the built environment	751,761.82	775,827.06	24,065.24
Parish precepts	93,546.93	93,546.93	-
Net expenditure	<u>7,680,156.97</u>	<u>8,673,549.84</u>	<u>993,392.87</u>

2014-2015 Core Outturn	Corporate	Community	R&B	Regeneration	Parishes	Total
Staff pay	1,618,704.01	1,579,769.06	75,736.53	1,319,737.94		4,593,947.54
Staff other costs	28,886.49	2,660.00				31,546.49
Transport	18,591.92	27,476.33	183.20	42,188.09		88,439.54
Property	155,463.61	1,129,858.90		66,570.76		1,351,893.27
Supplies & services	894,914.37	623,355.58	68,129.33	369,029.28	93,546.93	2,048,975.49
Contracted services	286,801.98	3,581,212.98	2,698,086.12	7,446.60		6,573,547.68
Housing benefits			8,442.62			8,442.62
Commercial properties		- 148,485.20		- 996,508.34		-1,144,993.54
External income	- 35,746.36	-3,589,799.00	- 730,799.32	- 675,550.38		-5,031,895.06
Internal (income)/charges	-2,204,431.07	683,637.00	62,199.14	618,847.87		- 839,747.06
Net expenditure	<u>763,184.95</u>	<u>3,889,685.65</u>	<u>2,181,977.62</u>	<u>751,761.82</u>	<u>93,546.93</u>	<u>7,680,156.97</u>

2014-2015 Ledger	Corporate	Community	R&B	Regeneration	Parishes	Total
Staff pay	1,636,068.11	1,666,330.82	75,736.53	1,311,669.59		4,689,805.05
Staff other costs	98,006.82	2,660.00				100,666.82
Transport	18,909.00	27,476.33	183.20	42,188.09		88,756.62
Property	367,171.46	1,250,855.11		71,404.76		1,689,431.33
Supplies & services	1,340,072.13	783,733.31	181,039.18	731,493.75	93,546.93	3,129,885.30
Contracted services	286,801.98	3,590,259.95	2,698,086.12	7,446.60		6,582,594.65
Housing benefits			- 31,557.38			- 31,557.38
Commercial properties		- 121,010.64		- 1,157,420.82		-1,278,431.46
External income	- 148,862.78	-3,689,052.15	- 773,336.32	- 858,591.15		-5,469,842.40
Internal (income)/charges	-2,204,231.07	683,637.00	65,199.14	627,636.24		- 827,758.69
Net expenditure	<u>1,393,935.65</u>	<u>4,194,889.73</u>	<u>2,215,350.47</u>	<u>775,827.06</u>	<u>93,546.93</u>	<u>8,673,549.84</u>

Reserves, grants & income	Corporate	Community	R&B	Regeneration	Parishes	Total
Staff pay	17,364.10	86,561.76	-	- 8,068.35	-	95,857.51
Staff other costs	69,120.33	-	-	-	-	69,120.33
Transport	317.08	-	-	-	-	317.08
Property	211,707.85	120,996.21	-	4,834.00	-	337,538.06
Supplies & services	445,157.76	160,377.73	112,909.85	362,464.47	-	1,080,909.81
Contracted services	-	9,046.97	-	-	-	9,046.97
Housing benefits	-	-	- 40,000.00	-	-	- 40,000.00
Commercial properties	-	27,474.56	-	- 160,912.48	-	- 133,437.92
External income	- 113,116.42	- 99,253.15	- 42,537.00	- 183,040.77	-	- 437,947.34
Internal (income)/charges	200.00	-	3,000.00	8,788.37	-	11,988.37
Net expenditure	<u>630,750.70</u>	<u>305,204.08</u>	<u>33,372.85</u>	<u>24,065.24</u>	<u>-</u>	<u>993,392.87</u>

General Fund **Earmarked Reserves at 31 March 2015**

The Council has the following earmarked reserves:

Service restructuring – these reserves hold the budget support identified in the Medium Term Financial Plan and the funds set aside for efficiency changes.

