



BROMSGROVE DISTRICT COUNCIL

CABINET

WEDNESDAY, 13TH JUNE, 2007 AT 6.00 PM

COMMITTEE ROOM, THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

AGENDA

MEMBERS: Councillors R.Hollingworth (Executive Leader), Mrs. J. M. L. A. Griffiths (Deputy Executive Leader) A. N. Blagg, Dr. D. W. P. Booth JP, G. N. Denaro, Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, R. Hollingworth, Mrs. M. A. Sherrey JP, M. J. A. Webb and P. J. Whittaker

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the Minutes of the Meeting of the Executive Cabinet held on 24th April 2007 (Pages 1 - 4)
4. Public Questions
5. To receive the Minutes of the Meeting of the Scrutiny Steering Board held on 3rd April 2007 (Pages 5 - 10)
6. To receive the Minutes of the Meeting of the Performance Management Board held on 22nd May 2007 (Pages 11 - 14)
7. Annual Audit and Inspection Letter (Pages 15 - 28)
8. Benefit Fraud Prosecution Policy (Pages 29 - 34)
9. Treasury Management Strategy Statement and Investment Strategy 2007-08 to 2009-10 (Pages 35 - 58)
10. Choice Based Lettings - Banding Model and Allocations Scheme (Pages 59 - 72)
11. Expenditure of Homelessness Grant Funding (Pages 73 - 86)

12. Refuse and Recycling - Winter and Christmas Working Arrangements (Pages 87 - 90)
13. To consider any other business, details of which have been notified to the Head of Legal 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
14. To consider, and if considered appropriate, to pass the following resolution to exclude the public from the Meeting during the consideration of an item of business containing exempt information:-

"RESOLVED: that under Section 100A(4) of the Local Government Act 1972, the public be excluded from the Meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of "Exempt Information" as defined in Part I of Schedule 12A to the Act, the relevant paragraph of that part, in each case, being as set out below:-

<u>Item No.</u>	<u>Paragraph(s)</u>
15	1
16	12
17	12

15. Restructure of Street Scene and Waste Management Department (Pages 91 - 96)
16. Fraud Strategy (Pages 97 - 124)
17. Verification Framework Housing Benefit/Council Tax Benefit Anti Fraud Policy (Pages 125 - 134)

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

4th June 2007

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE EXECUTIVE CABINET

TUESDAY, 24TH APRIL, 2007

PRESENT: Councillors R. Hollingworth (Executive Leader), Mrs. J. M. L. A. Griffiths (Deputy Executive Leader), Mrs. J. Dyer M.B.E., B. L. Fuller C.B.E. Q.F.S.M., Mrs. M. A. Sherrey JP, Mrs. C. J. Spencer, Mrs. M. M. T. Taylor and P. J. Whittaker

Observer: Councillor Mrs. K. M. Gall

Officers: Mr. K. Dicks, Mrs. C. Felton, Mrs D. Warren and Ms. R. Cole

197/06 **TO CONFIRM THE MINUTES OF THE MEETING OF THE EXECUTIVE CABINET HELD ON 4TH APRIL 2007**

The Minutes of the Meeting of the Executive Cabinet held on 4th April 2007 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

198/06 **MATTERS ARISING FROM THE MINUTES**

There were no matters arising from the Minutes.

199/06 **REVIEW OF THE COUNCIL'S CONSTITUTION**

The Cabinet gave consideration to a report on the review of the Councils Constitution. The Cabinet acknowledged the work undertaken by Officers in undertaking this review.

RECOMMENDED:

1. that the Constitution be amended in accordance with the drafts appended to the report to take effect from 4 May 2007, subject to the following amendments:

(i) In relation to the Standards Committee:

The Articles be amended as follows:

Paragraph 10.2 a. (i) be amended to read as follows:

“three District Councillors (other than the Leader) two of whom will be members of the controlling political group and one of whom will not be a member of the controlling political group.”

Paragraph 10.3 m. be deleted.

Paragraph 15.1 be amended as follows:

“The Monitoring Officer will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.”

(ii) In relation to the consideration of Scrutiny Steering Board reports the following wording be included in the Cabinet Procedure Rules as para 9.11 - 12 and to the Scrutiny Procedure Rules as para 15.2 – 4.

“* The Cabinet will consider all reports and recommendations presented by the Scrutiny Steering Board and will provide the Scrutiny Steering Board with a response.

* A Scrutiny Steering Board report which includes one or more proposals which would require a departure from the Budget and Policy Framework will be considered in the first instance by the Cabinet. The Cabinet will decide whether to recommend to the Council that those proposals be implemented. If the Cabinet decides not to recommend to Council that those proposals be implemented, its decision, together with the reasons for that decision, shall be reported back to the Scrutiny Steering Board.

* The Scrutiny Steering Board may then request the Chief Executive to include the report and those proposals which would require a departure from the Budget and Policy Framework on the agenda for the next available Council meeting.”

(iii) In relation to Article 7.6 b, the wording be amended as follows:

“When a decision regarding a Cabinet function requires attention as a matter of such urgency that formal reporting to Cabinet is not possible, the Leader may take that decision in consultation with the relevant Portfolio Holders, the Chief Executive, the Section 151 Officer and the Monitoring Officer.”

2. that authority be delegated to the Head of Legal and Democratic Services to correct typographical and/or cross-referencing errors in order to give effect to the Council’s intentions

3. that there be a further review of the Constitution within 12 months.

The meeting closed at 4.17 pm

Chairman

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Agenda Item 5

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE SCRUTINY STEERING BOARD

TUESDAY, 3RD APRIL 2007 AT 6.00 PM

PRESENT: Councillor Miss D. H. Campbell JP (Chairman), C. J. K. Wilson (Vice-Chairman), Mrs. J. M. Boswell, Mrs. A. E. Doyle, J. T. Duddy, W. R. Newnes, S. R. Peters, N. Psirides JP and S. P. Shannon.

Observers: Councillor D. McGrath.

Officers: Mr. K. Dicks (was present until 6.30 pm), Mr. P. Street, Mr. D. Hammond, Mrs. S. Sellers and Miss D. McCarthy.

115/06 APOLOGIES

No apologies were received.

116/06 DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

In relation to agenda item 4, the work of the Worcestershire County Council's Highways Maintenance Scrutiny Task Group, the following declaration of interest was made:

<u>Councillor</u>	<u>Nature of Interest</u>
S. P. Shannon	Personal. Member of Worcestershire County Council.

In relation to agenda item 8, the Executive Cabinet Agenda for 4th April 2007 and specifically, agenda item 17 on the Executive Cabinet Agenda relating to Bromsgrove Rovers, the following declaration of interest was made:

<u>Councillor</u>	<u>Nature of Interest</u>
W. R. Newnes	Personal. Involved with holding private functions at Bromsgrove Rovers

No whipping arrangements were made.

117/06 MINUTES

The minutes of the Meeting of the Scrutiny Steering Board held on 6th March 2007 were submitted.

RESOLVED: that the Minutes be approved and confirmed as a correct record.

118/06 **COUNTY'S HIGHWAYS MAINTENANCE SCRUTINY TASK GROUP**

On behalf of the Scrutiny Steering Board, the Chairman introduced County Councillor Mrs. E. B. Tucker (Chairman of Worcestershire County Council's Highways Maintenance Scrutiny Task Group) and Councillor W. G. Stewart (Member of the Highways Maintenance Scrutiny Task Group).

Both members gave a detailed talk on the work carried out by the Highways Maintenance Scrutiny Task Group. The Board was informed that a wide and comprehensive study had been undertaken although it had not been exhaustive due to need to keep to the timescale of 6 months. Appendix 4 to the Scrutiny Report was referred to which gave a list of dates of evidence sessions and task group activity including those who had been consulted.

Members of the Board asked numerous questions and there was a discussion on various aspects of the scrutiny work including potholes, footways, insurance claims, public satisfaction, standard of maintenance and inspection work, experiences at other local authorities in the UK, financial resources and recommendations for improvement put forward by the Task Group.

The Board congratulated members of the County Council's Highways Maintenance Scrutiny Task Group for an impressive written report. The Chairman thanked both members for taking the time to attend the meeting.

RESOLVED: that the written and verbal reports, as well as the County's Executive Cabinet's response relating to the Worcestershire County Council's Highways Maintenance Scrutiny Task Group, be noted.

119/06 **HEALTH SCRUTINY UPDATE**

The Chairman welcomed Councillor McGrath, the District Council's representative on Worcestershire County Council's Health Overview and Scrutiny Committee.

Members considered the report in detail and Councillor McGrath answered questions regarding his report which covered: Worcestershire Primary Care Trust; Worcestershire Mental Health Partnership NHS Trust; Ambulance Service Respond Times; and Worcestershire Acute Hospitals NHS Trust. Other comments made related to respite for carers and the out of hours service. Councillor McGrath stated that his report might be useful to other members of the Council.

On behalf of the Board, the Chairman thanked Councillor McGrath for his report and for attending the meeting.

RESOLVED:

- (a) that the report be noted; and
- (b) that the report be circulated to all other members of the Council for their information.

120/06 **HIGH HEDGES**

The Head of Planning and Environment Services presented the report relating to High Hedges. An information pack was distributed at the meeting to members of the Board for their information. It was explained that the information packs were sent to members of the public who enquired about the service.

The Board was reminded that involving the Council should be a last resort and that the Council could only intervene once all other avenues for resolving a hedge dispute had been exhausted. The information pack explained what the Government expected complainants to do before submitting an application and it was stated that the Council tree officers also gave fairly extensive verbal advice to potential applicants to assist them.

Members were informed that the Council had not yet taken a application forward as out of the three which had been submitted, one had been rejected due to the applicant not taking the required steps before applying and two had been withdrawn by the applicants after an agreement had been reached. It was explained that the fee was returned if an application was withdrawn before the site visit took place.

Following a definition of "income support" in relation to the reduced fee, there was a concern that not all who could be entitled to the concession of £200 would necessarily be aware and therefore it was requested that it be clarified on the application form.

RESOLVED: that the Head of Planning and Environment be requested to amend the application form in order that it was clear who was entitled to the concession of £200.

RECOMMENDED: that the Executive Cabinet be requested to ensure that the High Hedges fee remain at £500 with a concession of £200 for those receiving Income Support for a further 12 months before being reviewed again by officers.

121/06 **WORK PROGRAMME**

Consideration was given to the future work of the Scrutiny Steering Board and Scrutiny Task Group Review dates.

RESOLVED: that the following Work Programme, including Scrutiny Task Group Review dates, be approved –

Subject	Date of Consideration	Other Information
Health Scrutiny Update	Quarterly (March/June/Sept/Dec)	This Council's representative on Worcestershire County Council's Health Overview and Scrutiny Committee, to provide an update report.

Subject	Date of Consideration	Other Information
Refuse and Recycling Scrutiny Proposal	5th June 2007	As agreed at the Board Meeting in March, the composite scrutiny proposal be considered by the Board as an area to be scrutinised.
Future Work Programme	5th June 2007	Members of the Scrutiny Steering Board will need to decide what other issues will be included in its rolling work programme.

Scrutiny Task Group Review Meetings:

Task Group	Date of Review	Other Information
Culture and Community Services	June 2007	Task Group to reconvene for a review meeting June 2007.
Use of Consultants	July 2007	Task Group to reconvene for a review meeting July 2007.
BDHT	December 2007	Task Group to reconvene for a review meeting December 2007.
Flytipping	March/April 2008	Task Group to reconvene for a review meeting March/April 2008

122/06 ITEMS TO BE CONSIDERED AT THE NEXT MEETING OF THE EXECUTIVE CABINET

Consideration was given to the items on the agenda for the Executive Cabinet meeting which was scheduled to be held on 4th April 2007.

Comments were made regarding two items on the agenda. The first was agenda item 15 which related to the progress report and revised strategy on the de-commissioning of hostels. Points made were:

- the disappointment over the length of time waiting on the planning application, particularly as the hostel had been vacated in September 2006;
- that it be recommended to the Executive Cabinet that Wythall Hostel be sold at auction; and
- that any funds left over from the £21,000 Bed and Breakfast Budget being transferred to BDHT for 2 years which is not spent be transferred back to the Council.

