



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 22ND FEBRUARY 2012
AT 3.00 P.M.

COMMITTEE ROOM, THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

MEMBERS: Councillors R. Hollingworth (Leader), Mrs. M. A. Sherrey JP (Deputy Leader), Dr. D. W. P. Booth JP, M. A. Bullivant, C. B. Taylor and M. J. A. Webb

AGENDA

1. To receive apologies for absence
2. Declarations of Interest
3. Referral from Council - Motion on Free Parking for Blue Badge Holders

At its meeting on 18th January 2012, the Council agreed:

That the following motion submitted by Councillor L. C. R. Mallett be referred to the Cabinet for consideration in the context of an officer report currently being prepared.

“Noting the increasing pressure being put on disabled people as a result of cuts to benefits and services as well as the forthcoming rise in charges for blue badges, Council resolves to reintroduce free parking in Bromsgrove District Council car parks for blue badge holders with effect from April 2012.”

4. Referral from the Council - Motion on CCTV

At its meeting on 18th January 2012, the Council agreed:

That the following motion submitted by Councillor P. M. McDonald be referred to the Cabinet for consideration as part of the budget process so that relevant facts and figures could be reported and taken into account.

“That this Council no longer monitors CCTV coverage outside of Bromsgrove and Redditch and gives due notice of this to those it may concern.”

5. Medium Term Financial Plan 2012/13 - 2014/15 (Pages 1 - 10)
6. Fees and Charges 2012/13 (Pages 11 - 12)
7. Treasury Management Statement (Pages 13 - 42)
8. Financial Monitoring Report - Quarter 3 2011/12 (Pages 43 - 64)
 - Appendices For Item 5 - Medium Term Financial Plan 2012/13 - 2014/15 (Pages 65 - 80)
 - Appendix For Item 6 - Fees And Charges 2012/13 (Pages 81 - 96)
 - Appendix For Item 7 - Treasury Management Statement (Pages 97 - 98)
 - Appendices For Item 8 - Financial Monitoring Report Quarter 3 (Pages 99 - 104)
9. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

K. DICKS
Chief Executive

The Council House
Burcot Lane
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Worcestershire
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14th February 2012



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Declaration of Interests - Explained

Definition of Interests

A Member has a **PERSONAL INTEREST** if the issue being discussed at a meeting affects the well-being or finances of the Member, the Member's family or a close associate more than most other people who live in the ward affected by the issue.

Personal interests are also things relating to an interest the Member must register, such as any outside bodies to which the Member has been appointed by the Council or membership of certain public bodies.

A personal interest is also a **PREJUDICIAL INTEREST** if it affects:

- The finances, or
- A regulatory function (such as licensing or planning)

Of the Member, the Member's family or a close associate **AND** which a reasonable member of the public with knowledge of the facts would believe likely to harm or impair the Member's ability to judge the public interest.

Declaring Interests

If a Member has an interest they must normally declare it at the start of the meeting or as soon as they realise they have the interest.

EXCEPTION:

If a Member has a **PERSONAL INTEREST** which arises because of membership of another public body the Member only needs to declare it if and when they speak on the matter.

If a Member has both a **PERSONAL AND PREJUDICIAL INTEREST** they must not debate or vote on the matter and must leave the room.

EXCEPTION:

If a Member has a prejudicial interest in a matter being discussed at a meeting at which members of the public are allowed to make representations, give evidence or answer questions about the matter, the Member has the same rights as the public and can also attend the meeting to make representations, give evidence or answer questions **BUT THE MEMBER MUST LEAVE THE ROOM ONCE THEY HAVE FINISHED AND CANNOT DEBATE OR VOTE.**

However, the Member must not use these rights to seek to improperly influence a decision in which they have a prejudicial interest.

For further information please contact Committee Services, Legal, Equalities and Democratic Services, Bromsgrove District Council, The Council House, Burcot Lane, Bromsgrove, B60 1AA

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MEDIUM TERM FINANCIAL PLAN 2012/13 – 2014/15

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

1.1. To provide information to enable Cabinet to recommend to Full Council the approval of the Medium Term Financial Plan to include the budget allocation for revenue and capital during the period 2012/13 – 2014/15.

2. RECOMMENDATIONS

2.1 It is recommended that Executive Cabinet recommend to Full Council :

2.1.1 Approval of the high revenue bids as identified in Appendix A of:

2012/13	£78k
2013/14	£43k
2014/15	£43k

2.1.2 Approval of the savings and additional income as identified in Appendix B of:

2012/13	£814k
2013/14	£1.549m
2014/15	£2.282m

2.1.4 Approval of the high capital bids as detailed in Appendix C of:

2012/13	£ 631k
2013/14	£ 3.526m
2014/15	£5.253m

2.1.3 Approval of the use of balances of £113k for 2012/13

2.1.4 Approve the pay policy as attached at Appendix E

3. KEY ISSUES

Financial Implications

- 3.1 The Council on 23rd February 2011 approved a medium term financial plan that included the Revenue and Capital budget requirements for 2012/13 -2013/14. This report updates the plan by addressing identified pressures and savings together with updating the budget proposals to 2014/15.
- 3.2 As part of the budget planning officers have considered the services provided to the community and have put forward additional funding requests “bids” for both revenue and capital expenditure to ensure services can be improved across the District. These bids have been considered at Officer and Member level and have been assessed as being High, Medium or Low depending on an assessment of their priority. Within the summary statement at 4.4 only those rated as “High” have been included for funding within the medium term financial plan. These bids are detailed at Appendix A (revenue) and C (capital). The schedule also includes the bids that have been classed as Medium or Low for Members information.
- 3.3 Officers have also identified a number of budget pressures that have either been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2011/12 together with any issues that have been raised as fundamental to maintaining service provision as part of the budget process. In addition income shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. These pressures include:
- Shortfall in car parking income £65k
 - Reduction in HUB funding £21k
 - Shortfall in Land Charge income £17k
- 3.4 To offset the additional costs savings have been proposed by Corporate Management Team who have sought to identify areas which could demonstrate:
- Additional income generation
 - Reduction to costs with no impact on service delivery
 - Alternative methods of service delivery / more efficient working practices / shared / collaborative working to realise savings
 - Reduction in cost of services which do not directly impact on the Councils priorities
- 3.5 The savings/ additional income details are shown in Appendix B.

- 3.6 The Council has faced a reduction in Grant Settlement from the Government of over £1.3m over a 2 year period. 2012/13 is the final year of the Comprehensive Spending Review and includes a cut of over £500k to be met from savings with the organisation.
- 3.7 It is anticipated that further cuts in Grant Settlement will be introduced for future years and officers have recommended a further 5% reduction in 2013/14 and 2014/15.
- 3.8 The current summary position includes:
- The impact of a reduction in the 2012/13 pay award to 0% - this would result in a zero pay award across the Council staff. The award has been estimated at 1% for 2013/14 and 2014/15.
 - The Revenue bids proposed as “High” by Corporate Management Team and discussed at previous Member meetings.
 - The Capital bids proposed as “High” by Corporate Management Team and discussed at previous Member meetings. The impact of these proposals would ensure that the Councils services are delivered in a quality and effective way to our customers. A number of the Capital proposals are funded by Grant or reserve currently available. The remaining projects will be funded by Capital Receipts which would result in the Council entering into borrowing arrangements in 2012/13.
 - All savings realised from the shared services implemented between Bromsgrove and Redditch and those resulting from other joint working arrangements.
 - To maintain the ICT reserve of £100k for future years to ensure facilities are available to deliver improvements in technology during transformation.
 - To establish a replacement programme for waste management plant & equipment of £30k pa
 - A reduction to the Council Tax in 2012/13 to 0%. The difference of the original assumption of 2.5% increase to be offset by Government Grant for 2012/13. In addition the grant for 2011/12 is included for 2012/13. Officer estimated increases of 2.5% have been used for 2013/14 & 2014/15.
 - A surplus of £106k from the Collection Fund for 2011/12 which can offset the revenue budgets for 2012/13.
 - Inflation at 2.5% for general services and 5% for utility costs
 - Investment interest has been estimated at 1%-1.75%
 - Pension costs have been included based on the revised actuary rate of 20.2%

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- 3.9 The revised summary position is shown below. This includes the proposed high pressures only for both revenue and capital.

	2012/13 £'000	2013/14 £'000	2014/15 £'000
Base cost of General Fund Services	12,475	12,821	13,017
Pressures – High bids & unavoidable, income shortfalls	340	268	306
Borrowing to fund capital programme	9	204	744
Shared Service Savings (approved)	-414	-514	-514
Savings (quick wins, additional income, shared services, transformation)	-814	-1,549	-2,282
Investment Income	-75	-67	-58
Recharge to capital programme	-100	-100	-100
Net operating expenditure	11,421	11,063	11,113
New Homes Bonus	-366	-366	-366
Area Based Grant	-113	-113	-113
Surplus from Collection Fund	-106		
Government Grant	-3,656	-3,315	-3,158
Assumed Council Tax @ 0% (offset by 2.5% Gov Grant) 2011/12 & 2012/13, 2.5% 2013/14 & 2014/15)	-7,067	-7,269	-7,476
Funding from balances	-113		
Overall Shortfall	0	0	0

- 3.10 The details at Appendix B show a significant saving to be realised by 2014/15 in relation to transformation and alternative ways of providing our services. A number of services are currently reviewing their service provision in line with systems thinking with the aim to deliver the savings in the future.

- 3.11 The total Capital Programme to include projects approved in February 2011 and new bids is included at Appendix C.

3.12 Investment Interest

An element within the overall medium term financial plan is Investment Interest. Members will be aware that due to the current financial climate a decision has been taken to hold investments in very low risk organisations which offer a lower rate of return than those institutions

which may be considered as slightly higher risk. The projections contained within this report include investment increases of 1% to 1.75% by 2014/15.

The quarterly finance report will report the position on the investments generated by the Council and detail any changes as a result of changes to the base rate.

3.13 Balances

- 3.13.1 The current projected level of balances at 31.03.12 is £2.2m, assuming all costs approved are spent and the projected underspend of £697k for 2011/12 is realised. The proposed use of balances to fund the shortfall in 2012/13 of £323k would reduce the level to £2.1m. The current prudent level of balances for the Council is £850k.
- 3.13.2 The Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year.
- 3.13.3 In February 2003 CIPFA published a guidance document on Local Authority Reserves and Balances. The guidance does not prescribe the minimum level of balances to be held but recommends that consideration is given to the strategic, operational and financial risks facing the authority. During the consultation on this document it was suggested that the recommended minimum should be 5% of net expenditure and this has been followed by a number of authorities.
- 3.13.4 5% for Bromsgrove District Council would mean maintaining balances at or around £600k. However, just a 1% variation in gross income and gross expenditure is equivalent to £330k which would result in a significant reduction in balances. The increased pressures on limited resources as demonstrated by the projected increases in formula grant, the increases in utility costs, and the fluctuations in income receipts and interest rates together with the impact of the economy on increased service demand may impact on the delivery of services within existing budgets over the 3 year period. In addition, there will be initial costs associated with the delivery of the longer term savings as a result of joint or shared service working. These costs could be funded from general fund balances if sufficient funds were available.
- 3.13.5 It is therefore considered, taking the above issues into account that a general fund revenue balance of £850k is a prudent minimum level.

3.14 Fees and charges

3.14.1 A report is to be presented to this meeting to propose the fees and charges to be levied as part of the formal approval of the medium term financial plan. The income realised from any increases have been included in the proposed financial projections.

3.15 Consultation

3.15.1 The Budget Jury process was held again in July and October/November. The Budget Jury was designed to engage residents in the budget-setting process more effectively and involve them from the outset rather than consulting them at a stage when there was little opportunity for their input to be taken into account by senior officers and Members.

3.15.2 From July-November 2011 a series of four meetings was held with a single group of fifteen (twelve completed all four sessions) residents who were randomly selected. The Executive Director of Finance and Resources, the Policy Manager and Policy Officer facilitated each Budget Jury meeting. The reasoning behind using the same participants throughout was to enable them to build up an understanding of the budget setting process and to provide them with the opportunity to articulate their concerns and specify their preferences for Council priorities/purposes, express support for and deliberate particular budget bids and have their questions answered at each stage. Feedback from the budget jury in the consideration of the bids is attached at Appendix D. Their feedback was also considered as part of the Strategic Purpose sessions at the end of last year

3.15.3 Overview and Scrutiny have received updates on the budget over the period to ensure all Members are aware of the financial constraints facing the Council.

3.16 Capital Programme

3.16.1 As part of the Medium Term Financial Plan the Capital Programme has been reviewed by officers and bids have been proposed for consideration to ensure services can be improved. The criteria used for the assessment of schemes includes:

- Enable delivery of the Councils priorities

- Maintain existing assets to standards suitable for service delivery.
- Improve and acquire assets to meet service and customer needs.
- Improve the stewardship of assets; spend to save (innovative schemes that will secure the Council a better rate of return than the investment interest earned); to reduce longer-term problems and liabilities.
- Satisfy legal obligations of the Council (e.g. health and safety requirements, and compliance with the disability discrimination legislation).
- Develop community assets in areas of need.
- Maximise the use of other funds to encourage investment in specific areas such as energy efficiency, economic development and infrastructure developments (using funds derived from Section 106 agreements with developers).
- Maximise the benefits of partnership working.

3.16.2 The Capital Programmes for 2012/13 and 2013/14 were approved as part of the 3 year Financial Plan for 2011/12. The projects approved have been reviewed with the aim to reduce funding requirements whilst still maintaining service delivery. In addition the consideration of the service Business Plans has resulted in new schemes being proposed for 2012/13 – 2014/15 to meet the priorities of the Council. The proposed new bids and the overall Capital Programme is attached at Appendix C for consideration.

3.16.3 If Members approve the level of Capital Spend to 2014/15 the Council will be subject to borrowing during 2012/13. This cost has been included in the budget projections.

3.17 Pay Policy

The Localism Act requires English and Welsh local authorities to produce a Pay Policy Statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March 2012 for the financial year 2012/13. The Pay Policy Statement for the Council is included at Appendix E

The statement must set out policies relating to—

- (a) the remuneration of its chief officers,
- (b) the remuneration of its lowest-paid employees, and
- (c) the relationship between—
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

The provisions within the Localism Act bring together the strands of increasing accountability, transparency and fairness in the setting of local pay

3.18 Legal Implications

Local Government Act 2003

3.18.1 There are a number of requirements that the Council's Section 151 Officer (the Council's designated Senior Finance Officer) has to include in the budget report. These are set out below, together with S.151 comments on each of the issues:

- a) The level and use of reserves to be formally determined by the Council must be informed by the judgement and advice of the Chief Financial Officer (CFO).

Section 151 Officer's comments: Review of general fund balances included above in report (4.8).

- b) The CFO to report the factors that have influenced his/her judgement in the context of the key financial assumptions underpinning the budget, and ensure that his/her advice is formally recorded. Where that advice is not accepted, this should be formally recorded in the minutes of the meeting.