- Support for the Medium Term Financial Plan **£2.87m**
- Service transformation **£778k**:
 - Efficiency projects £195k
 - Service transformation £250k
 - Service restructuring £333k

Renewals £1.99m - this reserve holds the revenue funds set aside for capital projects and cyclical renewal of major items.

- Public buildings major works £458k
- Financing for the capital programme £1.469m
- Efficiency projects £63k

Insurance £100k - this reserve holds the funds set aside for excesses payable over the medium term.

Losses £631k - this reserve holds the funds set aside for the partial exemption VAT threshold, the MMI scheme of arrangement and any uninsured losses.

- Exempt VAT recovery £171k
- MMI scheme of arrangement £210k
- Uninsured losses £250k

Other earmarked reserves – these consist of:

- **Contingency reserve £1.371m** – this reserve holds the funds set aside to cover one-off items that are not set in the revenue budget, including business rate volatility.
 - Business rate volatility £510k
 - Efficiency projects £250k
 - Furness Economic Development Forum £150k
 - Budget variations £150k
 - Local Plan £131k
 - Local elections £80k
 - Work in default £50k
 - Cumbria Business Rate Pool volatility £40k
 - KOFAC £10k

General Fund Earmarked Reserves at 31 March 2015

Ring-fenced reserves

- **Ring-fenced properties £606k** – this reserve holds the excess income from operating industrial units funded by the North West Development Agency (now Homes and Communities Agency); the reserve is ring-fenced for expenditure or investment in these industrial units.
 - James Freel Close £515K
 - Woodbridge Haven £91k

Other earmarked reserves £484k

- **Apprenticeships reserve** – this reserve holds the funds set aside for the five apprentice positions created in 2014-2015; £205k.
- **CCTV** – this reserve holds the funds set aside for the CCTV service; CCTV will be provided by the Police and Crime Commissioner during 2015-2016; £91k.
- **Welfare support reserve** – this reserve holds the funds set aside to support discretionary housing payments and transitional assistance for supported welfare organisations; £188k.

Earmarked revenue grants

- **Revenue grants £691k** – this reserve holds the revenue grants income which have no claw-back conditions attached and are yet to be applied to matching expenditure.
 - Weekly collection support scheme £299k
 - Homelessness £142k
 - Recycling reward scheme £94k
 - Other grants £156k

General Fund 2014-2015
Movements in financial reserves

The reclassification of reserves noted in these tables all net to zero and were agreed as part of the current Reserves and Balances Policy.

General Fund balance	£m
1 April 2014	2.0
Added in-year: to meet policy minimum	0.3
31 March 2015	2.3

Reclassified financial reserves (headings ended)	£k
1 April 2014	2,862
Used in-year: sports facilities	(56)
Used in-year: grants to external bodies	(44)
Reclassified: budget setting support	(1,200)
Reclassified: general reserve	(1,548)
Reclassified: grants to external bodies	(14)
31 March 2015	0

Restructuring: Medium Term Financial Plan support	£k
1 April 2014	3,719
Used in-year: financing the capital programme	(1,221)
Used in-year: professional fees for services	(120)
Used in-year: bad debt provision	(43)
Used in-year: KOFAC	(5)
Added in-year: Efficiency Support Grant	408
Added in-year: result for 2014-2015	74
Reclassified	58
31 March 2015	2,870

Restructuring: service transformation	£k
1 April 2014	-
Reclassified	778
31 March 2015	778

Renewals reserve	£k
1 April 2014	546
Used in-year: public buildings major works	(116)
Added in-year: set aside for cremator rebuild	27
Reclassified	1,533
31 March 2015	1,990

General Fund 2014-2015
Movements in financial reserves

Insurance reserve	£k
1 April 2014	286
Used in-year: insurance excesses	(8)
Reclassified	(178)
31 March 2015	100

Losses reserve	£k
1 April 2014	750
Reclassified	(119)
31 March 2015	631

Budget contingency reserve	£k
1 April 2014	-
Added in-year: business rate volatility	510
Added in-year: local plan	131
Added in-year: Cumbria business rate pool volatility	40
Reclassified	690
31 March 2015	1,371