Comments raised on agenda item 17 which related to Bromsgrove Rovers were as follows:

- concern that the Portfolio Holder had not been consulted on the report;
- concern over the length of time negotiations with the Club were taking considering it had been agreed by Executive Cabinet in July 2005; and

- that paragraph 4.1 of the report be amended to make it clear that the annual rent to be paid was £13,700 and not a peppercorn rent.

RESOLVED: that the comments raised and listed above be put forward by the Chairman of the Scrutiny Steering Board at the Executive Cabinet Meeting on 4th April 2007.

The meeting closed at 7.45 pm

Chairman

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Agenda Item 6

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE PERFORMANCE MANAGEMENT BOARD

TUESDAY, 22ND MAY, 2007

PRESENT: Councillors Mrs. M. Bunker, S. R. Colella, Mrs. A. E. Doyle, J. T. Duddy, Mrs. C. M. McDonald, R. D. Smith and C. B. Taylor

Observers: Councillors Mrs. J. Dyer M.B.E., Mrs. J.M.L.A. Griffiths and S.R. Peters

Officers: Messrs. H. Bennett and A. Jessop

1/07 ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

RESOLVED: that Councillors J.T. Duddy and C.B. Taylor be elected Chairman and Vice-Chairman respectively of the Board for the ensuing municipal year.

2/07 MINUTES

The Minutes of the meeting of the Board held on the 13th April 2007 were submitted.

RESOLVED:

- (a) that, for the avoidance of doubt, the recommendation to Minute No. 85/06 (Improvement Plan Exception Report – February 2007 Update) be amended to read “that, on the issue of communications, on future occasions when senior officers of the Council are away en-bloc on a management “away day”, or there are similar training sessions involving a number of officers from one department, these dates/opportunities be communicated to Members in advance by e-mail, to be supplemented by a postal notification until such time as all members were contactable via e-mail”; and
- (b) that, in all other respects, the Minutes be confirmed and signed as a correct record.

3/07 DATA QUALITY STRATEGY

A report setting out the Council’s Data Quality Strategy and Action Plan, which aims to improve the Council’s score with the Audit Commission from current Levels 1 and 2 to 3 within the next twelve months, was submitted.

RESOLVED:

- (a) that the Data Quality Strategy and Action Plan be noted, but that, if possible, a report be submitted to the next meeting of the Board setting out an “in-house” assessment of the current levels of performance;

- (b) that the Action Plan be submitted to the Board on a six monthly basis;
- (c) that future copies of the report should include an additional (end) column outlining the current status of the various Items/Themes; and
- (d) that the Assistant Chief Executive be requested to discuss prioritisation of Themes within the document with the Council's Auditors in due course.

4/07 **IMPROVEMENT PLAN EXCEPTION REPORT UPDATE - PERIOD 12 06/07 (YEAR END)**

Consideration was given to the report on the Improvement Plan for March 2007, together with the corrective action being taken, as set out in the appendix to the report.

RESOLVED:

- (a) that the revisions to the Improvement Plan Exception Report, together with the corrective action being taken, be noted;
- (b) that it be noted that, from the 90 actions highlighted for March, 58% of the Plan was on target (green), 2% was one month behind (amber), and 13.3% was over one month behind (red) – with 26% of actions having been re-scheduled or suspended, with approval;
- (c) that, notwithstanding (b) above, the Assistant Chief Executive be requested to investigate the reason for the apparent reversal in on-target (green) projects from 70% in February to 58% in March, and report his findings to the next meeting; and
- (d) that, insofar as the issues relating to the Modernisation of the Council Brand were concerned, a copy of the Style Guide be circulated with the agenda for the next meeting, and that, in this regard, the Council's Communications Manager be invited to attend to assist with any discussion or debate;

5/07 **TRAINING**

The Chairman advised the members of the Board that, as everyone elected onto the Board were either new to the Council or to the work of the Board, training sessions would be arranged at the earliest possible opportunity. This was noted.

6/07 **COUNCIL CONSTITUTION**

The Chairman referred to the Council's Constitution document, and recommended that Members pay particular attention to Part 10, which covered the work of the Board. This was noted.

7/07 **WORK PROGRAMME**

The Chairman advised the Board that there was already a Work Programme in place for the Board, and that such Programme would be re-submitted in the near future for reconsideration. This was noted.

8/07 **DATES AND TIMES OF FUTURE MEETINGS**

A revised schedule of dates and times of future meetings of the Board was circulated at the meeting and it was

RESOLVED: that future meetings of the Board take place at 6. 00 p.m. on Tuesdays on the following dates:

19th June 2007
17th July 2007
21st August 2007
18th September 2007
23rd October 2007
20th November 2007
18th December 2007
22nd January 2008
19th February 2008
18th March 2008
22nd April 2008

The meeting closed at 7.24 pm

Chairman

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

13th June 2007

ANNUAL AUDIT AND INSPECTION LETTER

Responsible Portfolio Holder	Councillor Roger Hollingworth
Responsible Head of Service	Chief Executive

1. SUMMARY

- 1.1. The Audit Commission and Council's External Auditor (KPMG LLP) has issued the Annual Audit and Inspection Letter. A copy of the report is attached at Appendix A.
- 1.2. Members will note that the Annual Audit and Inspection Letter addresses a number of matters, however the letter is less detailed than usual due to the forthcoming publication of the Council's Comprehensive Performance Assessment (CPA).

2. RECOMMENDATIONS

- 2.1 Members are asked to consider the Annual Audit and Inspection Letter and, subject to any comments they may wish to make, to accept the Letter.

3 ANNUAL AUDIT AND INSPECTION LETTER

- 3.1 Attached at Appendix A is the Annual Audit and Inspection Letter. The letter provides an overall summary of the Audit Commission's assessment of the Council.
- 3.2 The two main actions arising from the report are that the Council should ensure that:
 - 3.2.1 Continued progress is developed in the way the Council uses its resources. In particular there needs to be significant progress in demonstrating value for money; and
 - 3.2.2 Sustained progress is achieved in strategic housing services through the delivery of the improvement plan.
- 3.3 With regard to value for money the Council has approved a value for money strategy and is currently developing a schedule of value for money reviews in order to improve the Council's position with regard to this.
- 3.4 On the strategic housing service an improvement plan was formulated which is on target for delivery.

4. FINANCIAL IMPLICATIONS

- 4.1 None.

5. LEGAL IMPLICATIONS

5.1 None.

6. CORPORATE OBJECTIVES

6.1 In support of the Council's objective of Improvement.

7. RISK MANAGEMENT

7.1 None.

8. CUSTOMER IMPLICATIONS

8.1 None.

9. OTHER IMPLICATIONS

Procurement Issues – None
Personnel Implications – None.
Governance/Performance Management – contained In the annual audit letter.
Community Safety including Section 17 of Crime and Disorder Act 1998
Policy – None.
Environmental - None.
Equalities and Diversity – None.

10. OFFICERS CONSULTED ON THE REPORT

Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service <i>(i.e. your own HoS)</i>	Yes
Head of Financial Services <i>(<u>must</u> approve Financial Implications before report submitted to Leader's Group)</i>	Yes

Head of Legal & Democratic Services <i>(for approval of any significant Legal Implications)</i>	Yes
Head of Organisational Development & HR <i>(for approval of any significant HR Implications)</i>	Yes
Corporate Procurement Team <i>(for approval of any procurement implications)</i>	No

CONTACT OFFICER

Name: Kevin Dicks – Chief Executive
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Tel: (01527 881400)

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Annual Audit and Inspection Letter

Bromsgrove District Council

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

Status of our reports

This report provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by your Relationship Manager.

In this report, the Commission summarises findings and conclusions from the statutory audit, which have previously been reported to you by your appointed auditor. Appointed auditors act separately from the Commission and, in meeting their statutory responsibilities, are required to exercise their professional judgement independently of the Commission (and the audited body). The findings and conclusions therefore remain those of the appointed auditor and should be considered within the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

Reports prepared by appointed auditors are:

- prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission; and
- addressed to members or officers and prepared for the sole use of the audited body; no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

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Contents

Our overall summary	4
Action needed by the Council	4
How is Bromsgrove District Council performing?	5
Service inspections	6
Financial management and value for money	7
Conclusion	10
Availability of this letter	10

Our overall summary

- 1 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the findings and conclusions from the external audit of the Council, undertaken by its appointed auditor, KPMG LLP ("KPMG") Jon Gorrie and from any inspections that have been undertaken in the last year. This report is presented in advance of the publication of the Council's first Comprehensive Performance Assessment (CPA), which will present a more detailed analysis of overall performance. This Letter would usually include our review of how well the Council has progressed (our Direction of Travel report). Because the Council has been accepted for a CPA categorisation assessment, the Direction of Travel assessment did not take place.
- 2 The report is addressed to the Council, in particular it has been written for councillors, but is available as a public document for stakeholders, including members of the community served by the Council.
- 3 The main messages for the Council included in this report are as follows.
 - The Council's performance in the Use of Resources Assessment shows significant improvement. Overall the Council meets minimum requirements and its performance is now adequate. Performance in the key area of value for money remains poor and remains below minimum requirements.
 - The Council's strategic housing service was assessed as being poor (0 star) with uncertain prospects for improvement. This indicates a need to deliver significant improvements, and the Council has prioritised actions designed to achieve this.
 - A more detailed assessment of overall council performance and improvement priorities will be identified in the imminent publication of CPA.

Action needed by the Council

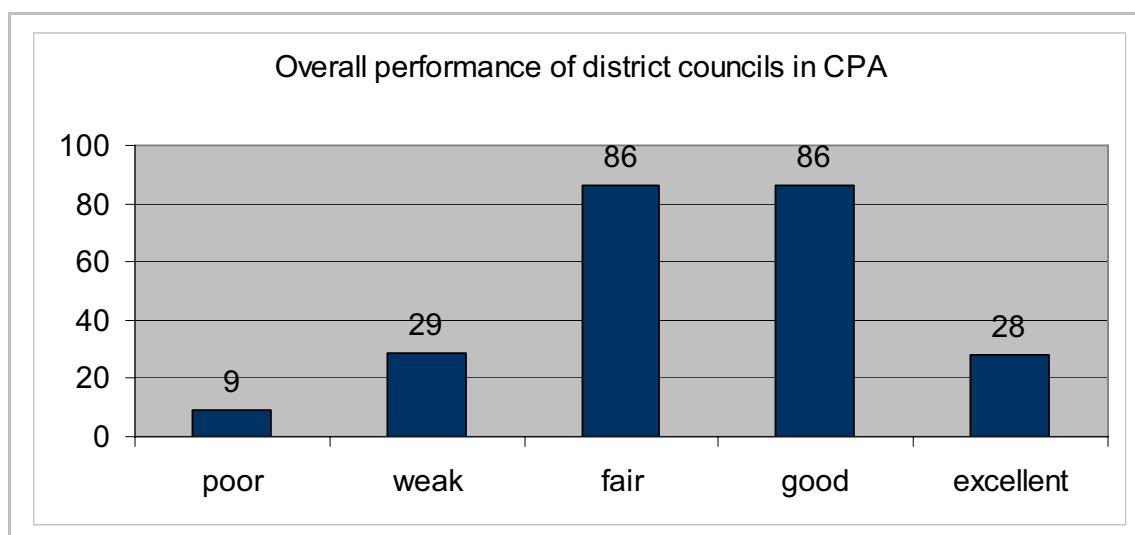
- 4 The Council should ensure that:
 - continued progress is delivered in the way the Council uses its resources. In particular there needs to be significant progress in demonstrating value for money; and
 - sustained progress is achieved in strategic housing services through the delivery of the improvement plan.

How is Bromsgrove District Council performing?