Section 151 Officer's comments: The main assumptions included in the calculation of the budget are included within the report. The budget updates and considerations at previous Committee meetings have been formally recorded.

- c) The report should include a statement showing the estimated opening balance on general fund reserves for the year ahead, any contribution to/from the fund, and the estimated closing balance.

Section 151 Officer's comments: statement included in this report (4.8)

- d) The report should show the extent to which reserves are financing ongoing expenditure.

Section 151 Officer's comments: included in the report. Balances to fund 2012/13 only no further recommendations to finance ongoing expenditure.

- e) The report should include a statement from the CFO on the adequacy of general reserves and provisions both for the forthcoming year and in the context of the medium term financial plan.

Section 151 Officer Comments: the Council holds adequate reserves to manage future liability and financial constraints as detailed in 4.8.

- f) The report should include a statement on the annual review of earmarked reserves showing:
- i) list of earmarked reserves
 - ii) purpose of reserve
 - iii) advice on appropriate levels
 - iv) estimated opening / closing balances
 - v) planned additions / withdrawals.

Section 151 Officer's Comments: The current reserves are reported on a regular basis through the financial monitoring reports .

- 3.18.2 The Council has a legal responsibility to set a balanced budget under the Local Government Act 2003.

Service / Operational Implications

- 3.19 The services provided will be funded by the approved budget. In addition improved services can be achieved by the approval of the budget bids.

Customer / Equalities and Diversity Implications

- 3.20 All new bids / services will have an impact assessment prepared to ensure they meet the needs of all the community.

4. RISK MANAGEMENT

- 4.1 An impact assessment is undertaken of all Council bids to ensure that any impact and risk to the community is identified and addressed.

5. APPENDICES

Appendix A – Revenue Bids
Appendix B – Capital Bids & Overall Programme
Appendix C – Savings and additional income

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Appendix D – Budget Jury Feedback
Appendix E – Pay Policy

AUTHOR OF REPORT

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FEES AND CHARGES 2012/13

Relevant Portfolio Holder	Councillor Roger Hollingsworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All
Ward Councillor Consulted	No
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To set out the fees and charges to be levied on services provided by the Council as used as the basis for income targets in the Medium Term Financial Plan 2012/13 – 2014/15.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet approve the fees and charges as presented in Appendix A.

3. KEY ISSUES

Financial Implications

- 3.1 The Medium Term Financial Plan has been prepared on the basis that additional income will be generated from fees and charges. The guideline increase provided to Heads of Service was 2.5%.
- 3.2 It is proposed that the revised fees and charges will be advertised to the public within approved deadlines with a start date of 1st April 2012, or as soon as practicable thereafter, dependant upon the notice period required prior to implementation.

Legal Implications

- 3.3 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Council's statutory function.

Service / Operational Implications

- 3.5 Monitoring will be undertaken to ensure that income targets are achieved.

Customer / Equalities and Diversity Implications

- 3.7 The implementation of the revised fees and charges will be notified in advance to the customer to ensure that all users are aware of the new charges and any concessions available to them.

4. RISK MANAGEMENT

- 4.1 There is a risk that if fees and charges are not increased that income targets will not be achieved and the cost of services will increase.

5. APPENDICES

Appendix A – Fees and Charges

6. BACKGROUND PAPERS

None.

7. KEY

None

AUTHOR OF REPORT

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TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2012-13 TO 2014-15

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas
Wards Affected	All
Ward Councillor Consulted	None specific
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 A strategy statement for the treasury management and investments in relation to Bromsgrove District Council to comply with the Local Government Act 2003 and to ensure the Council demonstrates accountability and effectiveness in the management of its funds.

2. RECOMMENDATIONS

2.1 Cabinet recommends to Full Council

- 2.1.1 approval of the strategy and prudential indicators shown at Appendix 1.
- 2.1.2 approval of the Authorised Limit for borrowing at £7,500,000 if required.
- 2.1.3 approval of the maximum level of investment to be held within each organisation (i.e. bank or building society) as detailed at £3m subject to market conditions.
- 2.1.4 approval of unlimited level for investment in Debt Management Account Deposit Facility (DMADF).
- 2.1.5 approval of the updated Treasury Management Policy shown at Appendix 2.

- 2.2 That Cabinet notes that training for Treasury management has been identified and will be incorporated within the Modern Councillor Programme (Training and Development Events for Members) prioritised with all other needs.

- 2.3 That Cabinet notes the the Audit Board will undertake additional scrutiny of the Strategy during 2012/13 to ensure the Council's investments are being managed in a risk controlled environment

3. KEY ISSUES

Financial Implications

- 3.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public services (the CIPFA TM Code) and the Prudential Code require local authorities to set the Treasury Management Strategy Statement (TMSS) and Prudential Indicators each financial year. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance.
- 3.2 CIPFA has defined Treasury Management as:
- "the management of the organisation's investments, cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 3.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council's approved Treasury Management Practices and include:
- Liquidity Risk (Adequate cash resources)
 - Market or Interest Rate Risk Fluctuations in the value of investments).
 - Inflation Risks (Exposure to inflation)
 - Credit and Counterparty Risk (Security of Investments)
 - Refinancing Risks (Impact of debt maturing in future years).
 - Legal & Regulatory Risk (Compliance with statutory and regulatory requirements)
- 3.4 In addition the Local Government Act 2003 requires the Council to 'have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable'.
- 3.5 The revised guidance issued in November 2011 makes it clear that investment priorities should be security and liquidity, rather than yield and

that authorities should not rely just on credit ratings, but consider other information on risk.

- 3.6 The guidance requires investment strategies to comment on the use of treasury management consultants and on the investment of money borrowed in advance of spending needs.
- 3.7 The downgrades by both Fitch and Moody's in October 2011 to a swathe of global institutions, including UK institutions, follow the reassessment by them of the extent of support sovereigns are likely to provide to systemically important institutions in the future (lower, in both agencies' opinion) and their view that governments are now more likely to allow small institutions to fail if they get into difficulty.

In fact, Moody's pointed out at the time of the October 2011 downgrades, that the downgrade did not represent a deterioration in the financial strength of the UK Government or the banking system. Fitch's rating actions were also based on the future extent of support, which includes the recent policy recommendations of the Independent Commission on Banking.

- 3.8 The support dynamics for systemically important financial institutions have changed; in future this will be less than was the case back in 2008, but it has not disappeared altogether. The systemically important UK institutions that Bromsgrove DC would lend to if the minimum long-term rating is revised to A- are:

- Barclays Bank PLC*
- HSBC
- Lloyds TSB Bank*/ Bank of Scotland*
- Royal bank of Scotland*/ Nat West Bank – both part of the RBS Group in which the UK Government currently has a substantial shareholding.
- Santander UK Plc
- Standard Chartered Bank.
- Nationwide Building Society*.

*All of these institutions currently fall below Bromsgrove's minimum long-term criteria of A+ set within the 2011/12 strategy.

- 3.9 For the 2012/13 strategy Arlingclose (the Council's Treasury Advisor), would advise having a 12-month limit for each of the above institutions. However due to the ongoing European sovereign debt crisis and the potential impact it could have on the banking sector at large, not just in Europe, to manage

and mitigate risk, Arlingclose have advised a lower operational limit for new deposits as follows:

- A 3 month maturity limit with each of HSBC and Standard Chartered
- For each of the institutions with an asterisk, above, a one month maturity limit
- For Santander UK plc, in view of the uncertain backdrop faced by its Spanish domiciled parent, placing monies on or limiting term deposits to the next working day.

3.10 In formulating the Treasury Management Strategy and the setting of the Prudential Indicators, Bromsgrove District Council adopts the Treasury Management Framework and Policy recommended by CIPFA.

Legal Implications

3.11 This is a statutory report under the Local Government Act 2003.

Service/Operational Issues

3.12 None as a direct result of this report.

Customer/ Equalities and Diversity

3.13 None as a direct result of this report.

4. RISK MANAGEMENT

4.1 Failure to manage the Treasury Management function effectively to ensure the delivery of maximum return within a secure environment. These controls in place to mitigate these risks are as follows:

- Quarterly reporting to Overview and Scrutiny Committee and Cabinet of financial position on investments
- Monthly update from treasury advisors in respect of level of status for organisations we invest with
- Daily monitoring by internal officers of banking arrangements and cash flow implications.

5. APPENDICES

Appendix 1 - Treasury Management Strategy Statement and Investment Strategy 2011/12 to 2013/14

Appendix 2 – Treasury Management Policy Statement

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AUTHOR OF REPORT

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**Treasury Management Strategy Statement and Investment Strategy
2012/13 to 2014/15**

1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the CLG's Investment Guidance.
- 1.2 The purpose of this TMSS is, therefore, to approve:
- Treasury Management Strategy for 2012/13
 - Annual Investment Strategy for 2012/13
 - Prudential Indicators for 2012/13, 2013/14 and 2014/15
 - MRP Statement.
- 1.3 Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.
- 1.4 As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code at a meeting of the Council on 17th March 2010.
- 1.5 All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Background

- 2.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.

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- 2.2 The Authority's current level of debt and investments is set out at **Appendix A**.
- 2.3 The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2014/15. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.
- 2.4 The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

Table 1: Balance Sheet Summary Analysis

	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
CFR	7	209	5,059	9,882
Balances & Reserves	5,570	3,978	2,947	1,916
Cumulative Net Borrowing Requirement/(Investments)	(5,563)	(3,769)	2,112	7,996

- 2.5 Table 1 shows that the capital expenditure plans of the Authority cannot be funded entirely from sources other than external borrowing.

3. Interest Rate Forecast

- 3.1 The economic and interest rate forecast provided by the Authority's treasury management advisor is attached at **Appendix C**. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

4. Borrowing Strategy

- 4.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in **Appendix C** indicates that an acute difference between short and longer term interest rates is expected to continue. This

difference creates a “cost of carry” for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority’s wider financial position.

4.2 As indicated in Table 1, the Authority has a gross and net borrowing requirement 2013/14 onwards. The Authority will adopt a flexible approach to this borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

5. Sources of Borrowing and Portfolio implications

5.1 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- PWLB
- Local authorities
- Commercial banks
- European Investment Bank
- Money markets
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Leasing

6. Annual Investment Strategy

6.1 In accordance with Investment Guidance issued by the CLG and best practice this Authority’s primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yields earned on investments is important but are secondary considerations.

6.2 Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have lead to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.

6.3 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

6.4 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 2: Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	x
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	x
Commercial Paper	✓	x
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	x
Other Money Market and Collective Investment Schemes	✓	✓

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Debt Management Account Deposit Facility	✓	x
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- 6.5 A number of changes have been implemented to the investment strategy for 2012/13 in response to changes in the CLG Guidance and evolving conditions in financial markets. This results in the inclusion of corporate bonds which the CLG have indicated will become an eligible non-capital investment from 1st April 2012. However, the principal amendments are in relation to the individual institutions with which the Authority is prepared to lend its funds.
- 6.6 The Authority and its advisors, Arlingclose Ltd, select countries and financial institutions after analysis and ongoing monitoring of:
- Published credit ratings for financial institutions (minimum long term rating of A- or equivalent for counterparties; AA+ or equivalent for non-UK sovereigns) – this is lower than the A+ minimum adopted in 2011/12 and is in response to downgrades in credit ratings below A+ of many institutions considered to be systemically important to the financial system.
 - Credit Default Swaps (where quoted)
 - Economic fundamentals (for example Net Debt as a percentage of GDP)
 - Sovereign support mechanisms
 - Share Prices
 - Corporate developments, news, articles, markets sentiment and momentum
 - Subjective overlay – or, put more simply, common sense.

Any institution can be suspended or removed should any of the factors identified above give rise to concern.

The current list of countries and institutions that meet the criteria for term deposits, Certificates of Deposit (CDs) and call accounts are included in **Appendix D**. The list will be regularly updated in line with credit developments.

It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

- 6.7 **Authority's Banker** – The Authority banks with HSBC. At the current time, it *does* meet the minimum credit criteria of A- (or equivalent) long term. *Even if the credit rating falls* below the Authority's minimum criteria HSBC will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

7. Investment Strategy

- 7.1 With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.
- 7.2 In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.
- 7.3 Money market funds (MMFs) will be utilised but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. In the case of Government MMFs, the Council will ensure exposure to each Fund does not exceed 2% of the net asset value of the Fund.

8.The Use of Financial Instruments for the Management of Risks

- 8.1 Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently, the authority does not intend to use derivatives.
- 8.2 Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

9.0 Balanced Budget Requirement

9.1 The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

10. 2012/13 MRP Statement

10.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.

10.2 The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

10.3 MRP in 2012/13: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses).

10.4 MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

10.5 MRP in respect of leases that have been brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

11. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

11.1 The Executive Director of Finance and Resources will report to Cabinet on treasury management activity / performance and Performance Indicators as follows:

- Quarterly against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- The Audit Board will be responsible for the scrutiny of treasury management activity and practices.

12. Other Items

12.1 Training

CIPFA's Code of Practice requires the Executive Director of Finance and Resources to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Responsibility for scrutiny of the Treasury Management function will rest with the Audit Board. The Executive Director of Finance and Resources will ensure that adequate training is provided for all relevant Members during the Financial Year.

12.2 Investment Consultants/Treasury Advisors

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

The Council uses external consultants, Arlingclose for information and advice relating to investments. Updated information is received and monitoring undertaken by regular meetings and reports between the Executive Director of Finance and Resources and representatives from Arlingclose.

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Appendix A – Existing Investment & Debt Portfolio Position (Section 2.2)

	31/01/12 Actual Portfolio £'000
External Borrowing:	
Fixed Rate – PWLB	
Fixed Rate – Market	
Variable Rate – PWLB	0
Variable Rate – Market	0
Total External Borrowing	0
Other Long Term Liabilities:	
- PFI	7
- Finance Leases	
Total Gross External Debt	7
Investments:	
<i>Managed in-house</i>	
- Short-term monies (Deposits/ monies on call /MMFs)	18,600
- Long-term investments	0
<i>Managed externally</i>	
- By Fund Managers	0
- Pooled Funds (please list)	0
Total Investments	18,600

Appendix B

Prudential Indicators 2012/13 – 2014/15

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Net Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Executive Director of Finance and Resources reports that the authority had no difficulty meeting this requirement in 2011/12, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2011/12 Approved £'000	2011/12 Revised £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
General	2,633	3,973	3,587	5,267	5,253
Total	2,633	3,973	3,587	5,267	5,253

3.2 Capital expenditure will be financed or funded as follows:

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Capital Financing	2011/12 Approved £'000	2011/12 Revised £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Capital receipts	2,058	2,685	1,940	100	100
Government Grants	485	1,288	1,442	310	0
Major Repairs Allowance					
Revenue contributions	90	0	0	0	0
Total Financing	2,633	3,973	3,382	410	100
Supported borrowing					
Unsupported borrowing			205	4,857	5,153
Total Funding	0	0	205	4,857	5,153
Total Financing and Funding	0	0	3,587	5,267	5,253

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
General Fund	-0.56	-0.69	0.50	0.93	5.75
Total	-0.56	-0.69	0.50	0.93	5.75

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

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Capital Financing Requirement	2011/12 Approved £'000	2011/12 Revised £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
General Fund	0	7	209	5,059	9,882
Total CFR	0	7	209	5,057	9,882

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2011	£'000
Borrowing	104
Other Long-term Liabilities	5
Total	119

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2011/12 Approved £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £
Increase in Band D Council Tax	0.19	0.34	3.82	5.31

7.2 The increase in Band D council tax reflects the increases in running costs and/or increases in the provision for Capital Financing Charges.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

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8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2011/12 Approved £'000	2011/12 Revised £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Borrowing	3,500	3,500	7,500	11,000	16,000
Other Long-term Liabilities	0.0	0.0	0.0	0.0	0.0
Total	3,500	3,500	7,500	11,000	16,000

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Executive Director of Finance and Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of Cabinet.