Ring-fenced reserves	£k
1 April 2014	646
Used in-year: capital works	(221)
Added in-year: rental income above costs	181
31 March 2015	606

Other earmarked reserves	£k
1 April 2014	602
Used in-year: apprentices	(45)
Used in-year: CCTV	(16)
Used in-year: welfare support	(57)
31 March 2015	484

Earmarked revenue grants	£k
1 April 2014	786
Used in-year: applied to matching expenditure	(223)
Added in-year: awaiting matching expenditure	128
31 March 2015	691

Annual Treasury Management Review

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2014-2015. This review meets the requirements of both the Code of Practice for Treasury Management and the Prudential Code for Capital Finance in Local Authorities.

The treasury position at 31 March 2015 is shown in the following tables:

General Fund	Total debt	Investments	Net debt
2014-2015			
31/3/2015 principal	£13.4m	(£14.0m)	(£0.6m)
Average rate	4.37%	0.6%	
Average life	29.7 years	0.36 years	
Capital Financing Requirement	£22.6m		
Under borrowed by	(£9.2m)		
2013-2014			
31/3/2014 principal	£13.4m	(£11.0m)	£2.4m
Average rate	4.37%	0.55%	
Average life	30.7 years	0.2 years	
Capital Financing Requirement	£23.5m		
Under borrowed by	(£10.1m)		

Housing Revenue Account	Total debt
2014-2015	
31/3/2015 principal	£26.1m
Average rate	3.32%
Average life	16.1 years
Capital Financing Requirement	£21.8m
Over borrowed by	£4.3m
2013-2014	
31/3/2014 principal	£26.1m
Average rate	3.32%
Average life	17.1 years
Capital Financing Requirement	£23.3m
Over borrowed by	£2.8m

Annual Treasury Management Review

The Borrowing Requirement and Debt

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

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

31/3/2014 Actual CFR		31/3/2015 Budget CFR	31/3/2015 Actual CFR
£23.5m	General Fund	£24.4m	£22.6m
£23.3m	Housing Revenue Account	£22.1m	£21.8m
£46.8m	Total	£51.2m	£44.4m

The General Fund Capital Financing Requirement has benefitted from not borrowing for capital financing in recent years.

The Housing Revenue Account Capital Financing Requirement includes the additional voluntary revenue provision (set aside to repay debt) in 2014-2015.

Borrowing Outturn

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

Investment Outturn

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

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

The Council maintained an average balance of £16.5m of internally managed funds. Invested funds and funds held for daily cashflow needs, earned an average rate of return of 0.5%; £102k. The comparable performance indicator is the average 7-day LIBID rate, which was 0.35%.

The short term investments at the 31 March 2015 were held with:

Cambridge; Leeds; Manchester; Nottingham; Skipton; Building Societies £1m
Cumberland; Newcastle; West Bromwich; Building Societies £2m
National Counties Building Society £3m

Annual Treasury Management Review

Prudential and Treasury Indicators

During 2014-2015 the Council complied with all legislative and regulatory requirements.

In addition to the Capital Financing Requirement, the key prudential and treasury indicators detailing the impact of capital activities during the year are as set out in the following table:

2013-2014 Actual		2014-2015 Budget	2014-2015 Actual
£5.3m	Capital expenditure – General Fund	£1.8m	£3.1m
£2.1m	Capital expenditure - HRA	£1.8m	£1.9m
£39.5m	Total external debt	£39.5m	£39.5m
(£11.0m)	Investments – all under a year	(£11.0m)	(£14.0m)
£28.5m	Total net borrowing	£29.5m	£25.5m

In order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.

Gross borrowing should not exceed the 2014-2015 Capital Financing Requirement, plus the expected changes for the next two years; this allows the Council some flexibility to borrow in advance of the immediate capital need.

The gross borrowing of £39.5m is below the 2014-2015 Capital Financing Requirement of £44.4m.