- 5 The Council is unique in England in that it was not subject to all aspects of Comprehensive Performance Assessment. In June 2004 the Council requested engagement with the Office of the Deputy Prime Minister. As a consequence of the council's request for engagement the Audit Commission agreed to change its approach to the council's CPA. It agreed that the assessment would not take place as planned along with the other Worcestershire district councils in September 2004. As part of the agreement to do this the council was given, and accepted, a CPA category as a poor council. The Council will continue to be categorised as a poor council until such time as the commission completes a full CPA.
- 6 CPA assessments have been completed in all other district councils and we are now starting to update these assessments, through an updated corporate assessment, in councils where there is evidence of change. An updated corporate assessment for this Council is scheduled to report in June 2007. The following chart is the latest position across all district councils.

7

Figure 1 Overall performance of district councils in CPA



Source: Audit Commission

Service inspections

- 8 In July 2006 we published a inspection of the Council's strategic housing service. This judged that the Council provided a poor (0 star) service with uncertain prospects for improvement.
- 9 The service was judged to be poor for a range of reasons. There was no overarching vision, a lack of comprehensive service standards, a lack of leadership on diversity and equality, poor quality temporary accommodation and a weak approach to delivering value for money. The council has not achieved a balance of supply in the local housing market and its approach to strategic planning and private sector housing were not having the necessary impacts.
- 10 Despite the overall poor judgement the service did have a number of positive aspects. For example the Council has good up to date housing stock condition information and an effective understanding of local housing needs.
- 11 The service had uncertain prospects for improvement for a range of reasons. There was a lack of leadership in setting a clear strategic vision and a weak track record of improvement. Difficult decisions on affordable housing and homeless services had been avoided. Performance management arrangements were not effective, and there was a continuing lack of focus on achieving value for money.
- 12 There were however, a number of more encouraging signs. For example council staff had a good range of skills and experience and there was a good focus on reducing the use of bed and breakfast accommodation.
- 13 The Council has responded positively to the publication of our report. A detailed improvement plan has been developed and a high priority has been given to delivering significantly better performance. In February 2008 we will conduct a re-inspection which will assess how much progress has been made.

Financial management and value for money

- 14 KPMG has issued separate reports to the Council setting out the findings of the 2005/06 audit work. These reports included:
- an Interim Report, setting out the findings of work completed prior to the commencement of the audit of accounts;
 - a Report to Those Charged with Governance, summarising the findings of the accounts audit prior to issuing the audit opinion;
 - an Annual External Audit Report, giving an overview of all our work in 2005/06 and our findings from our review of management arrangement over data quality;
 - a report providing feedback on our Use of Resources work for the year; and
 - a review of the role of the Monitoring Officer.
- 15 KPMG has also issued the following statutory opinions to the Council during the year:
- an unqualified opinion on your accounts;
 - a conclusion on your arrangements for the use of resources 2005 which stated that these arrangements are inadequate; and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited and complies with statutory requirements.
- 16 KPMG's findings are an important component of the CPA framework described above. In particular, the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial Reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support council priorities).
 - Financial Standing (including the strength of the Council's financial position).
 - Internal Control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).

- 17 For the purposes of the CPA, KPMG has assessed the Council’s arrangements for use of resources 2006 in these five areas as follows.

Table 1

Element	Assessment
Financial reporting	2 out of 4
Financial management	2 out of 4
Financial standing	2 out of 4
Internal control	2 out of 4
Value for money	1 out of 4
Overall assessment of the Audit Commission	2 out of 4

(Note: 1: inadequate performance; 2: adequate performance; 3: performing well; 4: performing strongly)

- 18 The key issues arising from our audit during the year are as follows:
- 19 Use of Resources and Value for Money Conclusion.
- During our work for on UOR 2006, the Authority scored 2 on the first four themes of Use of Resources, representing a clear improvement from last year when the overall score was 1. This is the consequence of some notable developments to the Authority’s policy framework and procedures and improvements to monitoring by management and Members – for example, budgetary control.
 - The key challenge for the Council in future is to imbed its processes and use its mechanisms in place to delivery cost effective and good quality services to its users. We have set out our findings in more detail in our ‘Use of resources feedback 2006 report.
- 20 Management arrangements over data quality.
- The Audit Commission for the first time required auditors to review management arrangements over data quality. We reviewed the management arrangements over data quality using Key Lines of Enquiry (KLOEs) set by the Audit Commission. We gave the arrangements in place a score of 1, indicating that they did not meet the minimum standards set out in the KLOEs. The Council needed to demonstrate more clearly its commitment to data quality in its key corporate documents and policies and improve its arrangements for reviewing underlying data and data quality training for staff.
- 21 We reported our findings in detail with specific recommendations to improve the management arrangements over data quality in our Annual External Audit Report issued in February 2007.

22 Financial Statements

- During our financial statements audit we did not find any material errors however we made a number of performance improvement observations relating to asset management and investments. We detailed our findings and recommendations in our ISA 260 Report to Those Charged with Governance in September 2006.

Conclusion

- 23 This letter has been discussed and agreed with the Chief Executive. A copy of the letter will be presented at the executive cabinet on 13 June 2007.
- 24 The Council has taken a positive and constructive approach to our audit and inspection I would like to take this opportunity to express my appreciation for the council's assistance and co-operation.

Availability of this letter

- 25 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the council's website.

Name Sandy McMillan
Relationship Manager

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

13th June 2007

Benefit Fraud Prosecution Policy

Responsible Portfolio Holder	Cllr Geoff Denaro
Responsible Head of Service	Head of Financial Services – Jayne Pickering

1. SUMMARY

- 1.1 An effective policy is required to ensure the Council has a framework in place to enable prosecution of fraudulent benefit claims.

2. RECOMMENDATION

- 2.1 The policy shown at **Annex A** is approved and adopted.

3. BACKGROUND

- 3.1 Bromsgrove Council has the right to prosecute cases involving fraudulent claims for Housing Benefit and Council Tax Benefit. It does not have legal powers to prosecute National Benefit Offences, as paid by the Department for Work and Pensions. Bromsgrove Council will, however, participate in prosecutions where National Benefit Offences are paid in addition to Housing Benefit/Council Tax Benefit. In these cases the Department for Work and Pensions would act on the Council's behalf.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications as a direct result of this report. The policy will ensure fraud is prosecuted and that overpayments are recovered.

5. LEGAL IMPLICATIONS

- 5.1 Bromsgrove Council has the right to prosecute cases involving fraudulent claims for Housing Benefit and Council Tax Benefit.

6. CORPORATE OBJECTIVES

- 6.1 Approval of this policy contributes to the Council's corporate objectives by ensuring that the Council has clear guidelines in place for the prosecution of fraud.

7. RISK MANAGEMENT

7.1 The main risks associated with the details included in this report are:

7.1.1 Failure to detect fraud

7.1.2 Unsuccessful prosecution of claimant

7.2 These risks are being managed as follows:

7.2.1 Failure to detect fraud and unsuccessful prosecution are both managed within the :

Risk Register: Financial Services

Key Objective Ref.: 5

Key Objective: Effective Anti Fraud Culture

8. CUSTOMER IMPLICATIONS

8.1 The approval of the revised policies ensure that taxpayers are aware that the Council has a robust and appropriate framework in place to prosecute fraudulent benefit claimants.

10. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	None

11. APPENDICES

Annex A - Benefit Fraud Prosecution Policy

CONTACT OFFICER

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Bromsgrove
District Council

www.bromsgrove.gov.uk

**Housing/Council Tax Benefit
Prosecution Policy**

2007-08



BENEFIT FRAUD PROSECUTION POLICY

Bromsgrove Council has the right to prosecute cases involving fraudulent claims for Housing Benefit and Council Tax Benefit. It does not have legal powers to prosecute National Benefit Offences, as paid by the Department for Work and Pensions. Bromsgrove Council will, however, participate in prosecutions where National Benefit Offences are paid in addition to Housing Benefit/Council Tax Benefit. In these cases the Department for Work and Pensions would act on the Council's behalf.

Bromsgrove District Council will investigate suspected benefit offences up to a criminal standard of proof.

The purpose of the investigation is to establish the facts in an equitable and objective manner.

Investigation Officers are charged with the duty of investigating under the Police and Criminal Evidence Act 1984, and will therefore work within the guidelines of this Act, in addition to other investigative legislation. Examples are: Human Rights Act 1998, Data Protection Act 1998, Fraud Act 2006, other relevant Acts of Parliament and Social Security Legislation. Council Policies on Customer Care, and Equalities and Diversity Policy, will also be adhered to.

Investigation Officers will undertake enquiries or activities at all times of day (or night, where applicable) in order to ascertain if offences have been committed. Activities may include authorised Surveillance where Officers may follow someone covertly if they have reasonable suspicion to suspect that an offence has been committed, or is being committed. Directed surveillance will be undertaken within the guidelines of the Regulation of Investigatory Powers Act 2000. Telecommunications data may also be obtained where applicable. Data that may be acquired with authorisation include:

- names
- addresses
- telephone numbers to find out who is called and when, but not the content of the calls
- IP addresses – when a session online was started and ended but not the website viewed
- Geographical location of the calling or called parties.

Communications data surveillance does not monitor content.

The Council will use all powers granted to the Council by the Secretary of State for Social Security under the Social Security Administration (Fraud) Act 1997, namely the powers of inspection and the power to obtain information from landlords.

When landlords commit an offence by failing to report changes in their tenant's circumstances or help the claimant to commit benefit fraud, landlords will be investigated and may be prosecuted by the Council. The Council makes Landlords aware of their duty to report changes in circumstances. Any overpaid benefit to a Landlord will be recovered, either directly from ongoing payments of benefit to the Landlord or through civil recovery via the courts.

Where necessary, the Council will work in co-operation with other organisations such as the Police, Department for Work and Pensions, Home Office, and Her Majesty's Revenue and Customs, in order to combat benefit fraud.

It is the duty of the Fraud Investigators to look at all referrals of suspected or alleged benefit fraud and to establish the facts of each case. The Council's Officers will at all times apply appropriate procedures to maintain confidentiality.

The following section confirms Bromsgrove Council's policy on prosecution:

- The Council is prepared to prosecute, or ask others to prosecute, appropriate cases throughout the full range of Benefit Fraud;
- The final decision as to whether prosecute or not, will be taken by the Head of Legal & Democratic Services and this decision will be binding;
- Elected members will not make decisions about any cases;
- The Council will seek to prosecute any person who declines to accept an Administrative Penalty or Formal Caution as an alternative to legal action;
- The following factors will be taken into account:
 - The amount of money obtained by the fraud
 - The duration of the offence
 - The suspects age, physical and mental condition
 - Voluntary disclosure
 - Previous incidence of fraud
 - Social factors
 - The amount of evidence obtained and the reliability of witnesses
 - Possible failure or delay in the benefit sections administration.

Bromsgrove Council does not apply strict financial levels to the type of sanction that may be appropriate based on the level of the overpayment.

In cases of Joint Working with the Department for Work and Pensions, liaison and consideration will take place, in accordance with their policies:

- Overpayment more than £50 but less than £2000 – Formal Caution/Administrative Penalty may apply
- Overpayment of more than £2000 – Prosecution may apply.

In cases deemed suitable for a Formal Caution or Administrative Penalty the following factors will be considered:

MW

- the person has committed an offence, which would normally result in a prosecution
- the evidence is sufficient for a prosecution
- the person is aware of the terms of the Formal Caution/Administrative Penalty
- the person will agree to accept the Formal Caution/Administrative Penalty

The Council will publicise successfully prosecuted cases if:

- the conviction will generate positive publicity
- if the release may help to deter others from fraud
- to promote the Councils Anti-Fraud work
- to promote the Councils fraud Hotline.

Decisions on Benefit Fraud Investigations will not discriminate or condone unacceptable behaviour, in relation to race, colour, sexual orientation, gender, gender re-assignment, religion, age, disability, income group, marital status or geographical location. Decisions to prosecute or sanction such cases will be taken on individual merit, evidence obtained and legal requirements.