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Operational Boundary for External Debt	2011/12 Approved £'000	2011/12 Revised £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Borrowing	2,500	2,500	6,500	10,000	15,000
Other Long-term Liabilities	0	0	0	0	0
Total	2,500	2,500	6,500	10,000	15,000

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 18 th May 2005.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross and Net Debt:

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. This indicator has been shown borrowing and investments as absolute figures rather than as a proportion, revised guidance on this indicator is awaited from Cipfa.

Gross and Net Debt	2011/12 Estimated £'000	2012/13 Authorised £'000	2013/14 Authorised £'000	2014/15 Authorised £'000
Outstanding Borrowing (at nominal value)	0	205	5,062	10,215
Other Long-term Liabilities (at nominal value)	0	0	0	0
Gross Debt	0	205	5,062	10,215
Less: Investments	5,570	3,978	2,947	1,916
Net Debt	-5,570	-3,773	2,115	8,299

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11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on (*select as appropriate*) net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / net interest paid (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments))

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

	Existing level (or Benchmark level) at 31/03/11 %	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	100	100	100	100	100	100

11.3 As the Council does not have long-term debt, the limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

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Maturity structure of fixed rate borrowing	Lower Limit for 2012/13 %	Upper Limit for 2012/13 %
under 12 months	0.00	100.00
12 months and within 24 months	0.00	100.00
24 months and within 5 years	0.00	100.00
5 years above	0.00	100.00

As the Council does not have long-term debt, the limits above provide the necessary flexibility within which decisions will be made for drawing down new loans, should it be necessary, in the appropriate maturity band.

13. Credit Risk:

13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

13.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

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14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
	2.0	2.0	2.0	2.0	2.0

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Appendix C – Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Official Bank Rate													
Upside risk						0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
1-yr LIBID													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.25	1.30	1.35	1.40	1.50	1.60	1.70	1.80	2.00	2.10	2.30	2.40	2.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.20	2.30	2.40	2.45	2.50	2.55	2.60	2.70	2.75	2.80	2.85	2.90	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	3.05	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.25	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- Momentum in economic growth is scarce.
- Conventional monetary policy has become largely redundant; the Bank of England and the US Federal Reserve have signalled their respective official interest rates will be on hold through to the end of 2012. We think that it could be 2016 before official interest rates rise.
- The Bank of England’s Monetary Policy Committee has returned to unconventional monetary policy and embarked on a further round of Quantitative Easing. There will be more to come.

Underlying Assumptions:

- Against a backdrop of turmoil within the Eurozone and the unwillingness of its politicians to acknowledge and issue a credible plan to resolve it the result is that financial markets continue to see saw between risk "on" and risk "off" daily patterns. The reality is that the risk "off" days outnumber the risk "on"

days with the implication that the growth outlook is an increasing cause for concern.

- Despite the efforts of the politicians at the Brussels summit, the initial optimism of markets has been punctured as, once again, the lack of credible detail on the delivery of action as opposed to aspirations becomes worryingly clear. The detail appears to amount to the news that President Sarkozy will head to China to secure funds for the extended EFSF.
- The MPC's decision to embark on a further £75 billion of QE – which the Minutes showed was unanimously supported – demonstrated the strength of the economic headwinds that are blowing against the nascent UK economic recovery. For growth to occur you need somebody to spend.
- Inflation increased more than predicted to 5.2% in September. Energy prices continued to be the primary cause although the markets are now less interested in inflation given the economic growth focus. The Bank's Inflation Forecasts still point to a sharp downturn in CPI into 2012 as the index effects of VAT and earlier energy price shocks subside.
- Business confidence has yet to recover sufficiently for commitment to new capital investment and employment. Taken together the levels of unemployment remain very high and are a significant drag on consumption despite reasonably robust retail sales data.
- Q3 GDP is expected to be weak but positive.
- Public Finances remain just about on track to meet the Coalition's target. With the risk of lower growth, there is very little scope for tax giveaways to boost business and consumer spending.

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Appendix D – Recommended Sovereign and Counterparty List (Section 8)

- **Group Limits** - For institutions within a banking group, the authority executes a limit of 1.5 times the individual limit of a single bank within that group.

Instrument	Country/ Domicile	Counterparty	Maximum Counterpar ty Limit %/£m	Maximum Group Limit (if applicable) %/£m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)		
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)		
Term Deposits / CDs / Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)		
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc		
Term Deposits / CDs / Call Accounts	UK	Clydesdale Bank (National Australia Bank Group)		
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc		
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society		
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)		
Term Deposits / CDs / Call	UK	Royal Bank of Scotland (RBS Group)		

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Accounts				
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank		
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group		
Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia		
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)		
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp		
Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal		
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia		
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce		
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada		
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank		
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland		
Term Deposits /	France	BNP Paribas		

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CDs / Call Accounts				
Term Deposits / CDs / Call Accounts	France	Credit Agricole CIB (Credit Agricole Group)		
Term Deposits / CDs / Call Accounts	France	Credit Agricole SA (Credit Agricole Group)		
Term Deposits / CDs / Call Accounts	France	Société Générale		
Term Deposits / CDs / Call Accounts	Germany	Deutsche Bank AG		
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV		
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank		
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten		
Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken		
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse		
Term Deposits / CDs / Call Accounts	US	JP Morgan		

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened.*

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TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Cabinet and for the execution and administration of treasury management decisions to Executive Director of Finance and Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

As CIPFA states the policy statement should also include the Council's high level policies for borrowing and investments you may wish to amend the subsequent paragraphs:

2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

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APRIL – DECEMBER (QUARTER 3) FINANCE MONITORING REPORT 2011/12

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To report to Cabinet on the Council's financial position for the period April - December 2011 (Quarter 3 – 2011/12).

2. RECOMMENDATIONS

- 2.1 That Cabinet note the current financial position on Revenue and Capital as detailed in the report.
- 2.2 That Cabinet approves the budget virements between £15k and £100k, listed in Appendix 2.
- 2.3 That Cabinet note the financial position and movements on the earmarked reserves as detailed in Appendix 1.
- 2.4 That Cabinet recommend to Council :
- 2.4.1 Approval of an increase to the 2012/13 Capital Programme of £659k to support the c/fwd requests as detailed in Appendix 3.
- 2.4.2 Approval of an increase to the Capital Programme 2012/13 of £12k, to be funded from revenue underspends to support the GIS software

3. KEY ISSUES

Financial Implications

- 3.1 A separate finance report for each department plus a council summary, is shown on the following pages.

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Revenue Budget summary Quarter 3 (April – Dec) 2011/12 – Overall Council

Service Head	Revised Budget 2011/12 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Environmental Services	4,457	1,667	1,044	-623	4,132	-325
Community Services	2,443	1,105	1,027	-78	2,275	-168
Pre-Regulatory Services	1,119	461	392	-69	1,050	-69
Leisure & Cultural Services	1,937	1,376	1,322	-54	1,867	-70
Planning & Regeneration	1,346	415	342	-73	1,291	-55
Customer Services	-40	352	305	-47	-88	-48
Finance & Resources	2,105	1,682	1,671	-11	2,111	6
Legal & Democratic Services	1,440	800	718	-82	1,347	-93
Policy, Performance & Partnerships	-24	469	425	-44	-79	-55
Business Transformation	36	925	808	-117	-119	-155
Corporate Services	688	69	319	250	1023	335
SERVICE TOTAL	15,507	9,321	8,373	-948	14,810	-697
Interest on Investments	-68	-51	-83	-32	-90	-22
Change in Financing	0	0	0	0	22	22
COUNCIL SUMMARY	15,439	9,270	8,290	-980	14,742	-697

Financial Commentary:

- The year end underspend of £620k includes additional interest on investments of £22k above that originally budgeted. The general services underspend of £620k relates to a number of factors, including:-
 1. Additional income levels have been maintained by the Development Control function following an increase in the number of planning applications received.
 2. An underspend is predicted within the Policy, Performance and Partnership function, which is partly due to the shared service provision.
 3. Following a request from the Executive Director of Finance and Resources, expenditure throughout the Council has been reduced to that deemed critical for the provision of services, this has helped to increase the level of savings attributable to services from £293k to £620k.
- The budget for Corporate Services includes the Council wide vacancy management provision and the corporate savings target. The current net underspend is £185k.
- Interest on investments remains higher than expected because of additional income received from the investment of Business Rate monies held by the Council.

Agency & Consultancy

Within the summary above there are costs associated with covering vacancies together with consultancy costs arising from the Council seeking external professional support for projects undertaken (eg Specialist employee legal advice).

	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance To date April – Dec £'000
Temporary Agency Staff	59	42	250	208
Underspend on staffing	8,270	6,289	5,798	-491
External consultancy / professional advice	258	214	312	98
TOTAL	8,587	6,545	6,360	-185

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Capital Budget summary Quarter 3 (April – December) 2011/12 – Overall Council

Department	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance To date April – Dec £'000	Projected Outturn £'000	Projected Variance £'000
Business Transformation	173	156	103	-53	159	-14
Environmental Services	1,062	994	688	-306	882	-180
Planning & Regeneration	53	40	30	-10	79	26
Regulatory Services	491	368	82	-286	491	0
Community Services	988	744	643	-101	769	-219
Legal & Democratic Services	0	0	26	26	26	26
Leisure & Cultural Services	685	75	75	0	197	-488
Budget for Support Services Recharges	100	75	75	0	100	0
Total	3,552	2,452	1,722	-730	2,703	-849

Financial Commentary:

- Expenditure has been incurred on the Perryfields Housing scheme which is progressing as planned. The budget of £200k has been committed to assist the bid by Bromsgrove District Housing Trust and West Mercia Developments to the Housing Corporation.
- Work has commenced on several projects in Leisure and Cultural Services, however

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- contracting arrangements still have to be undertaken for some projects.
- Three of the four new refuse freighters have now been delivered, other replacement fleet items have been delivered or are on order, these include sweepers, mowers and other items of plant.

3.1.1 Environmental Services	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – December) 2011/12 – Environmental Services

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Waste Management Policy	-4	-3	-8	-5	-6	-2
Depot	-47	523	445	-78	-62	-15
Car Parks / Civil Enforcement Parking	-618	-678	-642	36	-572	46
Cemeteries / Crematorium	104	31	7	-24	94	-10
Highways	324	109	22	-87	254	-70
Street Cleansing	1,383	612	531	-81	1,285	-98
Grounds Maintenance	634	267	230	-37	624	-10
Waste	2,657	857	477	-380	2,457	-200
Garage	24	-51	-18	33	58	34
TOTAL	4,457	1,667	1,044	-623	4,132	-325

Financial Commentary

- A grant received from the County Council for waste minimisation has increased the level of savings from that previously anticipated, this grant has now been included in the medium term financial plan for the following two years.

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**Capital Budget summary Quarter 3 (April – December) 2011/12
Environmental Services**

Service	Revised Budget 2011/12 £'000	Budget April – Dec 2011/12 £'000	Actual spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Depot Services	78	10	0	-10	10	-68
Vehicle & Equipment replacement programme	889	889	673	-216	846	-43
North Cemetery – Phase 2	95	95	15	-80	26	-69
TOTAL	1,062	994	688	-306	882	-180

Financial Commentary:

- An order was placed in January for Solar panels but it is uncertain whether the project will be completed by the end of March.
- Three of the four freighters have been delivered, other replacement fleet items have been delivered or are on order including sweepers, mowers and plant. The £43k under spend is requested to be carried forward to cover committed orders.
- Work has commenced on the North Cemetery and some costs have been incurred however, the budget will be required in the early part of 2012/13 financial year and a carry has been requested in this report of £69k.

3.1.2 Community Services	Quarter 3 (April – December) 2011/12
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**Revenue Budget summary Quarter 3 (April – December) 2011/12 –
Community Services**

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April – Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Housing Strategy & CMT	1,686	692	693	1	1,646	-40

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Community Safety & Transport	726	382	297	-85	592	-134
Travel Concessions	0	0	6	6	6	6
Community Cohesion	31	31	31	0	31	0
TOTAL	2,443	1,105	1,027	-78	2,275	-168

Financial Commentary

- There will be an under-spend on Community Safety and Transport due to efficiency savings achieved by the shared provision of the CCTV and lifeline service.
- There is also a vacancy within the Housing Strategy Section which has resulted in an under-spend at the year end.

Capital Budget summary Quarter 3 (April – December) 2011/12 Community Services

Service	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Strategic Housing	988	744	643	-101	769	-219
TOTAL	988	744	643	-101	769	-219

Financial Commentary:

- Expenditure has been incurred on the Perryfields Housing scheme which is progressing as planned. £200k of the budget has been committed to assist the Bromsgrove District Housing Trust/West Mercia Developments bid to the Housing Corporation. Actual expenditure will be dependant upon scheme development with payments being made to the partners by instalments on completion of 40% on land purchase, 40% commencement of site works, and the final 20% on completion subject to the original Grant agreement.
- There is a request for carry forward of the committed balance on the Disabled Facilities Grant budget and BDHT developments budget.

3.1.3 Leisure and Cultural Services	Quarter 3 (April-December) 2011/12
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Revenue Budget summary Quarter 3 (April – December) 2011/12 – Leisure and Cultural Services

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Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Parks & Open Spaces	473	133	124	-9	456	-17
Allotments	42	5	5	0	42	0
Promotions	168	99	133	35	202	34
Sports & Recreation Development	316	148	122	-26	284	-32
Property, Assets & Facilities Management	27	453	413	-40	-13	-40
Leisure Services / Sports Centres / CMT	911	539	525	-14	896	-15
TOTAL	1,937	1,376	1,322	-54	1,867	-70

Financial Commentary

- Leisure and Cultural Services are now part of the shared service provision hosted by Redditch Borough Council, all staff were transferred to Redditch on the 22nd May 2011. As part of the shared service Property, Assets & Facilities Management were transferred into Leisure & Cultural Services from Finance & Resources.
- The under spend in the Sports and Recreation Development Service is because there are currently vacancies which will be resolved within the new structure.
- The underspend within Property, Assets and Facilities Management is due to a saving in relation to business rates and the ad-hoc nature of spend for repairs and maintenance for the Council House.
- The overspend within Promotions has resulted from a net budget of £16k income for the firework display, however it is anticipated that this display will result in net expenditure of £13k Therefore resulting in a budget deficit of £29k, this has been addressed within the 2012/13 budget round.