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

The operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is above the boundary is acceptable. The limits for 2014-2015 are shown in the following table:

	General Fund	HRA	Council
Authorised limit	£18.6m	£36.4m	£55.0m
Maximum gross borrowing	£13.4m	£26.1m	£39.5m
Operational boundary	£15.9m	£26.1m	£42.0m
Average gross borrowing	£13.4m	£26.1m	£39.5m

Annual Treasury Management Review

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

2013-2014 Actual		2014-2015 Budget	2014-2015 Actual
11%	General Fund	13%	11%
18%	Housing Revenue Account	18%	22%

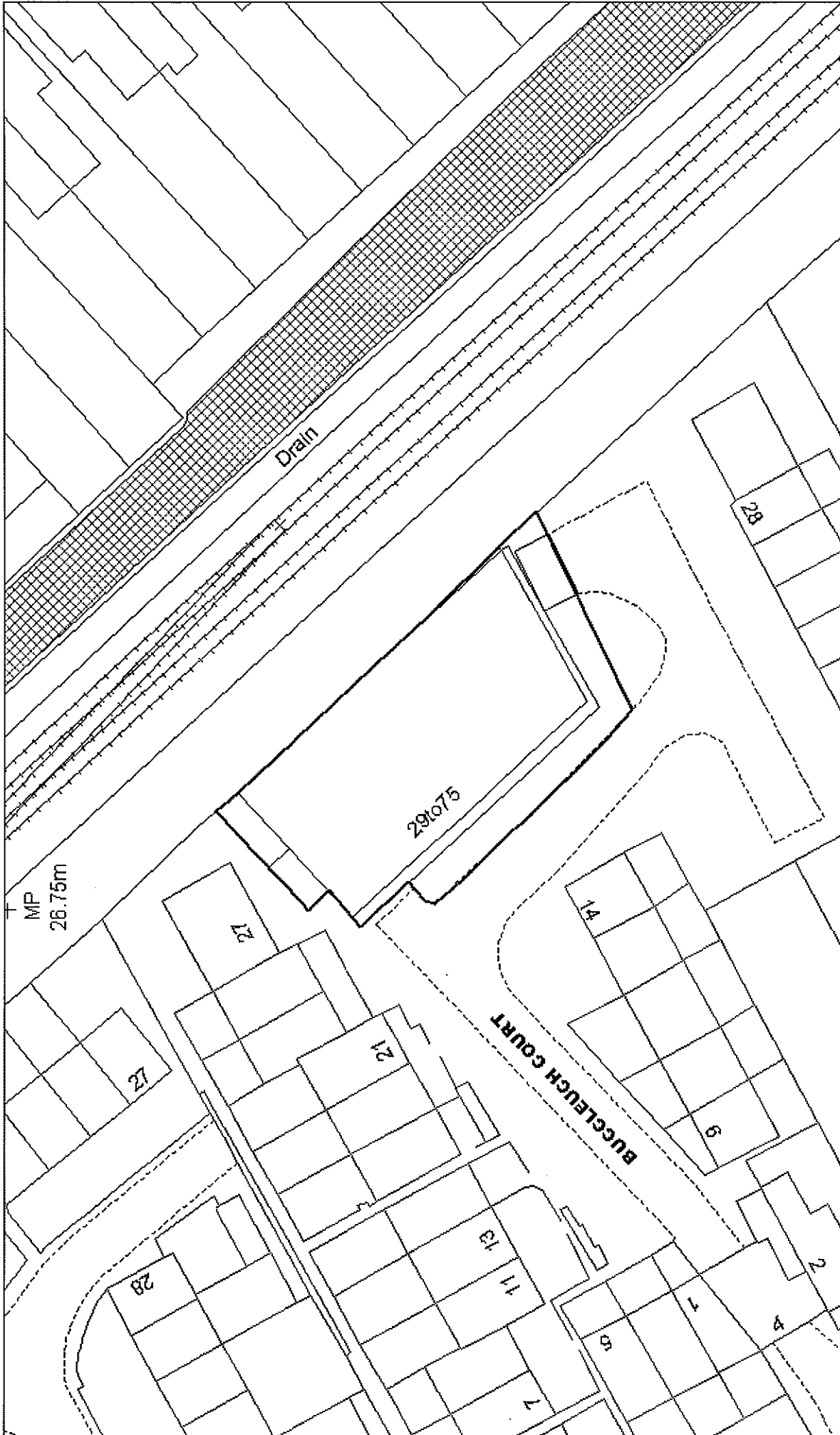
There is no incremental impact of capital decisions on council tax or housing rent levels to be reported.