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

13th June 2007

Treasury Management Strategy Statement and Investment Strategy 2007-08 to 2009-10

Responsible Portfolio Holder	Councillor G. Denaro
Responsible Head of Service	Head of Financial Services – Jayne Pickering

1. SUMMARY

- 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. RECOMMENDATION

- 2.1 The strategy shown at **Appendix A**, is approved and adopted
- 2.2 That the Council be recommended to set the Authorised Limit for borrowing at £6,000,000 as required by CIPFA (this is the same as the Affordable Borrowing Limit as required by Section 3(1) of the Local Government Act 2003.)
- 2.3 That the Council be recommended to approve the maximum level of investment to be held within each organisation as detailed at £3m.

3. BACKGROUND

- 3.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") requires local authorities to set Treasury Management Strategy Statement (TMSS) for borrowing each financial year.
- 3.2 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.
- 3.3 CIPFA has defined Treasury Management as:

"the management of the organisation's 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.”

3.4 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).

4. FINANCIAL IMPLICATIONS

4.1 The financial implications are contained within the body of the strategy statement at Appendix A.

5. LEGAL IMPLICATIONS

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

6. CORPORATE OBJECTIVES

6.1 Approval of this strategy statement meets the Council objective to achieve improvement within the Council by ensuring that financial management of treasury funds are compliant and ensure accountability to the residents of Bromsgrove.

7. RISK MANAGEMENT

7.1 The risks associated with the Treasury Management of funds are included in the strategy and the mitigation of the risks is included in the Financial Services Risk Register that is monitored on a quarterly basis.

8. CUSTOMER IMPLICATIONS

8.1 The effective management of treasury operations will ensure that the management of the public funds is monitored and reviewed in a complaint way to satisfy the public of the use of their financial resources.

9.0. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Chief Executive	Yes

Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	NA

10. **APPENDICES**

Appendix A Treasury Management Strategy Statement and Investment Strategy 2007-08 to 2009-10

Appendix B Prudential Indicators

Appendix C

BACKGROUND PAPERS

None

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**Treasury Management Strategy Statement
and Investment Strategy FY 2007-08 to FY 2009-10**

Contents

- 1. Background**
- 2. The Treasury Position : estimates for 31/3/2007 and following financial years**
- 3. Outlook for Interest Rates**
- 4. Borrowing Requirement and Strategy**
- 5. Debt Rescheduling**
- 6. Investment Policy and Strategy**
- 7. Balanced Budget Requirement**
- 8. Potential Changes to Accounting for Financial Instruments**
- 9. Reporting**

Appendices

- A. Prudential Indicators**
- B. Interest Rate Outlook : Arlingclose's, Invesco's (the Council's fund managers')**
- C. Specified and Non specified Investments for use by the Council**
- D. Potential Changes to Accounting for Financial Instruments**

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") requires local authorities to set Treasury Management Strategy Statement (TMSS) for borrowing each financial year.

1.2 CIPFA has defined Treasury Management as:

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

1.3 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).

1.4 The strategy also takes into account the outlook for interest rates, the Council's current treasury position and its approved Prudential Indicators (**Appendix B**) The PIs relevant to the treasury management strategy are set out below:

PI No		2006-07 Estimate	2007-08 Estimate	2008-09 Estimate	2009-10 Estimate
6	Authorised Limit for External Debt	£6m	£6m	£6m	£6m
7	Operational Boundary for External Debt	£5m	£5m	£5m	£5m
9	Upper Limit for Fixed Interest Rate Exposure	75 %	75 %	75 %	75 %
10	Upper Limit for Variable Rate Exposure	100 %	100 %	100 %	100 %
11	Upper Limit for total principal sums invested over 364 days	£25m	£25m	£25m	£25m
10	Maturity structure of fixed rate borrowing : under 12 months		Lower Limit % 0%	Upper Limit % 100%	

12 months and within 24 months	0%	100%
24 months and within 5 years	0%	100%
5 years and within 10 years	0%	100%
10 years and above	0%	100%

As the Council is currently debt free, the limits in Prudential Indicator 10 are being proposed to afford the Council the flexibility to undertake long-term borrowing in the most appropriate maturity band. (See paragraph 4.5 of the report).

- 1.5 This TMSS also incorporates the Council's Investment Strategy.

2. Resources and the Current Treasury Position

- 2.1 The estimated treasury position for 31/3/2007 and for the following financial years is :

Externally Managed Funds :

- Invesco **£10.886m**
- HSBC **£10.422m**

Internally Managed Funds £ 0.700m

TOTAL PORTFOLIO	£22.008m
------------------------	-----------------

- 2.2 The estimate for interest receipts for 2007/08 is £0.633m.

3. Outlook for Interest Rates (April 2007)

- 3.1 The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at **Appendix C.**

- 3.2 Consumer Price Inflation (CPI) for March 2007 rose to 3.1% year-on-year, breaching the 3% outer boundary in the Bank of England's inflation remit. This triggered the first open letter from the Governor in the Bank's 10 years of independence explaining why inflation had exceeded the outer limit.

- 3.3 Besides the strong CPI outlook, other data provides little indication of a slowing UK consumer or economy.

- The first estimate of Q1 2007 GDP shows the economy expanded above trend for the fifth consecutive quarter at 0.7% (2.8% y/y).
- The housing market has been and continues to be a key factor in the Bank of England Monetary Policy Committee's (MPC's) thinking and deliberations on monetary policy. Robust house price growth continues to be a major support to consumer confidence and spending; the cumulative increase of 0.75% in the Bank Rate since August 2007 having made little dent in consumer spending despite higher debt burdens and the associated mortgage servicing costs.

- The Bank is also concerned that there are signs of pricing power and widening margins (although evidence of the latter is patchy).
- Higher producer prices are likely to outweigh falls in utility prices and the risk is that CPI does not retreat to the Bank's 2% target as quickly as expected, providing the MPC a strong case to increase rates.

3.4 Arlingclose' central case scenario is that an increase in the Bank Rate to 5.5% looks assured in May, and that the strong data also keeps the door firmly open for the MPC raising rates further to 5.75% to bring CPI and inflation expectations back on track towards the 2% target. The 'risk' scenario is that an increase in rates to 5.5% will be sufficient to quell underlying inflationary pressures.

3.5 Interest rate cycles are becoming shorter and the range in the movement in the repo rates and gilt yields is also becoming smaller. As has been the case in the past few years, gilt yields are anticipated to fluctuate within narrow bands in 2007-08. Arlingclose expects yields for medium term maturities, i.e. 5- and 10-year maturities (which would have an influence on this Council's external fund management activity) to begin to see through higher inflation in the near term and will be on a falling trend as shown in Appendix B.

4. Borrowing Requirement and Strategy

4.1 The Council has not entered into any borrowing agreements due to the significant capital receipts generated over the past 5 years. The medium term financial plan for 2007/08 – 2009/10 estimates that the Council will have a balance of £1.92m of capital receipts available by 2010/11. This may result in the Council looking to borrow to fund any capital programme for the future.

4.2 The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR). The CFR will determine the Council's requirement to make a Minimum Revenue Provision for Debt Redemption (MRP) from within its Revenue budget. Physical borrowing may be greater or less than the CFR.

Capital Financing Requirement	31/3/2007 Estimate	2007-08 Estimate	2008-09 Estimate	2009-10 Estimate
	£m	£m	£m	£m
Balance carried forward	0.024	0.024	0.024	0.024

4.2 In accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

4.3 Capital expenditure not financed from Capital Receipts, Capital Grants and Contributions, Revenue or Reserves will produce an increase in the CFR (the

underlying need to borrow) and may in turn produce an increased requirement to charge MRP in the Revenue Account.

4.4 The estimate for the long-term borrowing requirement is:

	31/3/2007 Estimate £m	2007-08 Estimate £m	2008-09 Estimate £m	2009-10 Estimate £m
New borrowing to finance capital expenditure	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

4.5 If the Council were to take the decision to undertake long-term borrowing to fund any capital programme it would prefer to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising longer-term stability of the portfolio, and consistent with the Council's Prudential Indicators. Therefore, in conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the options it has in borrowing from the PWLB and from market and other sources identified in the Treasury Management Practices up to the available capacity within its Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).

4.6 Actual borrowing undertaken and the timing will depend on capital expenditure levels, interest rate forecasts and market conditions during the year, in order to minimise borrowing costs. The Council will be advised by Arlingclose of the specific timing of borrowing. This may include borrowing in advance of future years' requirements provided that overall borrowing is maintained within the Council's Affordable Borrowing Limit.

4.7 The Council will undertake a financial options appraisal process to establish how it has arrived at its 'value for money' judgement in the use of resources.

5. Investment Policy and Strategy

Background

5.1 Guidance from the then ODPM (now DCLG) on Local Government Investments in England requires, similarly, that an Annual Investment Strategy (AIS) be set. The Guidance permits the TMSS and the AIS to be combined into one document.

Investment Policy

5.2 The Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities are:

- security of the invested capital;
- liquidity of the invested capital;
- an optimum yield which is commensurate with security and liquidity.

The speculative procedure of borrowing purely in order to invest is unlawful, but treasury strategy will result in surplus investments arising from treasury activity from time to time.

- 5.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the ODPM Guidance. Potential instruments for the Council's use within its investment strategy are contained in **Appendix D**.
- 5.4 The Council will maintain a counterparty list based on its criteria and monitor and update the credit standing of the institutions on a regular basis. This assessment may include credit ratings, alternative assessments of credit strength, and other information.
- 5.4 The Council's estimated levels of investments are set out in 2.1 of this TMSS.

Investment Strategy

- 5.5. The Council's shorter term cashflow investments are made with reference to the outlook for the repo rate and money market rates. For these monies, the Council will mainly utilise its business reserve accounts, Money Market Funds and term deposits.
- 5.6 The Council's core balances are invested with a longer-term strategic focus.
- 5.7 The Council will continue with the use of fund managers on a segregated and pooled basis (i.e. collective investment schemes). This will enable the Council to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns. Investments in pooled funds will be undertaken with advice from Arlingclose.
- 5.8 Based on the forward projections for its investments balances and its budgeted income requirement, the Council will evaluate and consider investment opportunities to earn an optimum return, to build in consistency of return over the medium term to the extent practicable, and to diversify and manage risk. For example, investments in longer-term multilateral development bank bonds provide excellent credit quality and provide certainty of investment income over the life of the bond.
- 5.9 The Head of Financial Services, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Cabinet meeting on a quarterly basis.
- 5.10 The Council's funds are also managed on a discretionary basis by Invesco and HSBC. The fund's remit allows the managers scope to add value through the use of investments contained in **Appendix D** and within the parameters and guidelines set for the Council's fund.

7. Balanced Budget Requirement :

- 7.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

8 Potential Changes to Accounting for Financial Instruments in Local Government

8.1 The CIPFA/LASAAC Joint Committee released the 2007 SORP Exposure Draft and Invitation to Comment for public consultation in October 2006. The 2007 SORP would apply to accounting periods starting on or after 1 April 2007. The main proposed amendment concerns new requirements for accounting for financial instruments based on the new financial instruments standards FRS 25, FRS 26 and FRS 29.

The main changes as they relate to the Council's Treasury Management activities are outlined in **Appendix E**.

9 Reporting on the Treasury Outturn

- 9.1 The Head of Financial Services will report to the Performance Management Board and Cabinet on treasury management activity / performance as follows :
- (a) quarterly against the strategy approved for the year.
 - (b) after the completion of the financial year, the Council will report on its treasury activity during 2007-08. This report will include the latest approved Prudential Indicators for the year together with final outturn position and will also confirm compliance with the balanced budget requirement.

PRUDENTIAL INDICATORS

Prudential Indicators FY 2007-08 to FY 2009-10

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. Estimates of Capital Expenditure:

2.1 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.