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Capital Budget summary Quarter 2 (April – December) 2011/12 Leisure and Cultural Services

Service	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Sports Facilities	430	2	2	0	65	-365
Sanders Park	79	19	19	0	19	-60
Play Areas	146	54	54	0	113	-33
Other Schemes	30	0	0	0	0	-30
TOTAL	685	75	75	0	197	-488

Financial Commentary:

- Work has commenced on some of the capital projects, but at this stage of the financial year several schemes are still to begin. The total capital budget of £685k is all committed to schemes that were approved by Members as part of the 2011/12 budget, however contracting arrangements still have to be undertaken in relation to some of the schemes agreed.
- Due to the failure to agree a formal scheme by the Parish Council, the scheme for Alvechurch Lions has been withdrawn and will be addressed as part of 2012/13 budget round.
- The s106 monies allocated for the refurbishment and enhancement of Briar Close Play area is to be removed from the capital programme until additional monies are received from the Developer.

3.1.4 Planning and Regeneration	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – December) 2011/12 – Planning and Regeneration

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April – Dec £'000	Actual spend April – Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Building Control	12	-75	-39	36	43	31
Development Control	503	72	55	-17	474	-29

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Economic & Tourism Development	204	99	77	-22	174	-30
Emergency Planning	15	11	6	-5	14	-1
Land Charges	-57	-71	-29	42	-19	38
Strategic Planning	523	285	234	-51	497	-26
Town Centre Development	146	94	38	-56	108	-38
TOTAL	1,346	415	342	-73	1,291	-55

Financial Commentary:

- North Worcestershire Building Control Shared Service went live on 1st September 2011. The Business Case projected a small saving in the first year but extra staffing costs have been incurred in the initial stages. Fee income is also lower than budgeted levels.
- The income from planning applications within Development Control is still in excess of budget but the rate has decreased and some of the additional income has been off-set against additional staffing costs required.
- Within Economic Development the rent income from Market Stalls is exceeding that budgeted.
- The Local Land Charges Shared Service went live on 1st November 2011. The Business Case projected a saving but initial staffing costs are higher than anticipated. Income from search fees is also lower than budgeted levels.
- Strategic Planning includes a budget for consultants fees related to progressing the core strategy and associated inquiry in due course.
- The Town Centre Development budget includes an initial £25k funding from the Heritage Lottery Fund. This is the first payment for the development stage of the Townscape Heritage Initiative project and as such has not yet been spent. A further £25k is projected to be received before the end of the financial year.

Capital Budget summary Quarter 3(April – December) 2011/12 Planning and Regeneration

Service	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Town Centre Development	53	40	16	-24	65	12

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- Project Management						
Public Access Software for LLC	0	0	14	14	14	14
TOTAL	53	40	30	-10	79	26

Financial Commentary:

- Worcestershire County Council have not yet raised an invoice for Project Management costs for this financial year. The costs that have been incurred up to this point relate to design work which is required prior to the main public realm works.
- The Public Access Software for Local Land Charges has been funded from revenue but the spend is capital in nature.

3.1.5 Regulatory - Client	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – Dec) 2011/12 – Regulatory Client

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Environmental Health	1,270	595	534	-61	1,207	-63
Licensing	-173	-139	-147	-8	-181	-8
Land Drainage	22	5	5	0	24	2
TOTAL	1,119	461	392	-69	1,050	-69

Financial Commentary:

- Environmental Health transferred to Regulatory Services 1st June 2010.
- Regulatory Services paid accommodation charges to partners for the period of April to June 2011, all staff then transferred into Wyatt House in Worcester.
- Worcestershire Regulatory Shard Services transferred £300k of the under spend for financial year 2010/11 back to partners, the balance of £301k was ringfenced in accordance with the Joint Committee for future severance and redundancy costs. This Council received a refund of £31k as its share of the refunded element of the under spend.

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3.1.6 Worcestershire Regulatory Services	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – Dec) 2010/11 – Regulatory Services

The main revenue expenditure relating to Regulatory Services is reported on a quarterly basis to the Joint Committee and reflects the total costs associated with providing the service across all of the participating Councils.

Capital Budget summary Quarter 3 (April – September) 2010/11 Regulatory Services

Service	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Worcestershire Enhanced Two Tier Programme (WETT)	491	368	82	-286	491	0
TOTAL	491	368	82	-286	491	0

Financial Commentary:

The expenditure is jointly funded by all partners to the Joint Committee in accordance with the business case. Following a decision to carry out service transformation before making the decision as to the system requirements for the service, procurement of the management information system has been postponed until February 2012.

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3.1.7 Customer Services	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – December) 2011/12 – Customer Services

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Customer Services	-40	352	305	-47	-88	-48
TOTAL	-40	352	305	-47	-88	-48

Financial Commentary:

- The underspend within the customer services department is due to a number of vacancies that exist within the department and spending has been reduced to a minimum.

3.1.8 Finance and Resources	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – December) 2011/12 – Finance and Resources

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Central Overheads	840	657	569	-88	740	-100
Accounts & Financial Mgmt	19	475	475	0	25	6
Human Resources & Welfare	-15	234	249	15	4	19
Grants & Donations	93	84	83	-1	94	1
Revenues & Benefits	1,168	232	295	63	1,248	80
TOTAL	2,105	1,682	1,671	-11	2,111	6

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Financial Commentary:

- There is a predicted shortfall in relation to benefit subsidy received by the Council. It is estimated that this will reduce due to recovery of benefit overpayment which is repaid to offset any reduction in subsidy due to errors made on benefit calculations.

3.1.9 Legal, Equalities and Democratic Services

Quarter 3 (April – Dec) 2011/12

Revenue Budget summary Quarter 3 (April – December) 2011/12 – Legal, Equalities and Democratic Services

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Democratic Services & Member Support	1,185	344	331	-13	1,169	-16
Elections & Electoral Services	263	196	137	-59	197	-66
Legal Advice & Services & CMT	-8	260	250	-10	-19	-11
TOTAL	1,440	800	718	-82	1,347	-93

Financial Commentary:

- There will be an under-spend on Elections and Electoral services due to the National Referendum taking place on the same day as the District Elections.
- There are some small salary under-spends also within other areas of the department.

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Capital Budget summary Quarter 3 (April – December) 2011/12 Legal, Equalities and Democratic Services

Service	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Elections & Electoral Services	0	0	26	26	26	26
TOTAL	0	0	26	26	26	26

Financial Commentary:

- This scheme relates to a new electoral system, Xpress, the scheme will be funded from Revenue Reserves.

3.1.10 Policy, Performance and Partnerships | Quarter 3 (April – December) 2011/12

Revenue Budget summary Quarter 3 (April – December) 2011/12 – Policy, Performance and Partnerships

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Printing	-2	69	44	-25	-31	-29
Corporate Admin / Central Post	-9	138	134	-4	-10	-2
Policy & Performance & SMT	-13	262	247	-15	-37	-24
TOTAL	-24	469	425	-44	-79	-55

Financial Commentary:

- There is an under-spend at the end of quarter 3 which is projected to the end of the financial year, this is due to the shared service provision of Policy and Performance and a vacancy within the department.

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3.1.11 Business Transformation **Quarter 3 (April – December) 2011/12**

Revenue Budget summary Quarter 2 (April – December) 2011/12 – Business Transformation

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
IT Services	-23	823	706	-117	-178	-155
Business Transformation	59	102	102	0	59	0
TOTAL	36	925	808	-117	-119	-155

Financial Commentary

- The under spend within the IT Services department is due to the renegotiation of IT contracts.

Capital Budget summary Quarter 3 (April – December) 2011/12 Business Transformation

Service	Revised Budget 2011/12 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance To date April – Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Internet/ Intranet Development	3	0	0	0	0	-3
Government Connect Scheme	1	0	0	0	0	-1
Member ICT Facilities	14	11	3	-8	14	0
Voice over IP	90	90	90	0	90	0
Increased Bandwidth for Internet Link	10	0	0	0	0	-10

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Backup Device	10	10	10	0	10	0
Electronic Storage Device	45	45	0	-45	45	0
TOTAL	173	156	103	-53	159	-14

Financial Commentary:

- The budget for Increased Bandwidth for Internet Link and Government Connect Scheme can be released as these have been completed as part of other projects and will therefore no longer be required.
- A review of the requirements for the Members facilities is currently being made and tenders are currently being reviewed for the implementation of the electronic storage device.

3.1.12 Corporate Resources	Quarter 3 (April – December) 2011/12
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Revenue Budget summary Quarter 3 (April – December) 2011/12 – Corporate Resources

Service Head	Revised Budget 2011/12 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2011/12 £'000	Projected variance 2011/12 £'000
Corporate Resources	688	69	319	250	1,023	335
TOTAL	688	69	319	250	1,023	335

Financial Commentary

- The budget for Corporate services includes the council wide vacancy management provision and the corporate savings target. Both these elements are offset by actual savings reflected in other departments. The current under spend on the staffing budget is £491k which more than funds the existing overspend noted.

3.2 Sundry Debtors

Sundry Debt is raised by the Council to ensure effective recovery of debts owing. The outstanding balance at 31/12/11 was £514k (balance to 30/09/11 was £797k) which includes:-

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Type of Debt	Amount £'000
Car Parking Fines	30
Lifeline debts	28
Rents/Hire Charges	11
Trade Waste and Cesspool emptying	26
Developer Contributions – s106 monies	1
Housing Schemes	30
Licensing	21
Sponsorship	9
Shared Services	16
Garden Waste	316
Salary Overpayments	4
Elections	14
Trunk	15

There has been a significant increase in the balance outstanding for Garden Waste Collections because the bills for service provision were sent out during December 2011.

The age of the debt is represented as follows:

Age of Debt	Balance as at 30/09/11 £'000	Balance as at 31/12/11 £'000
<i>Under 30 days (not yet due)</i>	654	425
Up to 1 month	27	8
1 – 2 months	2	0
3 – 6 months	77	30
Over 6 months	37	51

Debts recovery is originally carried out by the Exchequer Section with 2 reminders being sent to debtors. Debts over 90 days are currently under review and recovered by the legal team.

3.3 TREASURY MANAGEMENT

The Council's Treasury Management Strategy has been developed in accordance with the Prudential Code for Capital Finance prudential indicators and is used to manage risks arising from financial instruments. Additionally treasury management practices are followed on a day to day basis.

3.3.1 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Credit risk is minimised by use of a specified list of investment counterparty criteria and by limiting the amount invested with each institution. The Council receives credit rating details from its Treasury Management advisers on a daily basis and any counterparty falling below the criteria is removed from the list.

The Council has not had and does not expect any default losses by any of its counterparties in relation to investments.

Due to market conditions the Council has reduced its credit risk for all new investments by only investing in the highest rated instruments and has shortened the allowable length of investments in order to reduce risk.

The credit criteria in respect of financial assets managed in-house by the Council are as follows:

Financial Asset Category	Criteria (Fitch ratings)	Maximum Investment
Deposits with banks	Short Term: F1+/F1 Support: 1,2,3 Long Term: minimum 'AA-'/A	£3million/£2million
Deposits with building societies	Short Term: F1+/F1 Support: 1,2,3 Long Term: minimum 'AA-'/A	£3million/£2million
Deposits with Debt Management Account – Deposit Facility (DMADF)		£no upper limit *

Fitch Ratings is an international credit rating agency (one of three nationally recognised rating agencies alongside Moody's and Standard & Poor's). Fitch Rating's long-term credit ratings are set up along a scale from 'AAA' to 'D' where 'AAA' designates the best quality companies, reliable and stable through to 'D' where the company has defaulted on obligations and Fitch believes that it will generally default on all or most of

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its obligations. Fitch's short term ratings indicate the potential level of default within a 12 month period. F1+ is the best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment

At 31 December short term investments comprised:

	31 March 2011 £000	31 December 2011 £000
Deposits with DMADF*	0	10,500
Deposits with Banks/Building Societies	12,575	8,750
Total	12,575	19,250

Deposits are at a point in time and overall balances are expected to decrease in the final quarter of the financial year due to e.g. the timing of precept payments.

Following the conclusion of the Moody's review of UK financial institutions in early October our treasury advisors issued advice in relation to withdrawal of funds from institutions no longer meeting our minimum criteria. We were advised to withdraw funds from call/instant access accounts held with affected institutions and to give notice where applicable. However it was not advised to break the terms of deposits held to a fixed date. As a consequence the majority of the Council's investments are currently placed with the DMADF.

- *Investments with the DMADF are guaranteed by HM Treasury. Following advice from the Council's treasury advisors, from a credit perspective no upper limit was imposed on investments with the DMADF.

3.3.2 Income from investments and other interest

An investment income target of £68k has been set for 2011/12 using a projected return rate of 0.75% – 1.50 %. During the past financial year bank base rates have remained 0.5% and current indications are projecting minimal upward movement for the short term.

In the 9 months to 31 December the Council received income from investments of £71k together with other interest of £12k.

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3.4 REVENUE BALANCES

3.4.1 Revenue Balances

The revenue balances brought forward at 1 April 2011 were £1.918m. Excluding the impact of any projected over or under spends it is anticipated that £389k will be transferred from balances during 2011/12 to fund revenue expenditure; giving a current projected balance at 31 March 2012 of £1.529m. However if the underspend as included in this report is realised the balances position will increase to £2.149m.

3.5 CAPITAL RECEIPTS

3.5.1 The Original Capital Programme was approved by Members in January 2011, this has now been updated for the capital bids in the Medium Term Financial Plan, the effect of the level of Capital Spend to 2013/14 on capital receipts is estimated below:

Capital Programme	2011/12 £'000	2012/13 £'000	2013/14 £'000
Balance b/fwd	3,650	1,625	30
Actual funding to date (April – Sept)	-634		
Estimated use for the remainder of the year	-2,166	-2,145	-4,957
Received in year			
- General Sales	100	550	100
- Sale of freehold at Sherwood Road	675		
Balance c/fwd	1,625	30	-4,827

3.5.2 The figures in the above table include general capital receipts for the funding of projects throughout the District. In addition, an estimate of capital receipts has been made of £100k per annum in relation to any sales of assets. The impact of the sale of the Council House has not been reflected in the above figures due to the unknown timing and amount from any possible sale.

3.5.3 Finance officers are working with the Town Centre project team to ensure all potential capital receipts are included in future reports.

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Legal Implications

3.6 None

Service / Operational Issues

3.7 All included in financial implications

Customer / Equalities and Diversity Implications

3.8 None as a direct result of this report

4. RISK MANAGEMENT

4.1 Failure to manage the budgets effectively can lead to an overspend that has to be funded or services not being provided to the customer. Departmental registers include controls in place to support effective financial management.