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

31/3/2014	PWLB	31/3/2015
£2m	Between 2 and 5 years	£3m
£5m	Between 5 and 10 years	£5m
£5m	Between 10 and 15 years	£5m
£6.85m	Between 15 and 20 years	£5.85m
£8.239m	Between 20 and 25 years	£8.239m
-	Between 25 and 30 years	-
-	Between 30 and 35 years	-
£12.39m	Between 35 and 40 years	£12.39m
-	Between 40 and 45 years	-
£39.479m		£39.479m

There were no investments beyond 364 days and all investments held at the year-end will mature by the 21 August 2015.

The Council had no exposure to variable rates in 2014-2015 as all debts and investments were held at fixed rates. The limit for exposure to fixed rates is up to 100% of the portfolio; up to 30% for variable rates.



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CONSTITUTION OF THE BARROW MARKETS LIAISON COMMITTEE

TITLE

The Committee shall be called the “Barrow Markets Liaison Committee” (hereinafter called “the Committee”).

Role of the Committee

- (a) An open and constructive channel of communication between Members and tenants of the Market to work together to sustain the vitality and viability of the Market.
- (b) To stimulate the Market's role in the wider retail offer of Barrow Town Centre.
- (c) To encourage best practice and entrepreneurship.

Terms of Reference

The Committee's Minutes shall be reported to the Council's Scrutiny Committee for their information and approval.

Representation

The Committee shall consist of the following full members:-

- (a) 4 representatives from the Market tenants. Each representative must be a current leaseholder and nominated by 3 current leaseholders. If nominations are oversubscribed the Council will organise a ballot.
- (b) Such Councillors as are determined by the Council.
- (c) A representative of the National Market Traders Federation.
- (d) A representative of the Furness Branch of the Federation of Small Businesses

The Committee may invite individuals to attend a meeting for a specific purpose.

Such Officers as are necessary to advise the Committee shall attend relevant meetings, but may not take part in any voting.

The Council will arrange for a Secretary to administer the Committee.

Chair and Vice-Chair

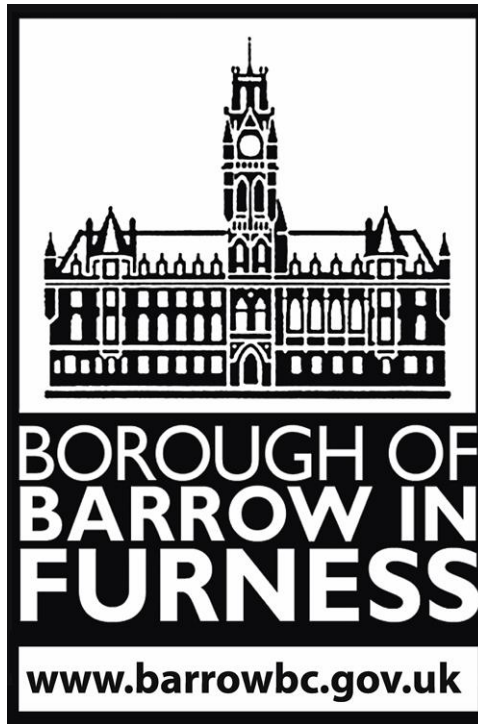
At the first meeting in the municipal year, the Committee shall elect a Councillor as Chair and Vice-Chair.