No. 1	Capital Expenditure	2006-07	2006-07	2007-08	2008-09	2009-10
		Estimated £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
	Non-HRA	6.798	6.798	4.659	7.812	1.656

2.2 Capital expenditure will be financed as follows:

Capital Financing	2006-07	2006-07	2007-08	2008-09	2009-10
	Estimated £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
Capital receipts	4.624	4.624	3.548	7.401	1.375
Government Grants	.960	.960	0.443	0.281	0.281
S106	1.214	1.214	0.668	0.130	0
Total	6.798	6.798	4.659	7.812	1.656

3. Ratio of Financing Costs to Net Revenue Stream:

3.1 This is an indicator of affordability and demonstrates the revenue implications of capital investment decisions by highlighting the proportion of the revenue budget required to meet borrowing costs associated with capital spending (any required revenue provision for debt redemption and interest charges). The financing costs include existing and proposed capital commitments.

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

No 2	Ratio of Financing Costs to Net Revenue Stream	2006-07	2006- 07	2007-08	2008-09	2009-10
		Estimated £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
	Non-HRA					
	Total					

4. Capital Financing Requirement:

4.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is balance sheet based and an aggregation of the Council's fixed assets, intangible assets (plus any other expenditure treated as capital**), Fixed Asset Restatement Account, Capital Financing Account and Government Grants Deferred.

No 3	Capital Financing Requirement	31/3/07	31/3/07	31/3/08	31/3/09	31/3/10
		Estimat ed £m	Actual £m	Estimat e £m	Estimat e £m	Estimat e £m
	Non-HRA	0.024	0.024	0.024	0.024	0.024

* if applicable

** in line with CIPFA's guidance, any investments or other items not falling within the classification of fixed or intangible assets, but financed from capital resources must be included within the CFR for the purposes of this calculation.

4.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2006-07	2006- 07	2007-08	2008-09	2009-10
	Estimated £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
Balance B/F	0.024	0.024	0.024	0.024	0.024
Capital expenditure financed from borrowing.	0	0	0	0	0
Revenue provision for debt Redemption.	0	0	0	0	0
Balance C/F	0.024	0.024	0.024	0.024	0.024

4.3 In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should make sure that net external borrowing does not, except in the short term, exceed the Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

4.4 The Head of Financial Services reports that this Council had no difficulty meeting this requirement in 2005-06 nor are difficulties envisaged for the current 2006-07 or future financial years.

5 Actual External Debt:

5.1 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 consistent with the presentation used for the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/3/2006	£m
	Borrowing	0
	Other Long-term Liabilities	0
	Total	0

6. Incremental Impact of Capital Investment Decisions:

6.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax 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.

6.2 The Council's capital plans, as estimated in forthcoming financial years, has a neutral impact on council tax. This reflects the fact that capital costs are predominantly financed from traditional resources (grants and capital receipts) and that any borrowing undertaken is supported through the Revenue Support Grant system.

7 Authorised Limit and Operational Boundary for External Debt:

7.1 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.

7.2 The Council has set the **Authorised Limit** for its total external debt (i.e. gross of investments, in line with the Balance Sheet presentation of borrowing 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.

7.3 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.

7.4 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).

No 6	Authorised Limit for External Debt	2006-07	2007-08	2008-09	2009-10
		Estimate £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	6.0	6.0	6.0	6.0

7.5 The **Operational Boundary** links directly to the Council's plans for capital expenditure, the estimates of the capital financing requirement and the estimate of 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.

7.6 The Head of Financial Services 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 the Executive Cabinet and Council.

No. 7	Operational Boundary for External Debt	2006-07	2006-07	2007-08	2008-09	2009-10
		Estimate £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	5.0	5.0	5.0	5.0	5.0

8. Adoption of the CIPFA Treasury Management Code:

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

No. 8 Adoption of the CIPFA Code of Practice in Treasury Management

The Council approved the adoption of the CIPFA Treasury Management Code at its Executive Cabinet meeting 18th May 2005

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

9.1 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 net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

9.2 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

N	Prudential Indicator	2006-07	2006-07	2007-08	2008-09	2009-10
		Estimate %	Actual %	Estimate %	Estimate %	Estimate %
9	Upper Limit for Fixed Interest Rate Exposure	75%	75%	75%	75%	75%
1	Upper Limit for Variable Rate Exposure	100%	100%	100%	100%	100%

Note: These limits may be expressed as financial amounts or as percentages.

9.3 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.

10 Maturity Structure of Fixed Rate borrowing:

10.1 This indicator is to limit 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.

10.2 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.

No.	Maturity structure of fixed rate borrowing	Lower Limit	Upper Limit
11		%	%
	under 12 months	0%	100%
	12 months and within 24 months	0%	100%
	24 months and within 5 years	0%	100%
	5 years and within 10 years	0%	100%
	10 years and above	0%	100%

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

11.1 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.

No	Upper Limit for total principal sums invested over 364 days	2006-07	2006-07	2007-08	2008-09	2009-10
12		Estimate £m	Actual £m	Estimate £m	Estimate £m	Estimate £m
		25.0	25.0	25.0	25.0	25.0

APPENDIX C

Arlingclose's Interest Rate Forecast – April 2007

	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Official Bank Rate								
Central case	5.75	5.75	5.75	5.50	5.25	5.00	5.00	4.75
Risks	-0.25	-0.25	-0.25	-0.25				
1-yr LIBID								
Central case	5.80	5.75	5.65	5.30	5.15	5.00	5.00	4.75
Risks	+0.05		-0.10	-0.10	-0.10			
5-yr gilt								
Central case	5.25	5.20	5.05	5.00	4.90	4.75	4.75	4.75
Risks	+0.20	+0.20	+0.10	+0.05				
10-yr gilt								
Central case	4.90	4.80	4.75	4.70	4.60	4.50	4.50	4.50
Risks	+0.10	+0.10	+0.10					
20-yr gilt								
Central case	4.75	4.70	4.60	4.50	4.30	4.30	4.30	4.30
Risks	+0.10	+0.10	+0.10	+0.10				
50-yr gilt								
Central case	4.15	4.10	4.00	4.00	4.00	4.00	4.00	4.00
Risks	+0.20	+0.20	+0.20	+0.20				

- **The Central Case** for the UK Bank Rate (i.e. base rate) : an increase in the Bank Rate to 5.5% looks assured in May, the strong data also keeps the door firmly open for the MPC raising rates further to 5.75% to bring CPI and inflation expectations back on track towards the 2% target.
- **The 'Risk 'scenario** is that an increase in rates to 5.5% will be sufficient to quell underlying inflationary pressures.

Underlying assumptions :

UK :

- CPI rose to 3.1% in March, pushed up by the rise in household goods prices and triggered the open letter from the Bank of England's Governor to the Chancellor as CPI breached the outer boundary of 3%.
- Core earnings growth remains benign (February earnings ex-bonus 3.6%), but wage pressures loom through headline earnings growth staying above the MPC's 4.5% comfort level.

- Producer pricing power and the rebuilding of margins by the service and manufacturing sectors (although surveys suggest this is patchy) will remain a key area of concern for the MPC.
- House price growth remains around 10% p.a. on most measures, supported by supply shortages. Despite rising debt servicing costs, buoyant housing continues to underpin consumer confidence and spending.
- Sterling's strength cheapens imports but adds to exporters' woes. The short-term growth outlook at 2.8% is healthy but vulnerable to a slowdown in the global economy.
- The risk remains that Money Supply growth remains high, feeding an inflation surge.

International :

- Benign core CPI numbers (2.5% in March) will allow the Federal Reserve to refocus on growth risks. Core inflation is forecast to abate towards the Fed's 1-2% comfort zone but lower US interest rates from the current 5.25% may be some way off.
- The ECB will continue to increase rates by 'a quarter each quarter' in 2007 from the current 3.75% level – slowing global growth or a faster rise in the Euro will be the most likely triggers for a change to this policy.
- Recovery in Japan remains modest; the Bank of Japan could defer raising rates from current level of 0.5% until Q3 2007.
- Risks : US demand slows sharply through 2007 becoming the catalyst for a wider and significant global slowdown.

Invesco's outlook on interest rates (April 2007)

Two key indicators that the BoE appears to be focusing on, when assessing the medium-term outlook for inflation, are consumer inflation expectations and company pricing power, both derived from monthly surveys. Although current consumer inflation expectations have stabilised, they still remain considerably above the Bank of England's central target of 2% and, with some recent evidence of companies being able to pass price increases on, the Bank is unlikely to remove its bias to increase rates yet. However, consumer disposable income is growing below its long-run trend and the impact of the previous rate increases are yet to be fully felt.

Invesco's view is that markets continue to discount at least another rate hike and with inflation at the present remaining above target this looks justified. The strength in the data releases currently show little sign of waning and Invesco expects the Bank to remain aware of the upside risks to inflation. The market currently appears happy to trust the Bank of England's expectations that inflation will indeed dip down under 2% however there is a risk that inflation remains 'sticky' and that short dated gilts could continue to trade weakly. The three previous rate hikes have so far failed to dent both the consumer and the housing market and it is likely that the Bank will move again to tighten monetary conditions, i.e. raise interest rates.

Therefore, the manager's strategy at the beginning of FY 2007-08 is to remain cautious but not unduly so with market expectations already pricing in at least one more rate hike.

APPENDIX D

Specified and Non Specified Investments

Specified Investments identified for use by the Council:

Specified Investments will be those that meet the criteria in the ODPM Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the "high" credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

"Specified" Investments identified for the Council's use are:

- Deposits in the DMO's Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts : (bonds issued by the UK government)
- *Bonds issued by multilateral development banks
- Money Market Funds, i.e. 'AAA' liquidity funds with a 60-day Weighted Average Maturity (WAM)
- * Other Money Market Funds – i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534, SI 2007 No 573 and subsequent amendments

1. * *Investments in these instruments will be on advice from the Council's treasury advisor.*

2. *The use of the above instruments by the Council's fund managers will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.*

For credit rated counterparties, the minimum criteria will be the short-term ratings assigned by one or more of the following agencies (Moody's Investors Services, Standard & Poor's, Fitch)

example : Short-term : P-1 (Moody's) or A-1 (S&P) or F1 (Fitch)

Non-Specified Investments determined for use by the Council:

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use :

	In-house use	Use by fund managers	Maximum maturity	Max % of portfolio	Capital expenditure?
<ul style="list-style-type: none"> ▪ Deposits with banks and building societies ▪ Certificates of deposit with banks and building societies 	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	✓	5 yrs	60% in aggregate	No
Gilts and bonds <ul style="list-style-type: none"> ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK government ▪ Sterling denominated bonds by non-UK sovereign governments 	✓ (on advice from treasury advisor)	✓	10 years	75% in aggregate	No
Money Market Funds (pooled funds which meet the definition of a	✓ (on advice from treasury advisor)	✓	These funds do not have a defined	50%	No

collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573 and subsequent amendments) but which are not credit rated			maturity date		
Bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies		✓	10 years	£3M	Yes

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
2. The use of the above instruments by the Council's fund managers will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.

Potential Changes to Accounting for Financial Instruments

The CIPFA/LASAAC Joint Committee released the 2007 SORP Exposure Draft and Invitation to Comment for public consultation in October 2006. The 2007 SORP would apply to accounting periods starting on or after 1 April 2007. The main proposed amendment concerns new requirements for accounting for financial instruments based on the new financial instruments standards FRS 25, FRS 26 and FRS 29.

In addition to the Exposure Draft, the Department for Communities and Local Government has produced the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations SI 2007 No 573. The effect of these regulations is to mitigate any adverse effects arising from the accounting requirements included in the Exposure Draft relating to the treatment of Premiums and Discounts arising from debt rescheduling.

The main changes as they relate to the Council's current Treasury Management are:

1. The valuation of investments

With the exception of Loans and Receivables and Investments not held for treasury management purposes, local authority investments are to be valued at "fair value", with movements taken through the Statement of Recognised Gains and Losses (STRGL), using the terminology of 'available for sale'. The calculation of the gain or loss is to be based on the 'clean' price of the instrument, i.e. its fair value excluding accrued interest.

Interest and dividends will be taken to the Income and Expenditure Account.