5. APPENDICES

Appendix 1 Current Position (April – Dec) on Earmarked Reserves
Appendix 2 Virements for approval by Cabinet
Appendix 3 Capital Programme carry forwards into 2012/13

AUTHORS OF REPORT

Teresa Kristunas, Head of Finance and Resources
Debbie Randall, Accountancy Services Manager

Appendix

NEW REVENUE BIDS

APPENDIX A

Description	Department	2012/13 £'000	2013/14 £'000	2014/15 £'000	Ranking	Budget Jury Outcome	Commentary
EDR projects	Economic Development and Regeneration	20			H	H	To support projects across the District in supporting businesses and economic growth
Options appraisal service delivery model	L&CS	15			H	L	To commission external support to develop a feasibility study to review alternative ways of providing leisure services to deliver savings for the Council in the future. The information produced will provide a base line position for a future report which will allow members to consider alternative methods of service provision and indicative savings that could be achieved through such changes.
Maintenance of new ledger system	Financial Services	20	20	20	H	H	The current finance system (Agresso) has not been upgraded for 3 years and the teams have to manually interpret information to provide management reports to officers and members. This would enable the latest version to be installed and improve the reporting and accessibility of financial information.
Members Allowances	Legal & Democratic	13	13	13	H	L	To increase budget to required levels in accordance with remuneration panel recommendations.
Initiatives to prevent homelessness	Housing Strategy	10	10	10	H	H	To support homeless projects across the District eg Step up Tenancy Scheme. Concerns that there will be an increase in homelessness following changes to benefit entitlement and rates – particularly for the young. This would fully utilise the grant funding of £113k (£103k currently in the budget) that is received by the Council to support homeless prevention. The grant was ringfenced but is now available to be used for general services.
Total High Bids		78	43	43			
Energy Advisor(shared RBC/BDC)	Property/Finance	6	6	6	L	M	The services of an energy adviser as a shared resource between both Councils ensure that consumption is routinely monitored, tariffs checked, energy saving equipment installed where appropriate etc as well as provided a knowledge base for the procurement of energy.
Data Analysis for procurement (RBC/BDC)	Procurement	6			L	M	The Council has previously has access to this type of resource via the West Midlands Efficiency Partnership but due to funding cuts this service is no longer available. The analysis is able through the analysis of data provide the Council will recommended areas for further investigation that a likely to result in cashable savings in terms of procurement.
Total Low Bids		12	6	6			

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SAVINGS - Including additional income (income growth)

APPENDIX B

Description	2012/13 £'000	2013/14 £'000	2014/15 £'000	Commentary (link to priorities etc)
Additional growth in DC income	80	80	80	The number of planning applications and income has increased against the anticipated levels, therefore the additional income can be offered as a saving.
Allotment additional income	2	2	2	Potential increase by splitting plots and bringing new plots into use.
Pitch Income going up	2	2	2	Increase occupancy of football pitches following investment
Dolphin Centre Annual saving	10	10	10	Figures inline with Dolphin Centre lease and grant arrangements.
Additional Subsidy income for 2012-13	49			Additional income for Subsidy grant for 12/13
Additional Cost of collection contribution	4	4	4	Additional cost of collection allowance
Cleansing restructure of posts to reduce overtime	106	106	106	Move from a five day working pattern plus overtime to seven day shift working with no overtime payments
Grant from County re Waste Management 12/13 & 13/14 only	59	60		Grant to district councils for waste minimisation and tonnage reduction, agreed for four years 10/11 until 13/14
Garden Waste income based on charge increasing to £32 for 2012 service and £33 2013 (based on current 17366 customers)	25	33	53	Garden waste fees calculated at scaled increases
One off Reserve from 10/11 not required CCTV	15			Confirmed works not taking place and therefore reserve no longer needed
Reduced cost due to contract renegotiations	70	70	70	Previous investment in new equipment has allowed us to reduce the cost of maintaining the ICT infrastructure leading to this saving.

SAVINGS - Including additional income (income growth)

APPENDIX B

Description	2012/13 £'000	2013/14 £'000	2014/15 £'000	Commentary (link to priorities etc)
Salary saving	30	30	30	Additional Shared Service savings not originally included
BDC Partner share WRS	48	48	48	Reduce budget to required contribution/Support costs
Audit Fees	10	10	10	Reduction in fees to be paid
Corporate Subscriptions	10	10	10	Reduction in number of subscriptions due to shared team
Pay freeze 12/13	90	90	90	Savings resulting from a zero inflationary increase paid to staff
Transformation/ Alternative service delivery	204	994	1,767	Further development of transformation and sharing of services

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Description	Status	2012/13			2013/14			2014/15			Ranking	Budget Jury Outcome	Commentary
		£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Replacement of mini bus for Bromsgrove Urban Rural Transport (BURT)	New Bid		38	0	0	0				H	H	To replace BURT bus with a new vehicle to ensure that a reliable service can be delivered in partnership with WRVS. Officers are reviewing potential of Vehicle hire through county council, funding through sponsorship and link with Redditch Dial A Ride provision	
New annual RSL Grant contribution towards affordable housing	New Bid		200	0	0	0				H	H	To provide grant to Registered Housing Landlord to provide affordable homes – grant would be conditional on building being undertaken and subject to legal agreement in relation to nomination rights. Partnership with BDHT or West Mercia.	
Cemetery Extension infrastructure at at North Bromsgrove Cemetery Phase one	New Bid			0	100	300				H	M	The current burial space at Bromsgrove North Cemetery is almost used up and there is a need to develop the next phase of the cemetery including roads, path, water, plinths, bins, etc. - Cost from 13/14 £100k /14/15 £300k	
Depot security	New Bid		65	0	0	0				H	M	Following a crime risk assessment additional security is required at Bromsgrove District Council's depot; including new fencing and gates, new doors and roller doors to plant storage areas.	
Grid and Green bins to complete roll out	New Bid			0	150	150				H	n/a	Cost for 13/14 & 14/15 - £150kpa. To extend the AWC twin bin service to the majority of the properties not currently receiving the standard service within the District (Approx 5000 currently receive a none standard service)	
Town Centre Development - Project Management	New Bid		50	50	0	0				H	n/a	Project Management Continued management of town centre regeneration £100k per annum split 50/50 with County. This ensures that the District has a dedicated officer to support the Town Centre improvements and regeneration and provides a co-ordinated approach for all stakeholders	
Parkside School	New Bid		500	3,000	0	0				H	n/a	To redevelop Parkside school with the County Council to provide a single site for customers to access a number of facilities including the Library and Customer Service Centre. This would realise revenue savings in relation to utility costs together with a capital receipt from the sale of the current asset (Burcot Lane). The anticipated net cost would be approx £900k.	
New Leisure Centre	New Bid			0	4,000					H	n/a	To develop a new Leisure Centre. This is a proposal that has been included in future years budgets of £13m from 2014/15 but would be subject to a full appraisal and approval by Members	
Fleet and Plant Replacement difference between original MTFP and requirement now	New Bid		-222	226	803					H	n/a	Revised sum for the agreed annual fleet replacement required to replace a number of vehicles & plant such as waste collection and street cleansing vehicles, mowers, etc Cabinet report refers to resulting bid for 12/13- £741k was in existing MTFP approved 11/12 - dropping down to £519k (£222k swapping years).	
TOTAL NEW BIDS			631	3,526	5,253								

Description	Status			Ranking	Budget Jury Outcome	Commentary
	2012/13	2013/14	2014/15			
	£'000	£'000	£'000			
CURRENT CAPITAL PROGRAMME						
Fleet Replacement		741	916	0		
Funding for DFGs		310	310	0		
Funding for DFGs		190	190	0		
Discretionary Home Repair Assistance & Housing Renewal Grants (Private Sector Only)		63	25	0		
WETT Programme (Regulatory)		20	0	0		
Holycross Lodge - Youth Provision in Bromsgrove West		32	0	0		
Triax Station Development		0	200	0		
Support Services - Charge to Capital		100	100	0		
Town Centre Development - Public Realm	Approved c/fwd from 11/12	500	0	0		
Town Centre Development - Public Realm	Approved c/fwd from 11/12	500	0	0		
Town Centre Development - Public Realm	Approved c/fwd from 11/12	500	0	0		
TOTAL CAPITAL PROGRAMME		3,587	5,267	5,253		

APPENDIX D

NEW REVENUE BIDS

Description	Department	2012/13 £'000	2013/14 £'000	2014/15 £'000	H/M/L	Commentary
EDR projects	Economic Development and Regeneration	20			H	Budget jurors felt this was very important – fits with priorities agreed in early Jury session.
Options appraisal service delivery model	L&CS	15			L	The jurors queried whether the Head of Service should be able to do a feasibility study? Is it possible to get free independent, impartial advice from local experts & input from relevant bodies i.e. Wychavon Leisure Trust?
Maintenance of new ledger system	Financial Services	20	20	20	H	The jurors understood the need to maintain the ledger, however, they felt that efficiencies need to be made and a new ledger system is something for the future
Members Allowances	Legal & Democratic	13	13	13	L	Jurors were advised the budget is currently approx £250,000 and £23k was the amount expected to be agreed by an external panel. They felt it was a very low priority and that it needed to be reduced- the lower figure may have received a different ranking but the general feeling however was that Members allowances should be considered in the same terms as public sector employees.
Initiatives to prevent homelessness	Housing Strategy	10	10	10	H	Jurors asked if there could be more loans given which could then be paid back. Jurors were very concerned about the increase in genuine homelessness in Bromsgrove expected in the next few years and wondered whether more money could be diverted to this area?
Total High Bids		78	43	43		
Energy Advisor (shared RBC/BDC)	Property/Finance	6	6	6	M	Whilst the jurors agreed this was an important area for consideration they queried how this would work- could the savings be split with advisor (as happens in many private companies) rather than committing monies upfront?
Data Analysis for procurement (RBC/BDC)	Procurement	6			M	The jurors felt this could be beneficial but must be a spend to save and become cost neutral.
Total Low Bids		12	6	6		

NEW CAPITAL BIDS

Description	2012/13	2013/14	2014/15	H/M/L	Commentary
	£'000	£'000	£'000		
Replacement of mini bus for Bromsgrove Urban Rural Transport (BURT)	38	0	0	H	The jurors felt that there is high need for a replacement bus, however they requested if an investigation into sponsorship was possible; could we get a manufacturer to sponsor a 'green vehicle'? All jurors thought this was a 'brilliant idea'.
New annual RSL Grant contribution towards affordable housing	100	0	0	H	The jurors agree it is a high priority but would like apprenticeships written into procurement contracts, or at least first refusal of jobs to go to local people.
	100	0	0	H	
Cemetery Extension infrastructure at North Bromsgrove Cemetery Phase one	0	100	300	M	The jurors understood that the need is high, but queried the value they were presented with (£200k)? Jurors felt that cremation was the way of the future.
Fleet and Plant Replacement difference between original mtfp and requirement	-222	226	803	M	The jurors were presented with a figure of £517k and wondered whether it would be cheaper to lease the equipment? They also felt that everything should be done to make sure the vehicles last as long as possible i.e. better maintenance (although this spend must be balanced and proportional) and that the Council should look to see if we can share the vehicles.
Depot security	65	0	0	n/a	Jurors did not discuss this bid.
Grey and Green bins to complete roll out	0	150	150	n/a	Jurors did not discuss this bid.
Town Centre Development - Project Management	50	50	0	n/a	Jurors did not discuss this bid.
Parkside School	500	3,000		n/a	Jurors did not discuss this bid- however there was a lengthy discussion on this topic and the jurors were very concerned that any future financial outlay be proportional to the benefit to the Council.
New Leisure Centre		0	4,000	n/a	Jurors did not discuss this bid.
TOTAL BIDS - CAPITAL	631	3,526	5,253		

BROMSGROVE DISTRICT COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2012 – 2013 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Head of Service 2, Head of Service 1, Director, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Redditch Borough Council and which specifically accommodate the joint management team for shared services.
6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 49, the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. The Council’s Pay structure is set out below.

Scale	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	4	9	12,145	13,589
2	9	14	13,589	15,725
3	13	17	15,444	16,830
4	17	22	16,830	19,621
5	21	25	19,126	21,519
6	25	30	21,519	25,472
7	30	36	25,472	30,011
8	35	40	29,236	33,661
9	39	43	32,800	36,313
10	42	46	35,430	38,961
11	45	49	38,042	41,616
Head of Service 2	Hay evaluated	50%	61,250	63750
Head of Service 2	Hay evaluated	60%	73,500	76,500
Director	Hay evaluated	67%	82,000	85,000
Executive Directors	Hay evaluated	72.5%	89,000	92,500
Deputy Chief Executive	Hay evaluated	80%	98,000	102,000
Chief Executive	Hay evaluated		122,500	127,500

7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Head of Service 2 and above are evaluated by an external assessor using the Hay Job Evaluation scheme. This scheme identifies the salary for these posts based on a percentage of Chief Executive salary. Posts below this level (which is the majority of employees) are evaluated under a different Job Evaluation process. Where posts

are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay.

8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. There have been no increases in the national pay spine since April 2009. There have been no increases to the pay rates for the Chief Executive or Chief Officers since April 2008.
10. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
11. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
12. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band, which can be made subject to satisfactory performance.

Senior Management Remuneration

13. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2012.

14. Bromsgrove District Council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

Title	% of Chief executive salary	Pay range (minimum)	Pay range (maximum)	Incremental points	Average Cost to Bromsgrove District Council
Chief Executive	100%	£122,500	£127,500	3	£62,500
Director of Leisure, Environment and Community Services. (Also Deputy Chief Executive / Executive Director (Council 'lead officer'))	80%	£98,000	£102,000	3	£50,000
Director of Planning and Regeneration, Regulatory and Housing Services	72.5%	£89,000	£92,500	3	£45,375
Director of Finance and Resources. (Also section 151 Officer and Council 'lead' officer)	72.5%	£89,000	£92,500	3	£45,375
Head of Customer Services	50%	£61,250	£63,750	3	£31,250
Head of Planning and Regeneration	60%	£73,500	£76,500	3	£37,500
Head of Business Transformation	60%	£73,500	£76,500	3	£37,500
Head of Legal, Equalities and Democratic Services	60%	£73,500	£76,500	3	£37,500
Head of Resources	60%	£73,500	£76,500	3	£37,500
Head of	60%	£73,500	£76,500	3	£37,500

Environmental Services					
Head of Leisure and Cultural Services	60%	£73,500	£76,500	3	£37,500
Head of Community Services	60%	£73,500	£76,500	3	£37,500

Recruitment of Chief Officers

15. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
16. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

17. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis

Additions to Salary of Chief Officers (applicable to all staff)

18. In addition to the basic salary for the post, staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
 - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
 - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
 - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
 - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;

- f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
- g. market forces supplements in addition to basic salary where identified and paid separately;
- h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
- i. attendance allowances (payable to certain employees who meet relevant criteria)

Payments on Termination

- 19. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007
- 20. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
- 21. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

- 22. Upon approval by the full Council, this statement will published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:
 - a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - b. Any bonuses so paid or receivable by the person in the current and previous year;
 - c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - d. Any compensation for loss of employment and any other payments connected with termination;
 - e. Any benefits received that do not fall within the above.