Rules and Regulations

1. The Committee shall meet approximately three times each municipal year.
2. The Chair may instruct the Secretary to call a meeting at any time, allowing for two weeks notice.
3. The matters to be discussed at any meeting of the Committee shall be stated on the Agenda of the meeting, provided that Any Other Business may be considered if so agreed by the Committee.
4. The quorum of the Committee shall be one quarter of those full members entitled to attend.

Formal resolutions shall be regarded as carried if approved by a majority of full members, although it is recognised that the Committee is best served by unanimous decisions.

Version AT/July2015



Version Control: Version 2	
Document Name:	Risk Management Policy
Version:	Version 2
Author:	Corporate Support Apprentice
Approved by:	
Date Approved:	
Review Date:	

Risk Management Policy

Introduction and purpose

This policy defines Barrow Borough Council's approach to risk management.

Barrow Borough Council has adopted a balanced approach to risk management. The Council recognise that good risk management will support and improve the decision making process, increasing the likelihood of objectives being achieved and enabling the Council to quickly respond to new threats and opportunities.

Risk management is about understanding the opportunities and risks that could help or prevent us in trying to deliver our intended outcome.

Understanding and managing our threats or risks comes down to four questions:

- What's the worst that could happen to us?
- What's the likelihood of it happening?
- What would be the impact if it did?
- What can we do about it (i.e. how can we prevent it from happening or what can we put in place to manage it if it should?)

Robust risk management will also help us to explore and take up opportunities as they are identified.

Good risk management does not mean that we are to take greater risks, nor that we avoid taking risks. Rather, strong risk management gives us a better understanding of the risks and opportunities that we face and how we can best manage them.

The real value of strong risk management lies in the benefits it will deliver. These benefits will be varied in their nature and extent, some might be more significant than others, but they will all be important to the council's reputation and ability to deliver an improved public service.

Some of the benefits we can expect to realise include:

- Supporting and improving the decision making process;
- Improved public confidence in our ability to deliver services (our reputation);
- Early warning of problems;
- Prioritisation of resources;
- Improved business planning by focussing on the outcome not the process.

Barrow Borough Council's approach

The Council's approach to risk management is to support the main requirements of good corporate governance:

Strong leadership:

- Elected Members and Senior Managers will support and promote strong risk management through out the Council.

The Elected Members:

- The Executive Committee approve the Risk Management Policy Statement and subsequent revisions. They consider the Risk Management implications when making decisions. Also they agree the Council's appropriate responses to its highest risks.
- The Leader of the Council will be responsible for the overview of the Council's Risk management activities.
- Audit Committee review the councils risk policy. They also determine whether the response to managing the risk reflect the Council's Risk Policy.

Senior Managers:

- Ensure that there is a robust framework in place to identify, monitor and manage the Council's operational risks and opportunities. Also make sure that there is a management and quarterly review of the corporate risk register. Along with demonstrating a commitment to the embedding of risk management across the Council.

Consistent:

- There will be a robust structure and a consistent approach to risk management throughout the Council. We will use a risk management framework to equip our staff so they can manage risks appropriately.

Open and Transparent:

- Our approach to managing risks will be open and clear. The Council will promote a learning culture and blame will not be placed if decisions that have been made turn out to be wrong. Staff and Members have access to information on our current risks and opportunities and how we are managing them. Corporate risks will be recorded in the Council's Risk Register, which is published on the Barrow Borough Council's website.

Accountable:

- There will be clear accountability for our risks across the organisation. Our risks will be open to regular Internal Audit and Audit Committee inspection and also monitored by external agencies.
- Appropriate risk-taking and innovation will be encouraged and promoted through a 'no blame' culture.

The approach to effective risk management will be based on identifying the risk, assessing the risk and managing the risk.

Identifying the risk:

- The manager will use their experience of their work area to identify threats.

Assessing the risk:

- Management Board will assess the risk using a standard risk matrix.