On valuation, movements taken through the STRGL will not impact on the Income & Expenditure Account. Reductions in fair value below cost will not constitute "impairment". On disposal of the investment, the cumulative movement in fair value should be transferred from the STRGL to the Income & Expenditure Account

Specific examples are given of instances which may result in the "impairment" of an asset (e.g. credit default). Where these arise a charge to the Income & Expenditure Account will be required.

Loans and receivables (i.e. Investments not capable of being traded, such as deposits with Banks and Building Societies) are to be measured at "amortised cost".

The changes as they would relate to future treasury management activity (e.g. borrowing) would be

2. The valuation of financial liabilities

(a) Local authority loans fall within the standard's definition of loans to be measured at amortised cost.

(b) There are no types of loans payable that are "held for trading"

Measurement at amortised cost can be expected to be applied successfully to the majority of financial liabilities held by local authorities. The revenue account would bear an averaged cost over the life of a loan. In the case of loans not subject to

stepped interest rates there would be no difference in the amount charged to the revenue account, when compared to existing practices.

Where necessary, the Council will seek advice from its treasury advisor, Arlingclose.

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

June 13th 2007

THE SUB REGIONAL CHOICE BASED LETTINGS SCHEME PROPOSED BANDING MODEL AND ALLOCATIONS SCHEME

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Head of Service	David Hammond

1. SUMMARY

- 1.1 The report again revisits the Council's plans for implementing Choice Based Lettings (CBL) the Government's policy for the allocation of social housing which it aims to have in place nationwide by 2010.
- 1.2 At the meeting on the 4th April 2007, the Executive Cabinet considered a report outlining the development of a cross authority (Sub Regional) Choice Based Lettings Scheme and approved the proposals for implementation.
- 1.3 It was identified that a further report would be forthcoming providing the detail of the banding of housing applicants within the proposed new scheme that is designed to replace the conventional points based allocations process.
- 1.4 This report therefore brings forward for approval the proposed banding model and eligibility criteria to be used in the operation of the new Sub Regional Choice Based Lettings Scheme and identifies the key changes compared with the Council's current allocations policy.

2. RECOMMENDATIONS

- 2.1 That Members note the report.
- 2.2 That the proposed Sub-Regional Choice Based Lettings Banding Model and Eligibility Criteria set out at Appendix I be approved as the basis of the allocations policy for the operation of the new sub regional Choice Based Lettings Scheme.

- 2.3 That delegated authority be granted to the Head of Planning & Environment Services, in consultation with the Portfolio Holder for Strategic Housing to agree the final alignment of bandings in the new scheme with the levels of housing need identified by the existing points scheme.

3. **BACKGROUND**

- 3.1 Members will recall from previous reports that '**Choice Based Lettings**' is a Government lead new method of allocating social housing that is designed to replace the conventional points driven housing waiting list approach. The aim of the new approach is to offer people more choice and control over where they live with the objective of creating more settled and sustainable communities.

- 3.2 **The CLG has set targets for the introduction of Choice Based Lettings. By 2010 all local authorities will have to have adopted a choice based lettings system.**

3.3 **The key objectives of the scheme**

- To provide a sub-regional choice based lettings scheme across the 8 LAs, providing consistency in the home seeking process cross authority
- To enable home seekers to be empowered to make their own choices about where they want to live
- To ensure the scheme is accessible by all those in housing need, particularly the more vulnerable
- To make the process simpler, more transparent, fair and easy to use.
- To support mobility within the sub-region particularly where local connections are evidenced, in line with the regional Housing Strategy
- To enable applicants to make realistic choices about their housing options with social rented, intermediate and private housing all available via the CBL scheme
- To prevent and reduce the placement of homeless households in temporary accommodation by giving people realistic choices
- Improve the mix and sustainability of local communities

- 3.4 **Greater choice to applicants** - The sub-regional CBL scheme will provide a consistent approach to assisting home seekers across the 8 L.A.'s with a range of tenure options. There will be a common housing application form, allocations policy and banding system for all L.A. areas so that there is consistency in the way that customers apply and are prioritised for housing, with flexibility built in for the individual housing providers, primarily via the advertising of properties, to be able

to continue to offer management moves or direct matching to those who need special consideration. This will be particularly beneficial in matching adapted properties to households with a disabled member in housing need.

- 3.5 Adverts will include a photograph of the property, rental/mortgage costs and the eligibility criteria specific to the property. Eventually it is hoped that links can be established to GIS to enable people to view the general area and the nearest facilities e.g. schools, leisure centres etc helping them to make the best choice to suit their needs. Short listed applicants will be offered a viewing prior to accepting the property to give the opportunity for questions and to ensure the home is right to meet their needs.
- 3.6 The partnership has consulted local stakeholders e.g. black & minority ethnic, gypsies, no fixed abodes, disabled people, people with learning disabilities etc and has made contact with relevant organisations such as Ethnic Access, Social Services, and Primary Care Trusts to ensure our communication networks are appropriate to meet the needs of vulnerable and minority groups.
- 3.7 CLG research has shown that CBL improves the housing prospects of statutory homeless households which will help to reduce the number of households currently in temporary accommodation and meet the government target of a 50% reduction by 2010
- 3.8 The new sub regional CBL scheme is designed to ensure that those in housing need with a local connection to the individual local authority area receive the greatest priority. This is important as it is recognised that the sub region faces very high levels of housing need and local people need to be awarded priority.
- 3.9 **Progress to date:**
- Publicity of the success of our sub regional bid
 - Engagement of all relevant partners
 - Authority to proceed via the local political process
 - Partnership agreement finalised and ready for authorised signatories
 - Procurement route agreed and waivering report authorised.
 - Agreement that Wychavon DC provide a Project Management role to facilitate implementation.
 - Negotiation with software providers for cost of software
- 3.10 The partners to the sub regional scheme will continue to meet 2/3 times a year after implementation to further develop/enhance the sub regional Choice Based Lettings Scheme and develop longer term cost efficiencies.

- 4.0 **DETAIL OF THE PROPOSED MODEL FOR THE SUB-REGIONAL CHOICE BASED LETTINGS SCHEME**
- 4.1 The council's current allocations policy is based on a points system whereby a household's housing need is reflected by the number of points awarded. Applicants are advised of their points and are then placed on the housing register with no real indication of the likelihood of them being offered a suitable property, in their area of choice within a set timescale. The shortage of the supply of social housing in the District means that applicants can be waiting years for a property to become available.
- 4.2 Under the proposed Choice Based Lettings Scheme, there will continue to be an open registration process and applicants will be assessed for eligibility in accordance with existing policy at registration.
- 4.3 The new sub regional Choice Based Lettings scheme will consider an applicant's housing need using a banding system to reflect their priority in the scheme. For example Band 1 will be awarded to those applicants in the highest housing need. Within each band extra weighting may be awarded to reflect those in multiple housing needs who have been on the list the longest. The applicant in the highest banding with the longest time on the waiting list will be in the best position when expressing an interest in any property advertised for which they are eligible.
- 4.4 The model will be separated into six bands which will deal with those with and without a local connection separately. This means that those with a housing need and local connection to Bromsgrove District will receive priority over those in housing need without a local connection to the District. This is in recognition that the South Housing Market Area sub region experiences high levels of housing need and a shortage in the supply of affordable housing.
- 4.5 A priority card is given to those households accepted as homeless for a three month period which gives that household highest priority in the scheme. The period of time that a household is eligible for the priority card can be extended at the discretion of the Council's agent, BDHT, should there be good cause i.e. lack of suitable properties becoming available within the 3 month period. Those who are accepted as homeless are expected to start bidding for properties within a two week period. If they fail to make bids for eligible properties within that period an officer at BDHT may start making bids on their behalf.
- 4.6 Vacant social rented properties will be advertised giving clear, basic eligibility criteria (indicating which category of applicants qualify to bid) and will be promoted across a wide range of community access points. Property vacancies will be advertised with a photograph, key details for the property and eligibility criteria. Subject to GIS implementation, a link to GIS mapping detailing local services and facilities will be available

via the internet and DigiTV. The information available to people will enable them to make informed choices when deciding whether to express their interest. A simple self-assessment tool will be made available to enable people to judge whether it is realistic for them to bid for a particular vacancy.

- 4.7 People will continue to be able to choose where they want to live and express their interest via integrated telephony, internet, DigiTV, text messaging, social housing provider offices, Worcestershire Hubs and other council offices. This selection will be not just in terms of which LA area/s, but which tenures, which landlords, sub-area, estates, streets, style of property etc. Shared ownership and privately rented properties will also be able to be advertised and allocated via the same process.
- 4.8 Once the application has been verified, selected potential residents will be invited to view the vacancy before a final offer is made.
- 4.9 Applicants will not be suspended on the register if they decide the property is not right for them. People will be able to see advertised non-personal details of each letting, this will help people to understand their chances and enable people to be realistic about which options they pursue.
- 4.10 Additional arrangements will be put in place to ensure that vulnerable people are able to access the scheme e.g. housing advice, advocacy, home visits and help to register onto the scheme.
- 4.11 It is important to engage with hard to reach groups and those from minority groups. Some of these households find it hard to access services due to language barriers, cultural barriers and the nature of their lifestyle. It is important that the sub regional scheme meets the needs of local people. We will ensure that accessibility to information is made available in appropriate different languages, in large text, audio/screen readers etc.
- 4.12 The Scheme will help the homeless by offering more options for people, reduce the use of temporary accommodation and allow better matching of properties to applicants.
- 4.13 Where specially adapted properties become vacant, this scheme will help to ensure they are matched with people who need them, increasing the opportunities available for disabled people.
- 4.14 An appeals procedure will be available where applicants are unhappy with a decision made under this scheme.
- 4.15 Members are asked to approve the proposed Sub-Regional Choice Based Lettings Banding Model and Eligibility Criteria set out at Appendix I as the basis of the allocations policy for the operation of the new sub regional Choice Based Lettings Scheme.

- 4.16 Members are asked to grant delegated authority to the Head of Planning & Environment Services in consultation with the Portfolio Holder for Strategic Housing to agree the final alignment of bandings in the new scheme with the levels of housing need identified by the existing points scheme (i.e. which levels of housing need are to fall into which band).

5.0 FINANCIAL IMPLICATIONS

- 5.1 Details of the capital and revenue financial implications of introducing the Choice Based Lettings Scheme were included in the April report and were considered by Members when they approved the overall scheme for implementation.
- 5.2 The detail in this report relates solely to the way in which the dwellings will be allocated under the new scheme and have no additional financial implication to those already considered and approved.

6.0 EQUALITY AND DIVERSITY

- 6.1 CLG research established that most CBL case studies have seen some diffusion of minority ethnic settlement away from existing areas of concentration and towards 'non-traditional' areas. Consequently, CBL contributes to relieving rather than exacerbating ethnic segregation. The research also found that minority ethnic applicants with little or no English find it difficult to use CBL without the assistance from family and friends or community and voluntary groups. An internet link for customer use at the Customer Service Centre will be provided.
- 6.2 Research carried out by Festival Housing Group identified that households from ethnic minority groups were less likely to have internet access at home.
- 6.3 The needs of all diversity groups will be considered within the scheme development and people with physical or mental impairments who may have difficulty in registering and bidding on the scheme will have access to assistance to enable them to do so. Voluntary organisations and the caring professions will be briefed to raise awareness of the scheme rules and processes.
- 6.4 It is important to engage with hard to reach groups and those from minority groups. Some of these households find it hard to access services due to language barriers, cultural barriers and the nature of their lifestyle. It is important that the sub regional scheme meets the needs of local people. We will ensure that accessibility to information is made available

7. LEGAL IMPLICATIONS

- 7.1 The scheme must comply with Part 6 of the Housing Act 1996 and be compatible with obligations imposed on the Council by other legislation, including but not limited to:

The Race Relations Act 1976
The Disability Discrimination Act 1995
The Human Rights Act
The Freedom of Information Act 2000

8.0 CORPORATE OBJECTIVES

8.1 Objective 1 – Regeneration (Town Centre, Longbridge and Housing)

Empowering those in housing need to understand the supply and demand issues for social housing in Bromsgrove and to have access to a range of housing options beyond social housing that could meet their needs.