Lowest Paid Employees

- 23. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2012, this is £12145.00 per annum.
- 24. The Council also employs Apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).

25. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
26. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
27. The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive as 1:10.5 and; between the lowest paid employee and average chief officer as 1:6.4. The multiple between the median (average) full time equivalent earnings and the [Chief Executive] is [1:5.1] and; between the median (average) full time equivalent earnings and average chief officer is [1:3.3].
28. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Accountability and Decision Making

29. In accordance with the Constitution of the Council, Cabinet and Overview and Scrutiny Board are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

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BROMSGROVE DISTRICT COUNCIL		
Scale of Charges 1st April 2012		
SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
ELECTORAL REGISTRATION		
Register Sales*		
In data form		
- basic fee	20.00	20.00
- for each 1,000 names or part thereof	1.50	1.50
In printed form		
- basic fee	10.00	10.00
- for each 1,000 names or part thereof	5.00	5.00
Marked Election Register Sales*		
In data form		
- basic fee	10.00	10.00
- for each 1,000 names or part thereof	1.00	1.00
In printed form		
- basic fee	10.00	10.00
- for each 1,000 names or part thereof	2.00	2.00
Miscellaneous Charges		
- Labels basic fee	11.00	11.25
- for each 1,000 properties or part thereof	5.50	5.65
- street list	11.00	11.25
- Data Property Addresses	20.00	20.50
- For each 1,000 properties or part thereof	1.50	1.50
- Confirmation letter of registration	15.00	15.35
- Research of registration letter	30.00	30.75
<i>*This charge is determined by the Representation of the People Regulations 2001</i>		
LAND SEARCHES		
NLIS Searches		
- Standard Search Fee (LLC1 and CON29R) - RESIDENTIAL	99.00	102.00
- Standard Search Fee (LLC1 and CON29R) - COMMERCIAL	135.00	139.00
- Official certificate of search (LLC1 only)	22.00	23.00
- Standard enquiries (CON29R) - RESIDENTIAL	77.00	79.00
- Standard enquiries (CON29R) - COMMERCIAL	113.00	116.00
- Each additional property/parcel of land	18.90	19.40
Each optional enquiry (Con29 Pt2)		
- Normal enquiries (per question)	5.25	5.40
- Complex enquiries (per question)	10.50	10.80
- Combined charges with WCC (per question)	21.00	21.50
- Supplementary enquiries (per question)	42.00	43.00
Non-NLIS Searches		
- Standard Search Fee (LLC1 and CON29R) - RESIDENTIAL	99.00	102.00
- Standard Search Fee (LLC1 and CON29R) - COMMERCIAL	135.00	139.00
- Official certificate of search (LLC1 only)	22.00	23.00
- Standard enquiries (CON29R) - RESIDENTIAL	77.00	79.00
- Standard enquiries (CON29R) - COMMERCIAL	113.00	116.00
- Each additional property/parcel of land	18.90	19.40
Each optional enquiry (Con29 Pt2)		
- normal enquiries (per question)	5.25	5.40
- complex enquiries (per question)	10.50	10.80
- combined charges with WCC (per question)	21.00	21.50
- supplementary enquiries (per question)	42.00	43.00
Personal search fee	FREE	FREE
Refresher Search		
- Search updated within 6 months	34.00	35.00
- Search updated after 6 months	34.00	35.00

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
TAXI LICENSING		
- Hackney Carriage	298.00	307.00
- Private Hire	272.00	280.00
- Private Hire Operator	282.00	290.00
- HC/PH Drivers Licence	89.00	92.00
- Mid-Term vehicle test	55.00	57.00
- Vehicle Re-test if MOT certificate is required	as per VOSA	as per VOSA
- Meter Test	22.50	23.00
- Conversion of vehicle licence to P/H or H/C	41.00	42.00
- Replacement vehicle plate	11.00	11.50
- Replacement Driver's Licence	6.50	7.00
- Trailer Test	19.50	20.00
- Transfer of ownership of licensed vehicle	22.00	23.00
- Criminal Bureau Check	44.00	44.00
- DVLA Check	5.00	5.00
LEGAL		
- Legal work (per hour)	96.85	100.00
- RTB	180.00	180.00
- Consent for proposed works	105.00	105.00
- Retrospective Consent	110.25	110.25
- Issuing of consents (transfer of mortgage)	57.70	57.70
Section 106:		
- Private Owner	420.00	420.00
- Each additional unit added (up to a maximum of £1,500) *	52.50	52.50
- Affordable housing schemes	787.50	787.50
- Fee for agreeing a unilateral undertaking	n/a	300.00
Other Fees		
- Valuation Fee	120.00	120.00
- Fees for sale of property under Low Cost Housing Scheme	210.00	210.00
- Fees for purchase of additional 30% Share	105.00	105.00
- Fees for abortive sale/purchase of additional 30% share	10.50	10.50
- Fees for preparation of Deed of postponement	89.20	89.20
- Administration fee for the grant of licences for more than 12 months	50.00	50.00
- Diversion of footpath under section 257 of the Town and Country Planning Act	1770.00	1,770.00
* Please note that for complex 106 agreements charges may be calculated based at the current hourly rate for legal work to reflect the time taken to complete the negotiations and drafting. Fees calculated under this provision may exceed £1,500		
GENERAL LICENSING		
Licensing Act 2003		
- Gambling Act Fees - see separate tab - Gambling Fees 10-11		
- Premises/Club Registration - see separate tab - Fee Licensing 10-11		
- Misc Licensing Act Fees - see separate tab - Fee Licensing 10-11		
- Annual Street Trading Consent - per annum	575.00	589.00
- Occasional Street Trading Consent - per day	26.00	26.50
- Animal Boarding	220.00	225.00
- Dog Breeding establishments	220.00	225.00
- Dangerous wild animals	220.00	225.00
- Pet Shops	220.00	225.00
- Riding Est.	220.00	225.00
- Sex Establishments	950.00	974.00
- Zoo	92.00	94.00
- Game Dealers	0.00	0.00
Tattooing/ ear piercing/ electolosis/ acupuncture		
- Premises	115.00	118.00
- Practitioners	70.00	72.00

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
CAR PARKS - Separate report to go for Car Park Charges		
Bromsgrove Station		
All day	3.00	3.00
Churchfields Multistorey		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
All day	3.00	3.00
Hanover Street		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
All day	5.00	5.00
New Road		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
Not exceeding four hours	3.20	3.20
Not exceeding five hours	4.00	4.00
Parkside		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
Not exceeding four hours	3.20	3.20
Not exceeding five hours	4.00	4.00
Recreation Road North		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
All day	5.00	5.00
Recreation Road South		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
Not exceeding four hours	3.20	3.20
Not exceeding five hours	4.00	4.00
School Drive		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
All day	5.00	5.00
Stourbridge Road		
Not exceeding 30 minutes	0.40	0.40
Not exceeding one hour	0.80	0.80
Not exceeding two hours	1.60	1.60
Not exceeding three hours	2.40	2.40
All day	5.00	5.00
Windsor Street		
Not exceeding 30 minutes	0.50	0.50
Not exceeding one hour	1.00	0.10
Not exceeding two hours	2.00	2.00
Season Tickets (valid at long stay car parks only)		
Annual	320.00	320.00
Quarterly	80.00	80.00
Season Tickets (valid at Stourbridge Road car park only)		
Annual	215.00	215.00
Quarterly	53.75	53.75
Excess Parking Charges		
If paid within fourteen days	35.00	35.00
Otherwise	70.00	70.00
Car Park charges only apply between 8.00am to 10.00pm everyday		

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
SPORTS DEVELOPMENT		
Specialised Health and Exercise Classes	£2.50	2.60
Adult Exercise Classes (requires facility hire)	2.10	2.20
Primary Sports Project	19.35	19.80
Community Sports Coach Session	19.35	19.80
Sports Specific Coaching	4.10	4.30
Multi Sports Coaching	3.75	3.80
Adult Coach Session (requires facility hire)	3.00	3.20
SANDERS PARK		
Tennis Courts (per court per Hour)		
- Adult	6.95	5.50
- Junior/Senior Citizen	4.25	4.25
Bowls		
- Adult (per hour)	6.00	6.15
- Adult (season ticket)	52.00	53.30
- Junior (per hour)	3.15	3.25
- Junior (season ticket)	28.00	28.70
- Senior Citizen (per hour)	4.20	4.30
- Senior Citizen (season ticket)	38.00	38.95
Bromsgrove Town Bowling Club		
- for season (exclusive use on present basis)	2472.00	2,533.80
- additional use, Sundays (per rink)	33.10	33.95
- additional use, other days (per rink)	22.05	22.80
Putting		
- Adult	2.10	2.15
- Junior/Senior Citizen	1.05	1.10
OTHER RECREATION GROUNDS AND OPEN SPACES		
Football Pitch (without changing facilities)		
- adult (per game)	27.30	27.00
- junior (per game)	15.45	16.00
Changing Facilities		
- adult	37.80	39.00
- junior	19.55	20.00
Boleyn Road, Frankley		
- fairs (per day)	396.00	408.00
- deposit	1815.00	1,869.00
Market Street Recreation Ground		
- fairs (per day)	396.00	408.00
- deposit	1815.00	1,869.00
<i>One free day is allowed for each of the above bookings by fairs/circuses.</i>		
<i>Other hirings – charge to be decided at the time of application.</i>		
ALLOTMENTS (one year's notice of increase is required to existing tenants, therefore the rates shown in each column are payable from the FOLLOWING year.		
- Rent per acre equivalent to 0.404685 hectares	659.20	679.00
- Rent per 3/4 acre equivalent to 0.303514 hectares	442.90	456.20
- Rent per 1/2 acre equivalent to 0.202342 hectares	262.65	270.50
- Rent per 1/4 acre equivalent to 0.101171 hectares	120.50	124.10
- Rent per 1/16 acre equivalent to 0.25529 hectares	27.80	28.60
- Rent per 1/32 acre equivalent to 0.01264 hectares	18.55	19.10
SPADESBOURNE SUITE		
For charges applicable from 1st April 2010, see separate tab Spadesbourne Suite.		

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
PRODUCE AND RETAIL MARKET		
Farmers Market	29.00	29.00
High Street Market - pitches 3 x 3 metres *		
- Tuesday	27.00	27.00
- Friday	27.00	27.00
- Saturday	32.00	32.00
- All 3 days	80.00	80.00
High Street Market - pitches 4.5 x 3 metres *		
- Tuesday	37.00	37.00
- Friday	37.00	37.00
- Saturday	42.50	42.50
- All 3 days	112.00	112.00
National Brand Promotions (per day)		
- Per day	50.00	50.00
- Per 6 day week	200.00	200.00
Market Street Sites		
- Small:		
- Per day	50.00	50.00
- Per 6 day week	200.00	200.00
- Large:		
- Per day	90.00	90.00
- Per 6 day week	500.00	500.00
<i>* Please note an additional charge may apply if electricity is required for the market stalls, for more information please contact the Town Centre and Economic Development Manager</i>		
CEMETERY		
Interments in a grave		
- children aged under 1 year	FREE	FREE
- children aged under 1 year (non resident)	90.00	90.00
- children aged 1 year - 16 years	FREE	FREE
- children aged 1 year - 16 years (non resident)	130.00	130.00
- persons aged 17 and over	390.00	410.00
- extra charge for burials at 7ft.	100.00	490.00
- extra charge for burials at 9ft.	100.00	490.00
- extra charge for grave longer than 6'6" or wider than 2'0".	80.00	100.00
Interment in a bricked grave	P.O.A.	P.O.A.
Interment of cremated remains	145.00	150.00
Exclusive rights of burial (75-year grants)		
- adult grave space	1045.00	1,100.00
- child grave space	195.00	210.00
- cremated remains plot	400.00	420.00
Renewal of expired dede (single fee charged in all cases)		
-Burial	335.00	365.00
-Cremated remains	135.00	140.00
-Adult sized grave purchased in reserve	1400.00	1,400.00
-Ashes grave purchased in reserve	500.00	500.00
-Assignment of the Exclusive Right of a full earth reserved grave from resident to non-resident	2090.00	2,200.00
-Assignment of the Exclusive Right of a cremated remains reserved grave from resident to non-resident	800.00	840.00
- Disinterment of Remains - Cremated Remains	N/A	200.00
- Wooden cremated remains casket	N/A	70.00
Memorials		
- Memorial application administration fee	75.00	75.00
-Memorial trees and plaque	280.00	285.00
-Memorial benches (maintenance charge)	P.O.A.	P.O.A.
-Assignment / Transfer of Exclusive Right of Burial	30.00	30.00
-Plaque only on existing BDC Bench (time limited to 15 years)	70.00	100.00
Certified copy of entry	25.00	20.00
Bird bath memorial (new memorial option)		
5 Year Lease		
- size 1 (small)		140.00
- size 2		160.00
- size 3		180.00
- size 4		200.00
- size 5 (large)		220.00

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
10 Year Lease		
- size 1 (small)		240.00
- size 2		260.00
- size 3		280.00
- size 4		300.00
- size 5 (large)		320.00
20 Year Lease		
- size 1 (small)		340.00
- size 2		360.00
- size 3		380.00
- size 4		400.00
- size 5 (large)		450.00
Motif		50.00
<i>The interment and exclusive right fee is trebled* in all cases where the deceased does not have a Redditch address, unless the grave was purchased by the deceased whilst living in Bromsgrove</i>		
<i>Where there is a dispute Bromsgrove District Council may require the family to provide proof of residence of the deceased</i>		
REFUSE COLLECTION		
Trade refuse - Non-Loakble Containers		
- orange sacks per roll (52 sacks per roll)	70.10	71.90
- 240 litre eurobins (per bin, per year)	242.30	248.40
- 660 litre eurobins (per bin, per year)	440.25	451.30
- 770 litre eurobins (per bin, per year)	454.70	466.10
- 1100 litre eurobins (per bin, per year)	637.15	653.10
- 1280 litre eurobins (per bin, per year)	720.65	738.70
- Extra trade waste collection (per visit)	47.55	48.70
Trade refuse - Locakble Containers		
- 660 litre eurobins (per bin, per year)	470.15	481.90
- 770 litre eurobins (per bin, per year)	483.55	495.60
- 1100 litre eurobins (per bin, per year)	666.00	682.70
Special collections - domestic *		
- for up to 10 bags or equivalent	17.40	17.80
Special collections - commercial		
- for up to 1 tonne of waste	116.25	119.20
Litter and Dog Bins		
- 1st bin	14.40	14.80
- additional bin in the same geographical location	6.10	6.30
Garden Waste Collection Service	32.00	33.00
<i>* For larger bulky items such as garden sheds please contact us regarding the charge for this as prices may vary depending on size and quantity</i>		