Impact / Likelihood	1: Insignificant	2: Minor	3: Moderate	4: Significant	5: Major
1: Almost never					
2: Unlikely					
3: Uncertain					
4: Likely					
5: Almost always					

Managing the risk:

We will deal with significant risks in one of the four ways described below:

1: Tolerate the risk. As an organisation we should accept that sometimes it is appropriate to continue with activities even though we know that it involves taking a risk. For a risk where the benefits significantly outweigh the disadvantage, we should consider that to be acceptable when:

- We can put controls in place to mitigate the risk.
- The risk cannot be mitigated cost effectively.

When identifying controls remember to establish the cost of the controls before implementing them

2: Treat the risk. This involves reducing the risk to an acceptable level either by containment actions or contingent actions.

Mitigating actions involve actions that can reduce the likelihood of occurrence or reduce the impact if it does occur. These are applied before the risk emerges.

Contingent actions involve having an action plan of what we can do to minimise the impact if the risk occurs. These are applied after the risk has appeared.

3: Terminate the risk: This involves doing things differently and thus removing the risk. This option is more applicable to operational risks but is limiting in terms of strategic risks

4: Transfer the risk to a third party: Examples of this include insurance or paying contractors to undertake some of the Council’s functions. This is a good way of mitigating financial risks and buying in expertise from other organisations.

When managing and controlling our risks, our actions should be proportionate - the cost and time of our efforts should be in balance with the potential impact of the risk.

Management Board will identify mitigating actions to reduce the likelihood and/or impact.

Once a threat has been identified, the likelihood and impact of the threat is assessed and a risk score is established. The Council has identified a risk score of 15 above which it will take specific action to lower the likelihood and/or impact of the risk to a residual risk score that the Council deems to be acceptable.

Where possible a timescale will be agreed for the implementation of the mitigating actions and bring the risk score down to an acceptable level.

An example of how this works is shown below.

Recording the risk: This is identified in the Council’s risk register:

Risk category: Corporate financial risks

Inherent risk score					Residual risk score					
C1	Threat	Likelihood	Impact	Score	Potential impact	Mitigating actions	Responsible Officer	Likelihood	Impact	Score
	Impact of changes to the benefit system on income for the housing Department	5	5	25	75% of the Services income is received through Housing Benefit. At 2012 rents this equated to £7.1m. Of the 2700 tenancies 2039 receive help with their housing cost through Housing Benefit. The introduction of Universal Credit and changes to how tenants receive support with housing costs, including no direct payments to landlords, poses a risk to the Services income. The loss of housing benefit for under occupation of bedrooms is also having an impact on tenants.	A six point plan will be progressed to mitigate the risk focusing on the introduction of Universal Credit, new under-occupation rules, changes to non-dependant deductions and a Communication Plan. The Service has recently reviewed it's Income Strategy. It will operate a firm but fair approach to assist tenants during the changes whilst ensuring rents due are collected. A new post has been created to assist with income recovery it is anticipated that this post will be cost neutral. Housing officers carry out a pre-tenancy interview to understand who their customers are and how it will be best to engage with them in the future.	Assistant Director - Housing	5	4	20

The Risk Register is a record of the Council’s risks and is periodically reviewed and published to monitor the progress made in reducing the scores of individual risks. It also contains the risk owners and the mitigating actions they have put in place.

Delivery of the annual objectives

The Council will use a similar approach for managing the risks that may affect delivery of the Council’s annual objectives. The Corporate Support Manager will agree risk assessment for the Council’s objectives with appropriate managers. If there is a high risk of an objective not being achieved Management Board will determine whether an action plan is required to mitigate the risk.

Staff responsibility

Responsible Officer

- Have responsibility for the development and implementation of action plans

All Staff

- Be aware of the risks and control mechanisms within their area of work
- Report any new risks to their line manager

Corporate Support Manager

- Develop and maintain risk register.
- Monitor the implementation of action plans.
- Prepare reports for senior managers and Members.
- Arrange training in risk management for Councillors and Officers.

Training

- The Council provide appropriate risk management training for staff involved in risk management and for elected members as required.

Risk Policy Publication

- The Corporate Support Apprentice will ensure the latest version of the Risk Management Policy is published.