Develop a stronger connection with the private rented sector and increase housing options to those in housing need.

8.2 Objective 2 – Improvement (Customer Service, Reputation and Performance)

Offer greater opportunities for mobility through the sub regional scheme. Improve mobility through the advertisement of mutual exchange opportunities. Increase accessibility for minority ethnic and vulnerable groups.

8.3 Objective 3 – Sense of Community and Wellbeing (Community Influence and Community Events)

In most cases research has shown that the introduction of CBL has been followed by improved tenancy sustainment. The tendency for improved tenancy sustainment should be seen as reflecting improved tenant satisfaction with lettings outcomes. It should also contribute to greater residential stability in what were previously unstable neighbourhoods.

8.4 Priority 4 – Environment – Clean District and Planning

As per 10.3 above.

9.0 RISK MANAGEMENT

9.1 Implementation is dependent upon the cooperation of BDHT who carry out the Housing Register and nominations work for the Council under an SLA.

10. CUSTOMER IMPLICATIONS

10.1 The implementation plan of CBL includes consultation and awareness raising exercises for residents. Our first press release was issued on the 22nd Jan 07. The need for staff to be trained in CBL is included in the implementation plan and is an identified cost included in the Capital funding of the scheme.

11. OTHER IMPLICATIONS

Procurement Issues – Advice has been sought from Alex Haslam. Because of the nature of the scheme it is impractical to separately tender and therefore to make best use of system implemented at Wychavon DC and to benefit from the Government funding, all Districts are supporting extension of this system to the sub region. To this end, a tender waivering report has been authorised by the Chief Executive.

Personnel Implications – None as implementation staffing to be supplied by Wychavon and shared Sub Regionally. Experience elsewhere indicates that CBL can reduce staff inputting time.

Governance/Performance Management

"Homes for All", the Government's 5-year housing plan, set out the Government's plans for taking forward its choice-based lettings (CBL) policy. The aim is to have in place nationwide choice by 2010. "Homes for All" also made clear that the Government is keen that choice-based lettings systems should operate sub-regionally or regionally, recognising that housing markets do not follow local authority boundaries.

CLG is therefore committed to ensuring that social housing tenants have more choice and control over where they live. They want to see CBL schemes developed which span local authority boundaries and which bring together all social landlords in an area to offer the widest possible housing choices for tenants and landlords.

The CLG has set targets for the introduction of Choice Based Lettings. By 2010 all local authorities will have to have adopted a choice based lettings system.

Community Safety including Section 17 of Crime and Disorder Act 1998

Providing people with choice where they live promotes personal investment and greater sustainability of communities.

Policy

Introduction of the CBL scheme will necessitate the re writing of the Council's housing allocations policy based upon the principles set out in this report and the alignment of housing need with bandings under the new scheme.

Government Policy

In the Secretary of State's view all housing authorities should adopt an allocation scheme which offers a choice of accommodation and she has set a target for all housing authorities to have done so by 2010. Whilst the 1996 housing act does not specify how authorities should offer a choice of accommodation in the Secretary of State's view the most effective way of doing so is by adopting an advertising scheme.

In January 2005, ODPM published 'Sustainable Communities: Homes for All' the Government's five year housing plan for England. Paragraphs 5.18 to 5.21 of that document set out the Government's choice based lettings policy objectives.

These objectives are:

- To make it as easy as possible for applicants and tenants to move between local authority, housing association and privately owned accommodation by encouraging the extension of choice-based lettings to cover low cost home ownership options and properties for rent from private landlords, as well as social housing;
- To develop choice based lettings schemes on a regional and/or sub regional basis, recognising that housing markets do not follow local authority boundaries;
- To support prospective applicants to choose the housing option which is best for them, including promoting a wide range of options within the district (including low cost home ownership, mutual exchange, the private sector); providing information about 'staying put' options such as aids and adaptations; mobility schemes, including moves from high to low demand areas; property shops and housing advice centres.

Environmental

More sustainable communities and potentially better managed estates.

Equalities and Diversity

See Sect 8. above

13. OTHERS CONSULTED ON THE REPORT

Please include the following table and indicate 'Yes' or 'No' as appropriate. Delete the words in italics.

Portfolio Holder	Yes
Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

14. APPENDICES

Appendix 1 Proposed Sub Regional Choice Based Banding Model

15. BACKGROUND PAPERS

None

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APPENDIX 1

PROPOSED SUB-REGIONAL CHOICE BASED LETTINGS BANDING MODEL

Priority Card (Time limit of 3 months)

This relates to statutory homeless cases.
Applicants are prioritised in registration date order.
All applicants interviewed / visited.

Band 1 (Time Limit of 6 months)

This includes applicants with a local connection who have higher priority housing needs.
Applicants are prioritised in registration date order.
All applicants interviewed / visited.

Band 2 (Time Limit of 12 months)

This includes applicants with a local connection who have lower priority housing needs.
Applicants are prioritised in registration date order.
All applicants interviewed / visited.

Band 3 (Time Limit of 6 months)

This includes applicants with no local connection who have higher priority housing needs.
Applicants are prioritised in registration date order.
All applicants interviewed.

Band 4 (Time Limit of 12 months)

This includes applicants with no local connection who have lower priority housing needs.
Applicants are prioritised in registration date order.
All applicants interviewed.

Band 5 (No time limit applied)

This includes applicants with a local connection with no qualifying housing need.
Applicants are prioritised in registration date order.
No interviews / visits unless requested or prior to allocation.

Band 6 (No time limit applied)

This includes applicants with no local connection with no qualifying housing

need.

Applicants are ordered in registration date order.

No interviews / visits unless requested or prior to allocation.

ELIGIBILITY CRITERIA

The detail of the eligibility criteria for the different bands is set out below;

Priority Card – (granted for 3 months but can be extended at BDHT’s discretion)

- The Housing Needs team at BDHT has investigated your case and accepted that you are homeless and that Bromsgrove District Council has a statutory duty to help you.

Priority will be awarded to assist applicants in crisis i.e. statutorily homeless to be re-housed.

Band 1 – (granted for 6 months – needs to be reapplied for)

You have a local connection to Bromsgrove District and:

- You are homeless and you normally live in the Bromsgrove District, even where there is no statutory duty for re-housing. This excludes people who are intentionally homeless.
- You have been given a Notice to Quit or a Repossession Order through no fault of your own.
- You have a severe medical problem that is directly affected by your current home which would be immediately improved by moving.
- Bromsgrove District Council’s Private Sector Housing Team has declared that your home is unfit to live in.

Band 2 – (granted for 12 months – needs to be reapplied for)

You have a local connection to Bromsgrove District and:

- The Housing Needs team at BDHT has investigated your case and accepted that you are in priority need but are intentionally homeless.
- Your home in the Bromsgrove District is overcrowded, and the Council’s Private Sector Team has confirmed this.
- Social need for housing in exceptional circumstances – only given at the discretion of the panel.
- You are suffering harassment / domestic violence which has been confirmed by the Housing Needs team.
- You have a child under 10 and live in a flat that is not on the ground floor.

Band 3 – (granted for 6 months – needs to be reapplied for)

You have no local connection to Bromsgrove District and:

- You are homeless and you normally live in the Bromsgrove District, even where there is no statutory duty for re-housing. This excludes people who intentionally homeless.
- You have been given a Notice to Quit or a Repossession Order through no fault of your own.
- You have a severe medical problem that is directly affected by your current home which would be immediately improved by moving.
- Bromsgrove Council's Private Sector Team has declared that your home is unfit to live in.

Band 4 – (granted for 12 months – needs to reapplied for)

You have no local connection to Bromsgrove District and:

- The Housing Needs team at BDHT have investigated your case and accepted that you are in priority need but intentionally homeless.
- Your home is overcrowded, and the Council's Private Sector Team has confirmed this.
- Social need for housing in exceptional circumstances – only given at the discretion of the panel.
- You are suffering harassment / domestic violence which has been confirmed by the Housing Needs Team.
- You have a child under 10 and live in a flat that is not on the ground floor.

Band 5

You have a local connection to Bromsgrove District and you are:

- Not eligible for Band 1 or 2 due to your housing circumstances.

Band 6

You have no local connection to Bromsgrove District and you are:

- Not eligible for Band 3 or 4 due to your housing circumstances

Local Connection as Defined by the Housing Act 1996 Section 199

1. A person has a local connection with the district of a local housing authority if he has a connection with it:
 - a) because he is, or in the past was, normally resident there, and that residence is or was of his own choice,
 - b) because he is employed there
 - c) because of family associations, or
 - d) because of special circumstances.
2. A person is not employed in a district if he is serving in the regular armed forces of the Crown.

3. Residence in a district is not of a person's own choice if –

- a) he becomes a resident there because he, or a person who might reasonably be expected to reside with him, is serving in the regular armed forces of the Crown, or
- b) he, or a person who might reasonably be expected to reside with him, becomes resident there because he is detained under the authority of an Act of Parliament.

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

June 13th 2007

OUTURN EXPENDITURE OF CLG (Formerly ODPM) HOMELESSNESS GRANT FUNDING FOR 2006/07 AND PROPOSEDED EXPENDITURE FOR 2007/08.

Responsible Portfolio Holder	Councillor P. Whittaker
Responsible Head of Service	Head of Planning and Environment

1. SUMMARY

- 1.1 Members will recall that the Council currently receives an annual grant from the CLG with which to co-ordinate homelessness support services and schemes that focus upon the prevention of homelessness and repeat homelessness in the District.
- 1.2 This report provides members with information relating to:
 - The progress of schemes currently funded using CLG homelessness grant 2006/07 which provide support to the homeless or help to prevent homelessness.
 - The level of CLG homelessness grant funding allocated for 2007/08
 - Details of the schemes recommended by the Homelessness Strategy Steering Group to receive grant funding for 2007/08.
- 1.3 This source of ring fenced homelessness funding has been received for the past 4 years and has been approved by members for allocation to schemes in accordance with the recommendations made by the multi agency Homelessness Strategy Steering Group.

2. RECOMMENDATION

- 2.1 That the update on the progress of the homelessness preventative and support schemes funded through CLG homelessness grant be noted.

- 2.2 That the level of CLG homelessness grant funding for 2007/08 be noted.
- 2.3 That the submissions for the funding of schemes recommended by the Bromsgrove Homelessness Steering Group from the 2007/08 homelessness grant be approved.
- 2.4 That the Head of Planning & Environment Services in consultation with the Portfolio Holder for Strategic Housing be granted delegated authority to re-allocate any under spend or make further adjustments necessary to ensure full utilisation of the grant allocation for 2007/08 in support of existing or new schemes.

3. BACKGROUND

- 3.1 For 2006 / 07, the Council received initial CLG homelessness grant funding of £42,000.

In response to the Strategic Housing Team's close working with the Homelessness Inspectorate at CLG a further additional instalment of £15k was allocated to enable a home visiting service to be formulated in partnership with BDHT.

For 2007/08 the Council has been awarded £60k Homelessness Grant by CLG (£15k of which is to support the home visiting service) with discretion to decide how the grant is spent.

- 3.2 The outcomes to be delivered by the grant are:

- Reduce or sustain the reduction in the level of rough sleeping by at least two thirds below the level in 1998.
- Avoid the long-term use of bed and breakfast accommodation for homeless families with households with children or a pregnant woman.
- End the use of bed and breakfast accommodation for young people between 16 and 17 years of age.
- Reduce the use of temporary accommodation for homeless families with children by 50% by 2010.

- 3.3 As the Council experiences minimal or no rough sleepers and has low usage of B&B (using hostel accommodation or self contained dispersed units to house homeless families), both of the first requirements are currently being controlled.

Using capital funding, the Council has made more accommodation available to homeless families through purchase and repair (Buy Back) schemes thus improving the standard of temporary accommodation offered. However, in terms of the final outcome, this does not actually reduce the use of temporary accommodation.