SERVICE CATEGORY	Charge as at 1st April 2011	Agreed new charge 1st April 2012
	£	£
CESSPOOL EMPTYING		
Per 4,500 litres or part thereof		
- domestic premises (for a contract period of 18 months)	117.80	120.80
- business premises (for a contract period of 18 months)	117.80	120.80
Additional charges for laying pipes		
- 0 - 15 pipes	0.00	0.00
- 16 - 30 pipes (for a contract period of 18 months)	40.75	41.80
<i>Persons in receipt of housing benefit pay only 25% of the above charge for emptying after their second in the same financial year (1st April - 31st March)</i>		
LOCAL AIR POLLUTION CONTROL (LAPC)		
LOCAL AUTHORITY INTEGRATED POLLUTION PREVENTION AND CONTROL (LA-IPPC)		
Advice should be sought from the Chief Environmental Health Officer.		
PLANNING POLICY		
Local Plan		
Bromsgrove District Local Plan Proposals Map (adopted 13/1/04) *	16.70	17.10
Bromsgrove District Local Plan Written Statement (adopted 13/1/04) *	16.70	17.10
Bromsgrove Local Plan Inspector's Report (Mar'02) *	66.70	68.40
Local Development Framework		
Local Development Scheme *	11.35	11.65
Statement of Community Involvement Adopted *	11.35	11.65
Issues and Options Report (Core Strategy) *	11.35	11.65
Longbridge AAP Issues and Options *	FREE	FREE
Longbridge AAP Preferred Options *	FREE	FREE
Annual Monitoring Report (published Dec'06) *	11.35	11.65
Bromsgrove Town Centre Study		
Development Opportunities - Site Assessment *	38.75	39.70
Strategy and Policy Formulation *	44.70	45.80
Town Centre Study leaflet	FREE	FREE
Supplementary Planning Guidance (SPGs)		
SPG1 - Residential design guide *	5.90	6.10
SPG2 - Shop-fronts and advertisements PGN2 *	5.90	6.10
SPG4 - Conversion of rural buildings *	5.90	6.10
SPG5 - Agricultural buildings design guide *	5.90	6.10
SPG6 - Agricultural bldgs and occupancy conditions *	5.90	6.10
SPG7 - Extensions to Dwellings in the Green Belt	FREE	FREE
SPG8 - Alvechurch Village Design Statement *	11.35	11.65
SPG9 - Lickey & Blackwell Village Design Statement	FREE	FREE
SPG10 - Managing Housing Supply	FREE	FREE
SPG11 - Outdoor Play Space *	5.90	6.10
Monitoring Reports		
Housing land monitoring report	22.60	23.25
Employment land monitoring report	22.60	23.25
Self-build housing handbook	5.90	6.10
Housing Capacity Study (September 2004) *	22.60	23.25
Conservation Information		
Conservation Area Leaflets	FREE	FREE
The Chartist land plan	2.70	2.80
Conservation Area Appraisals	0.00	0.00
Other Publications		
Information handbook	0.00	0.00

* These can be downloaded free from the Council's website: www.bromsgrove.gov.uk/localplanning.

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
DEVELOPMENT CONTROL		
A0/A1 size print	10.75	11.00
A2/A3 size print	5.40	5.55
Planning Histories (per hour)	43.05	44.15
Service Request Charge (per 15 mins)	10.50	10.75
Sale of weekly planning lists *	N/A	N/A
OS Maps		
	25.00	25.65
Development Management		
High Hedge Complaints	500.00	513.00
High Hedge Complaints - reduced for people on benefits	200.00	205.00
Permitted Development Enquiry		
- Householder	25.00	26.00
- Other	50.00	51.00
Pre-application discussion		
Householders	41.00	43.00
- Additional Meetings	20.00	21.00
Advertisements	51.00	54.00
- Additional Meetings	26.00	27.00
Change of use	153.00	161.00
- Additional Meetings	77.00	81.00
Telecommunications	153.00	161.00
- Additional Meetings	77.00	81.00
Other	102.00	107.00
- Additional Meetings	51.00	54.00
Residential Development/ Development Site Area/Proposed Gross Floor Area		
1-4 dwellings / 0.5 ha or less / 499m2 or less	255.00	268.00
- Additional Meetings	102.00	107.00
5-9 dwellings / 0.6-0.99ha / 500-999m2	511.00	537.00
- Additional Meetings	102.00	107.00
10-49 dwellings / 1.0-1.25ha / 1,000-2,499m2	1021.00	1072.00
- Additional Meetings	510.00	536.00
50-199 dwellings / 1.26 - 2.0ha / 2,500-9,999m2	2043.00	2145.00
- Additional Meetings	766.00	793.00
200+ dwellings / 2ha or more / 10,000m2	3064.00	3217.00
- Additional Meetings	1021.00	1072.00
* These can be downloaded free from the Council's website: http://bromsgrove.whub.org.uk/home/bdcindex/bdc-planning/bdc-planning-applications/bdc-planning-recent-applications.htm?highlightTerm=weekly%20planning%20lists		
BUILDING CONTROL		
For charges applicable from 1st April 2010, see separate tab Building Regulations		
STRATEGIC HOUSING		
Homeless persons' hostels		
- Single room	7.80	8.00
- Heating	0.50	0.55
- Two single rooms	12.05	12.35
- Heating	0.80	0.85
- Double room	12.05	12.35
- Heating	0.80	1.30
- More than one double room	16.50	16.85
- Heating	1.30	1.35
Bed and breakfast		
- Single room*	6.70	14.00
- Two single rooms (Two adults inappropriate to share eg adult siblings)*	10.20	28.00
- Double room*	10.20	14.00
- More than one double room*	13.65	18.00
- Breakfast		
- adult	1.90	1.95
- child	1.55	1.60
- Storage of effects (per night)	1.95	2.00
- HMO Licensing Fees	368.05	378.00
- RTB Plan Preparation for BDHT	97.80	100.25
* Increased above 2.5% to maximise the amount of Government Subsidy		
Private Sector Housing Enforcement		
Hazard Awareness Notice		0.00
Improvement Notice		200.00
Prohibition Order		200.00
Emergency Remedial Action		200.00
Emergency Prohibition Order		200.00
Demolition Order		200.00

SERVICE CATEGORY	Charge as at 1st April 2011 £	Agreed new charge 1st April 2012 £
LIFELINE		
- Installation Fee	23.71	24.30
- Hire of equipment (per week)	1.91	1.95
- Monitoring charge (per week)	1.53	1.55
- Pendant	54.96	56.35
- Wrist Strap	3.30	3.40
- Extension Lead	6.77	6.95
- Lifeline unit	186.37	191.00
- Power supply	31.05	31.85
- Hire of smoke alarm (per week)		1.30
- CO2 Detector (per week)		1.30
- Bogus Caller Panic Button		1.30
- Flood Detector		1.30
- Falls Detector		1.30
- Additional Pendant		1.30
- Temperature Extreme Sensor		1.30
LOCAL TAX COLLECTION		
- Council Tax Court Costs	59.00	59.00
- NNDR Court Costs	85.00	85.00
- Magistrates' court fee (added to both council tax and NNDR Summons)	3.00	3.00

	<u>Charge as at 1st April 2011</u> £	<u>Charge as at 1st April 2012</u> £
<u>Single Con29 Question</u>		
- Question 1(a) to (h) - RESIDENTIAL	15.00	15.50
- Question 1(a) to (h) - COMMERCIAL	18.00	18.60
- Question 1.2 - RESIDENTIAL	1.00	1.30
- Question 1.2 - COMMERCIAL	2.00	2.30
- Question 2 (a) to (d) - RESIDENTIAL	8.00	8.20
- Question 2 (a) to (d) - COMMERCIAL	10.00	10.30
- Question 3.1 - RESIDENTIAL	1.00	1.30
- Question 3.1 - COMMERCIAL	2.00	2.30
- Question 3.2 - RESIDENTIAL	2.00	2.05
- Question 3.2 - COMMERCIAL	3.00	3.10
- Question 3.3 (a) & (b) N/A	N/A	N/A
- Question 3.4 (a) to (f) - RESIDENTIAL	4.50	4.60
- Question 3.4 (a) to (f) - COMMERCIAL	7.50	7.70
- Question 3.5 - RESIDENTIAL	1.50	1.75
- Question 3.5 - COMMERCIAL	2.50	2.85
- Question 3.6 (a) to (i) - RESIDENTIAL	6.00	6.20
- Question 3.6 (a) to (i) - COMMERCIAL	9.00	9.25
- Question 3.7 (a) to (f) - RESIDENTIAL	9.00	10.15
- Question 3.7 (a) to (f) - COMMERCIAL	15.00	16.00
- Question 3.8 - RESIDENTIAL	2.00	2.05
- Question 3.8 - COMMERCIAL	3.00	3.10
- Question 3.9 (a) to (N) - RESIDENTIAL	14.00	15.80
- Question 3.9 (a) to (N) - COMMERCIAL	24.50	25.80
- Question 3.10 (a) to (B) - RESIDENTIAL	2.00	2.25
- Question 3.10 (a) to (B) - COMMERCIAL	2.50	2.85
- Question 3.11 - RESIDENTIAL	2.00	2.25
- Question 3.11 - COMMERCIAL	3.00	3.25
- Question 3.12 (a) to (C) - RESIDENTIAL	4.00	4.50
- Question 3.12 (a) to (C) - COMMERCIAL	6.00	6.35
- Question 3.13 - RESIDENTIAL	1.00	1.15
- Question 3.13 - COMMERCIAL	2.00	2.25
<u>Single Con29 Optional Enquiries (both Residential and Commercial)</u>		
- Questions 4 and 5 - WCC	10.00	10.80
- Questions 6, 8, 9, 11 and 15	10.00	10.80
- Questions 7, 10, 12-14 & 16-21	5.00	5.40
- Question 22 (Commons - WCC)	20.00	21.50

Fees- Gambling Act 2005

Premises Licence Fees - Discretionary

Type of Premises Licence	Application to vary	Application to transfer	New applications	Annual fee	Copy of licence	Notification of change	Reinstatement of licence	Provisional statement
Bingo Premises	1017.00	694.00	2029.50	580.00	26.70	54.00	676.50	2029.50
Adult Gaming Centre	870.00	694.00	1158.25	580.00	26.70	54.00	676.50	1158.25
Family Entertainment Centre	672.50	550.50	1158.25	436.00	26.70	54.00	540.00	1158.25
Betting Premises (general)	870.00	694.00	1691.50	348.50	26.70	54.00	676.50	1691.50
Track	724.00	550.50	1411.50	580.00	26.70	54.00	540.00	1411.50
Temporary use notices	N/A	N/A	275.00	N/A	26.70	N/A	N/A	N/A

Permit fees - Statutory

Type of Permit	New applications	Annual fee	Existing Operator Grant	Renewal	Change of Name	Copy of Permit	Variation	Transfer	Notification
Family Entertainment Gaming Machine	£300	N/A	£100	£300	£25	£15	N/A	N/A	N/A
Small Society Lottery	£40	£20	N/A	£20	N/A	N/A	N/A	N/A	N/A
Club Gaming	£100*	£40	£50	£100*	£100	£15	£100	N/A	N/A
Club Gaming Machine	£100*	£40	£50	£100*	£100	£15	£100	N/A	N/A
Licensed Premises gaming machine permit	£150	N/A	£50	N/A	£25	£15	£100	£25	N/A
Prize gaming	£270	N/A	£100	£100	£25	£15	N/A	N/A	N/A
Licensed Premises gaming machine permit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£50

* Fee will be £200 if premises doesn't sell alcohol

Fees - Licensing Act 2003

Personal Licence

The fee for a Personal Licence is £37.00

Premises Licence and Club Premises Certificate

The fees to be paid in respect of obtaining either a premises licence or a club premises certificate are as follows:

Band	A	B	C	D	E
Non- Domestic rateable value of premises	£0-£4,300	£4,301-£33,000	£33,001-£87,000	87001-£125,000	£125,001 and over
New applications and variations	£100	£190	£315	£450	£635
Annual Fee	£70	£180	£295	£320	£350

Property not subject to non-domestic rates will fall into Band A. Properties, which have not yet been constructed will fall into band C.

Those premises which fall into Band 'D' will be subject to two times the amount of fee payable as outlined above, whilst those premises which fall into Band 'E' will be subject to three times the amount of fee payable, **if they are used exclusively or primarily for the carrying on of the retail of alcohol for consumption on the premises**, i.e. large public houses.

Large Events

An additional fee will be charged where the maximum number of persons exceeds 5000 at a licensible event. Please contact the Licensing Section for further details.

Exemptions

Church Halls, Community Halls, Village Halls, or other similar building etc. are exempt from paying any fees for a premises licence authorising **ONLY** the provision of regulated entertainment. If the retail of alcohol is to be included in the Premises Licence, the full fee will be payable as outlined above.

No fees are payable by an educational institution, such as a school or a college (whose pupils/students have not attained the age of 19) for a premises licence authorising **ONLY** the provision of regulated entertainment providing that is for and on behalf of the educational institution.

There are however, a number of other fees and charges that must be paid by applicants, they are as follows:

Occasion on which fee may be payable	Fee
Application for copy of licence or summary on theft, loss etc	£10.50
Notification of change of name or address (holder of premises licence)	£10.50
Application to vary the Designated Premises Supervisor	£23.00
Application to transfer a premises licence	£23.00
Interim authority notice following death etc. of licence holder	£23.00
Application for making of a provisional statement	£315.00
Application for copy of certificate or summary on theft, loss etc	£10.50
Notification of change of name or alteration of club rules	£10.50
Change of relevant registered address of club	£10.50
Temporary Event Notices	£21.00
Application for copy of licence on theft, loss etc of temporary event notice	£10.50
Application for copy of licence on theft, loss etc of personal licence	£10.50
Notification of change of name or address (Personal Licence)	£10.50
Notice of interest in any premises	£21.00
Minor variation application	£89.00

Should you need assistance in determining which level of fee you are required to pay, please contact the Licensing Section on (01527) 881473 or (01527) 881626.
Alternatively email - licensing@bromsgrove.gov.uk

In all cases, cheques must be made payable to 'Bromsgrove District Council'

BROMSGROVE DISTRICT COUNCIL - BUILDING CONTROL - APRIL 2012 - VAT AT 20%

Explanatory Notes

1) Before you build, extend or convert a building to which the building regulations apply, you or your agent must submit a Building regulations application.

The charge you have to pay depends on the type of work, the number of separate properties, or the total floor area.

You can use the following tables with the current charges regulations to work out the charges. If you have any difficulties, please do not hesitate to contact us.

2. The charges are as follows:

a) If you apply for a 'regularisation certificate' for any unauthorised building work that began on or after 11 November 1985, you must pay a regularisation charge to cover the cost of assessing your application and all inspections.

The charge is shown on the attached tables. VAT is not payable on regularisation applications.

b) In certain cases, we may agree that you can pay charges in instalments. Ask at your building control office for details.

3. TABLE A

This shows the charges for small domestic buildings, for example, new houses and flats. You have to pay these if the total inside floor area of each building, except any garage or carport, is not more than 300m² (and the building is not more than three storeys (each basement level is counted as one storey)).

4. TABLE B

If the work is more than one domestic extension being undertaken as part of the same works, you may add the total inside floor areas of all storeys of all the extensions shown on the application to work out how much you have to pay.

5. TABLE C

Applies if the extensions are more than 200m² floor area or three storey in height. They also apply to any commercial (non-domestic) work any other works which can not be placed in Tables A or B.

6. Estimated Costs

This is the reasonable commercial cost that would be charged by a building contractor to carry out the work that is in your application. There is no reduction in the estimated cost for DIY projects. This ensures fairness. The estimated cost does not include VAT, any professional fees that are paid to an architect, engineer or surveyor, and the cost of buying any land.

7. Exemptions and reductions in charges

a) If your plans have been approved or rejected, you won't have to pay again if you resubmit plans for the same work which has not started, provided you resubmit within 3 years of the original application date

b) You don't have to pay charges if the work will provide access to a building or is an extension to store medical equipment or provide medical treatment facilities for a disabled person. In order to claim exemption, an application must be supported by appropriate evidence as to the nature of the disabled person's disability. In these regulations, a 'disabled person' is a person who is described under section 29(1) of the National Assistance Act 1948 (as extended by section 8(2) Mental Health Act 1959.)

c) You do not have to pay charges for putting insulating material into an existing cavity wall, as long as it is certified to an approved standard and the work is carried out by an approved installer.

d) You do not have to pay charges for putting in an approved unvented hot-water system as long as the work is carried out by an approved installer or is part of a larger project.

e) If your application is for repetitive work, we may reduce the charges

8) You have to pay VAT for all local authority building regulation charges, except for the regularisation charge.

Other Information

1) These notes are for guidance only and do not replace Statutory Instrument 2010 number 0404 which contains the full statement of the law.

2) These guidance notes refer to the charges that you have to pay Bromsgrove District Council

3) The charges may vary in different authorities. Please check with the relevant local authority.

TABLE A: STANDARD CHARGES FOR THE CREATION OR CONVERSION TO NEW HOUSING

When using similar house types we can reduce our charges, for details of this reduction or for charges for more than 5 dwellings please telephone: 01527 881402

Number of properties	Application Charge (Incl. VAT) £	Regularisation Charge (No VAT payable) £	Additional Charge (Incl. VAT) £
1	620.00	780.00	110.00
2	855.00	1,070.00	215.00
3	1,085.00	1,355.00	320.00
4	1,310.00	1,860.00	425.00
5	1,505.00	1,885.00	530.00

TABLE B: DOMESTIC EXTENSIONS TO A SINGLE BUILDING

Type of work	Application Charge Incl. VAT £	Regularisation Charge No VAT payable £	Additional Charge Incl. VAT £
Extension where the total floor area does not exceed 10m2 or the conversion of an attached garage into a habitable room	340.00	425.00	110.00
Extension where the total floor area exceeds 10m2 but does not exceed 40m2	495.00	620.00	110.00
Extension where the total floor area exceeds 40m2 but does not exceed 60m2	660.00	825.00	110.00
Extension where the total floor area exceeds 60m2 but does not exceed 200m2	835.00	1,040.00	110.00
Loft Conversion	470.00	590.00	110.00
Erection or extension of a non-exempt single storey car-port or garage not exceeding 100m2	340.00	425.00	110.00
Window Replacement	180.00	225.00	N/A
Electrical Work	235.00	290.00	N/A
Other domestic alterations costing less than £3,000 which are separate from but are to be undertaken at the same time as the main project	60.00	85.00	55.00

TABLE C: ALL OTHER WORKS - ALTERATIONS

Estimated cost of work	Application Charge Incl. VAT £	Regularisation Charge No VAT payable £
£0 to £5,000	240.00	300.00
£5,001 to £15,000	340.00	465.00
£15,001 to £25,000	455.00	570.00
£25,001 to £35,000	560.00	700.00
£35,001 to £50,000	720.00	895.00

For Office or shop fit outs, installation of a mezzanine floor and all other work where the estimated cost exceeds £50,000, please contact the Building Control Office on 01527 881402 for a competitive quote

These charges have been set on the following basis:

1. That the building work does not consist of, or include innovative or high risk construction techniques and / or duration of the building work from commencement to completion does not exceed 12 months
2. That the design and building work is undertaken by a person or company that is competent to carry out the relevant design and building work. If they are not, the building control service may impose supplementary charges.

Bromsgrove District Council
Building Control – Supplementary Charges

If you are selling a property that has been extended or altered, you need to provide evidence to prospective purchasers that any relevant building work has been inspected and approved by a Building Control Body. That evidence is in the form of a Building Regulations Completion / Final Certificate and / or an Approval or Initial Notice (called the 'authorised documents' in the Home Information Pack Regulations).

Legal entitlement to a Completion Certificate is subject to conditions. In cases where the Council is not told that building work is completed, or the building is occupied without addressing outstanding Building Regulation matters, a certificate is not issued. Despite the best efforts of the Council's Building Control Surveyors, many home owners who undertake building works fail to obtain a Completion Certificate and their application is archived. A fee is payable to re-open archived building regulations applications for the purposes of issuing a completion certificate.

Other charges are payable where we are asked to withdraw a Building Regulations application and refund fees, or asked to re-direct inspection fee invoices. Fees are payable in cleared funds before the release of any authorised documents or other actions listed below.

DESCRIPTION	CHARGE (inc VAT at 20%)
ARCHIVED APPLICATIONS	
Process request to re-open archived building control file, resolve case and issue completion certificate	£65 administration fee
Each visit to site in connection with resolving archived building control cases	£65 per site visit
WITHDRAWN APPLICATIONS	
Process request	£40 administration fee
With additional fees of.....	
Withdraw Building Notice application where no inspections have taken place	refund submitted fee less admin fee
Withdraw Building Notice application where inspections have taken place	refund submitted fee less admin fee less £65 per site visit made
Withdrawn Full Plans application without plans being checked or any site inspections being made	refund submitted fee less admin fee
Withdraw Full Plans application after plan check but before any inspections on site	refund inspection fee (where paid up-front) less admin fee
Withdraw Full Plans application after plan check and after site inspections made	refund any paid inspection fee less admin fee, less £65 per site inspection made
RE-DIRECT INSPECTION FEES / ISSUE COPY DOCUMENTS	
Process request to re-invoice inspection fee to new addressee	£40 administration fee
Issue copy of previously issued completion certificate or Approval / Acceptance document	£11 plus 10 pence per A4 sheet

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TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Cabinet and for the execution and administration of treasury management decisions to Executive Director of Finance and Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

As CIPFA states the policy statement should also include the Council's high level policies for borrowing and investments you may wish to amend the subsequent paragraphs:

2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

**Bromsgrove District Council
Earmarked Reserves Final Accounts Schedule
2011/12**

Description	Balance c/fwd 31 March 2011 £000	Balance at 30 Sept 2011 (Q2) £000	Transfers In (New & Existing Reserves) £000	Budgeted release (budget saving 11/12) & budgeted R&R £000	Drawdown from Reserves £000	Q3 movement	Balance at 31 Dec 2011 (Q3) £000	Planned movement Jan 12 - Mar 12	Projected balance 31 March 2012	Additional Information
Building Control Partnership Reserve	-27	-27	0	22	3	25	-2	0	-2	Part of 11/12 budget savings For draw down over 5 years - Barnsley Hall football pitches
Liveability Reserve	-16	-16	0	0	0	0	-16	3	-13	
LPSA Reserve	-2	-2	0	0	0	0	-2	0	-2	Potential liability arising from ongoing legal cases
Litigation Reserve	-50	-50	0	0	0	0	-50	0	-50	Funding post
Sports Partnerships Reserve	-19	-19	0	0	0	0	-19	9	-10	
Area Committees	-21	-21	0	21	0	21	0	0	0	£170k part of 11/12 budget savings
Local Plans Inquiry	-212	-212	0	170	0	170	-42	0	-42	Part of 11/12 budget savings
Housing - Nighthop	-6	-6	0	6	0	6	0	0	0	Part of 11/12 budget savings
Housing needs assessments and surveys	-2	-2	0	0	0	0	-2	0	-2	Support for projects
Town Centre Development	-43	-38	0	0	0	0	-38	0	-38	To fund costs relating to extension of shared services
Single Status/JE	-3	-3	0	0	0	0	-3	0	-3	
Shared Services Agenda incl Joint CE	-601	-591	0	0	0	0	-591	187	-404	
Business Start up grants	-6	-6	0	0	0	0	-6	0	-6	
Youth Provision Reserve	-10	-10	0	10	0	10	0	0	0	
Activity Referral Scheme	-4	-4	0	0	0	0	-4	0	-4	This will now help fund new market stalls following the Town Centre Public Realm work
Town centre Market Stalls	-4	-4	0	0	0	0	-4	0	-4	
Local Strategic Partnership	-2	-2	0	0	0	-1	-3	0	-3	
Recycling Extension	-74	-74	0	0	0	0	-74	74	0	Part of 11/12 budget savings / 1.5k added from 10/11 for use in 11/12
Equalities	-6	-5	0	5	0	5	0	0	0	
Repairs & Renewals Fund	0	0	0	0	0	0	0	0	0	
Housing - Education Initiative	-3	-3	0	0	0	0	-3	1	-2	
Sports - H & W SP - Sports Unlimited Grant	-12	-12	0	0	0	0	-12	12	0	
VRA Subscriptions	-20	-11	0	0	9	9	-2	0	-2	11/12 projected spend £100k to fund voice over IP capital project
ICT refresh	-100	-100	0	-100	0	-100	-200	100	-100	
Housing - Mortgage Rescue	-23	-23	0	0	0	0	-23	0	-23	

Description	Balance c/fwd 31 March 2011 £000	Balance at 30 Sept 2011 (Q2) £000	Transfers In (New & Existing Reserves) £000	Budgeted release (budget saving 11/12) & budgeted R&R £000	Drawdown from Reserves £000	Q3 movement	Balance at 31 Dec 2011 (Q3) £000	Planned movement Jan 12 - Mar 12	Projected balance 31 March 2012	Additional Information
Housing - Homelessness	-14	-14	0	0	0	0	-14	0	-14	
DWP - Rules - Temp Accommodation	-2	-2	0	0	0	0	-2	0	-2	
DWP - In & Out work	-3	-3	0	0	0	0	-3	3	0	Equipment ordered within 10/11 but not delivered by 31st March
Computer Equipment	-30	-30	0	0	0	0	-30	30	0	£500 spend to save/ £1,450 Step Up/ £6,000 CBL / £10,000 Young peoples/1,038 SHMA/3,721 home energy/4,740 24hr foyer/7k mgmt fee increase to fund potential restitutionary claims & loss of fees foregone 10/11
Housing - General	-27	-27	-7	0	0	-7	-34	0	-34	Flood and watercourse mgmt
Land Charges	-100	-100	0	0	0	0	-100	0	-100	
Emergency Planning - Flood & W/Course mgmt	-10	-6	0	0	0	0	-6	0	-6	
Sanders Park - Roof	-3	-3	0	-3	0	-3	-6	0	-6	
Play Areas - Catshill / Pitches	-4	-4	0	-4	0	-4	-8	0	-8	
Christmas Lights	-2	-2	0	-2	0	-2	-4	0	-4	
Drinks Machines	-3	-1	0	0	0	0	-1	0	-1	Replacement of machines
Fire Risk Management System	-4	-4	0	0	0	0	-4	0	-4	Review of fire risk management system to be done within the HR shared service
Ballot box and Booths	-10	-10	0	0	0	0	-10	10	0	
Democratic Services (RBC)	-11	-11	0	0	0	0	-11	11	0	
Reg Services - Partner % Underspends	-69	0	0	0	0	0	0	0	0	
Sports Dev - Community Projects	-2	-2	0	0	0	0	-2	0	-2	
Sports Dev - Falls Prevention	-1	-1	0	0	0	0	-1	0	-1	
Health and Wellbeing (CM20)	-24	-15	0	0	0	0	-15	0	-15	Repairs and maintenance work/ Delaware.
CCTV	-15	-15	0	0	0	0	-15	15	0	
ATLAS	-27	-2	0	0	0	0	-2	0	-2	
LHA Changes	-3	0	-2	0	0	-2	-1	0	-1	
Incap Ben & IS Reassess	-3	-1	-3	0	0	-3	-4	0	-4	
Replacement Vehicles/Plant	-76	-76	0	-112	0	-112	-188	0	-188	
Lickey End	-6	0	0	0	0	0	0	0	0	
TRUNK/AOHN	-70	-80	0	0	0	0	-80	0	-80	TRUNK Funding
Absent Voters			-7	0	0	-7	-7	0	-7	To fund pressure in 12/13
	-1,781	-1,646	-18	13	12	5	-1,640	455	-1,186	

Is the virement for 2011/12 Only or for future years?	Virement From:			Virement To:			Reason for virement
	Account	Cost Centre	Amount £	Account	Cost Centre	Amount £	
2011/12	N03 – Earmarked Reserves	GF03	-30,000	D56 – Computer Hardware	IT12	30,000	Release of Reserve – Equipment Purchase

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2011/12 Capital Schemes
to be carried forward into
12/13

Appendix 3

Scheme Title	Carry Forward Request Amount (£)	Reason
Barnsley Hall - Requisition of Land & Provision of New Play Area	7,000	Project delayed due to final access arrangement being agreed
New Park at Barnsley Hall (Funded from Government & BDC) Football Pitches	208,546	Contract has been awarded, project delayed due to access issues. Due to commence March/April 2012 subject to planning agreed as part of planning process.
Pitch Enhancements - previously at Alvechurch Lions	69,350	Previously identified location no longer suitable, new location identified at Bromsgrove rugby club, project cost £50k, remainder to be spent on pitch enhancements within the district.
Braces Lane	60,000	Work to commence March/April 2012 - scheme linked to Barnsley Hall project, £30k expected to be spent in this year and the remainder in 2012/13
Play Area Removals & Upgrades	12,000	10K earmarked for use to support the Stoke Heath enhancement scheme delayed due to re-issuing of play frame contract
Repair & Maintenance of Bridges	15,000	Following discussions with county the bridge at Watt Close is being redesigned for pedestrian only. Due to these negotiations work is unlikely to be completed in this financial year, the delay is due to EA permissions being granted.
Repair & Maintenance of Bridges	14,752	Awaiting confirmation to vire this amount to help finance Battlefield brook project, but unlikely to be spent in this year - new project code to be allocated
Sanders Park - Enhancements of play areas	60,000	Awaiting Play Framework Contract to commence
Replacement Vehicles (Refuse)	43,000	Four of the five potential vehicles have been purchased the balance is required to enable the purchase of the fifth vehicle.
North Cemetery Phase 2 Expansion	69,000	Due to scheduling this expenditure will not be incurred until 2012/13
Mandatory Disabled Facilities Grants (DFG's) (Private & BDHT Grants) - Budget Only	100,000	All expenditure committed, but work unlikely to be completed before the 31st March. Annual recurring issue due to timing and availability of contractors to undertake works.
	658,648	

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