Sound preventative services are key to:

- The Council's strategic aim of reducing the overall use of temporary accommodation, and
- The Council's strategy to phase out the use of hostel type temporary accommodation.

Reducing homelessness through Homelessness Prevention and Support Services provided through the CLG Homelessness Grant are fundamental to the ability of the Council to make progress on these two strategic aims.

4.0 AN OVERVIEW OF THE SCHEMES SUPPORTED DURING 2006/7

4.1 Members will recall that as the Strategic Housing Authority, BDC co-ordinates and leads the Bromsgrove Homelessness Strategy Steering Group which in partnership with a range of organisations has developed a strategy and action plan to address the support and needs of the homeless and developed schemes aimed at the prevention of homelessness. This action plan is imbedded in the Council's own Housing Strategy (2006 – 2011) which gained 'Fit For Purpose' accreditation by the Government Office of the West Midlands last year.

4.2 This time last year, the Executive Cabinet gave approval to the grant funding for 2006/07 being used in accordance with the recommendations made by the Bromsgrove Homelessness Steering Group with delegated authority to the Portfolio Holder to re-allocate any under spend. The grant funding has been allocated and utilised as follows:

Allocation of CLG Homeless Grant 2006/07		
	Planned	Actual
	£	£
Amount Carried Forward from 05/06	334	
Baseline Drop In Centre	12,000	12,000
CAB Debt Advice	12,000	12,000
Baseline Rent Deposit Scheme	5,834	5,834
Centrepont	1,500	1,500
Sanctuary Scheme for Domestic Violence	1,000	1,000
Floating Homelessness Prevention Officers	6,000	6,000
Home Visiting Role (New scheme through extra £15k)	15,000	0
Rent Deposit/ Spent to Save	4,000	0

Total	57,334	38,334
Total Spent		38,334
Total Grant Available		57,334
Under spend		19,000

The additional £15,000 grant was allocated during the year and the end of year under spend was anticipated as the new Home visiting service had to be set up. The Rent Deposit scheme piloted from January 07 – March 07 was successful in offering 2 households access to the private sector. As the deposit or rent in advance is set up as a sundry debt, the homelessness grant allocated for the scheme will only be utilised should the monies become unrecoverable, therefore the grant was not utilised and has been carried forward to be called against at a future date if necessary.

4.2 The **2006/07 funded schemes** are progressing as follows:

Baseline Drop In Centre

The Basement Project opened in February 2005. CLG homelessness grant monies helped towards the set up of the scheme and an award of £12,000 CLG Homelessness Grant funding for 06/07 contributed towards the running costs of the Drop In Centre. This scheme provides an Information and Support Day Centre with a focus on preventative work, emotional and practical support for young people and access to information for young people. The Basement Project is equipped with a comfortable reception area, kitchen and shower facility. Computer and internet access is made available to service users.

CAB Specialist Debt Advice Service

This specialist service offers assistance and representation for potentially homeless clients. The work has shown to be highly successful in achieving positive results in the prevention of homelessness. Between April 06 and March 07 this service assisted 88 clients and dealt with 617 issues. The majority of their work has been concentrated on money advice/repossession cases and during the period 25 evictions and possession proceedings were halted.

Baseline Rent Deposit Scheme (Private Tenancy Scheme) for under 25's

BYHF have developed a 'Private Tenancy Scheme' which can provide three alternative incentives to encourage Private Landlords to let their accommodation to young people. These are Rent Deposits, Rent guarantees and rent in advance. Over

the last year the scheme has worked with 9 landlords and housed 11 young people and currently has a waiting list of potential clients.

Centrepoint Mediation and Preventative Work

This service is supported by all districts in the County through allocation of CLG grant. Centrepoint has been unable to deliver homelessness awareness training to health professionals during 06/07 due to changes in PCT structure; however, plans are in place to deliver training as soon as the PCT's new structure is operational. Training delivered in the South of the County has received a good response from health professionals. Centrepoint has carried out an evaluation of the countywide mediation scheme pilot to capture the impact and provide learning opportunities. Centrepoint have revised the 16/17 year old joint protocol between Housing and Children's Services.

Sanctuary Scheme – Bromsgrove District Council

The Council's Sanctuary Scheme helps to prevent homelessness by enabling victims of domestic abuse to remain in their own homes. The first scheme carried out assisted one victim of domestic violence and their two children to remain at home. The scheme was celebrated as a success by all agencies involved and applauded by the Police.

Floating Support – Bromsgrove District Housing Trust (BDHT)

This scheme provides non tenure specific floating support to customers who are either homeless or threatened with homelessness. The service was set up during January 2007 therefore there is no evidence of outcomes at this early stage. There was a delay in setting up the service which resulted in an under spend of homelessness grant of £4k which was re-allocated to pilot the following two schemes:

1. **Step Up Private Tenancy Scheme (Rent Deposit / Bond) for over 25's – Bromsgrove District Council**
Utilising the under spend of CLG grant the Council was able to pilot the 'Step Up' private tenancy scheme for over 25's. At the end of March the scheme had helped two households access private rented accommodation.

2. **Spend to Save Scheme – Bromsgrove District Council**
Part of the under spend of CLG grant was also earmarked for opportunities to prevent homelessness

through a 'Spend to Save' scheme. Whilst BDHT have been encouraged to consider innovative use of these monies, no applications have been forthcoming at present. It is hoped that now BDHT has agreed to re-structure its service towards more prevention work, that this fund will be better utilised during 2007/08.

Prevention of Homelessness through Home Visits – Bromsgrove District Housing Trust

On the 4th July 2006 the Strategic Housing Team met with Sarah Cumberland, Homelessness Expert from CLG and reviewed the Council's performance in respect of homelessness and the use of Temporary Accommodation. A number of recommendations were identified to deliver improvement in performance and following the meeting a further £15k CLG Homelessness Grant was awarded for the Council to develop a home visiting service through BDHT.

Due to some staffing difficulties at BDHT, commencement of the service was delayed; however we have committed these monies to BDHT for a two year period and accordingly need to carry the £15k forward to be drawn during 2007/08.

5.0 CLG HOMELESSNESS GRANT FUNDING FOR THE NEXT FINANCIAL YEAR 2007/8

- 5.1 The CLG have advised us that the level of Grant allocated to the Council has increased to £60k for 2007/08 (including a second allocation of the additional £15k awarded).

Submissions for schemes to be funded from the £60k grant were invited and were considered by the Homelessness Strategy Steering Group when it met on the 28th March 2007. The details of the submissions and the revised bids are set out in the table below:

Homelessness Grant Applications for 2007/08

Name of Project	Initial Bid	Award Proposed	Outcomes	Other Considerations
BDHT Floating Support and Homelessness	£24,000	£24,000 (committed for a two year	The provision of non tenure specific floating	There was a recognition by partners of the Steering Group,

Prevention Service.		period when the scheme was first commissioned last year)	support to prevent homelessness and repeat homelessness. Mixed funded initiative supported by BDC, BDHT and Supporting People.	when this scheme was first approved last year, that committing funds to this project meant that in future years some schemes previously funded through Homelessness Grant would have to be active in seeking alternative funding.
BDC Strategic Housing Sanctuary Scheme	£1,000	£1,000	Prevention of homelessness and repeat homelessness. Better outcomes in respect of social, health and well being and education. Supported by Police and Supporting People.	Will only be appropriate for a small group who can be helped to feel safe enough to stay at home.
Bromsgrove & District CAB Homelessness Debt Advice Service	£12,000	£12,000	Good track record in preventing households from becoming homeless. Value for money through piggy backing on existing housing advice service which uses volunteers.	The Council will be carrying out a review of the SLA's with both CAB and BDHT this financial year. The recommendation from the Homelessness Strategy Steering Group is that funding is awarded for this financial year subject to this review taking place.
Centrepoint	£2,000	£1,000	Increase access to	

Awareness raising with Health Professionals, Countywide Mediation Service, Review of 16/17 year old protocol			health provision for young people who are homeless or at risk of homelessness. To provide a method to detect potential homelessness at an early stage. To prevent cyclical homelessness presentations through appropriate health interventions.	
Bromsgrove Youth Homelessness Forum Private Tenancy Scheme for the under 25's	£9,000	£9,000	Providing young people with access to the private sector. 8 young people housed since April, there are 10 clients on their waiting list and they are working with 9 landlords.	Provides a housing solution for a non priority group, but nevertheless dealing with a group from one of the main causes of homelessness – parental eviction/exclusion.
BDC Strategic Housing 'Step Up' Private Tenancy Scheme	£4,000	£2,000 (Essentially carrying forward from 06/07 as a pot of money against which any bad debts from clients failing to repay their rent deposits can be charged.)	Provides both priority and non priority households access to the private sector to enhance the range of housing options available to those in housing need and prevent	This scheme is important as a homeless prevention tool and enables the Homelessness Officers to offer a range of housing options to households presenting as homeless.

			homelessness	
Bromsgrove District Housing Trust	15,000 (Carried forward from 06/07) 15,000 (07/08)	30,000	The Homelessness Expert from CLG recommended this role as being vital for effective homelessness prevention and an opportunity for the Council to benefit from significant reduction in homelessness acceptances	
Total		79,000		
Total Amount Available (inc £19k C/F from 06/07)		79,000		

- 5.4 Members are asked to approve the recommendations put forward by the Bromsgrove Homelessness Steering Group for funding, and that subject to spending being in line with the objectives of the Homelessness Strategy, grant the Head of Planning & Environment Services in consultation with the Portfolio Holder For Strategic Housing delegated authority to approve re-allocation of any under spend or make further adjustments necessary to ensure full utilisation of the grant allocation for 2007/08 in support of existing or new schemes.

6.0 FINANCIAL IMPLICATIONS

Grant funding under the Homelessness (In Need of Accommodation) (England) Order 2002 is allocated by the CLG to local authorities in accordance with their expenditure upon schemes up to the allocation limit. Accordingly the expenditure incurred in supporting the schemes does not fall upon this authority.

7.0 LEGAL IMPLICATIONS

Prevention of homelessness through the schemes developed and funded through CLG Grant assist the Council in meeting its statutory

duties to homeless applicants under the Homeless provisions of the Housing Act 1996 and the requirements of the Homelessness Act 2002 that prevents local authorities from placing homeless families or expectant mothers in B&B type accommodation.

8.0 CORPORATE OBJECTIVES

8.1 Objective 1 – Regeneration (Town Centre, Longbridge and Housing)

Improved standard of support and preventative service for homeless people.

8.2 Objective 2 – Improvement (Customer Service, Reputation and Performance)

Improved service to customers by the ability to provide a higher standard of prevention and support service.

8.3 Objective 3 – Sense of Community and Wellbeing (Community Influence and Community Events)

Homelessness prevention, reduction and support influences health and wellbeing.

8.4 Priority 4 – Environment – Clean District and Planning

Reduction of homelessness helps a more planned allocation of housing thus supporting better neighbourhood integration and therefore reduces any negative impact upon the environment.

9.0 RISK MANAGEMENT

9.1 If the recommended schemes are not approved there is a risk that more households who are threatened with homelessness or who are in housing need will have limited alternative options. There is the risk that they may have to make a homeless approach and this could consequently lead to the following risks:

- Inability by the Council to meet the statutory duty to provide temporary accommodation in the District thus necessitating placement in B&B accommodation outside of the District.
- Increased B&B costs.
- Weakened performance against BV 183a (number of families placed in B&B) which is currently zero.
- Inability to reach DCLG target of reducing temporary accommodation by 50% by the year 2010

10. CUSTOMER IMPLICATIONS

10.1 This scheme will benefit the Council's customer, by offering household's more options to prevent their homelessness. Where possible to enable them to remain in their own homes, the Council will

be encouraging them to be more independent and take responsibility for their housing situation.

The scheme will also benefit the larger community as there will be fewer households making homeless approaches, and in turn less homeless households in the district.

11. OTHER IMPLICATIONS

Procurement Issues
None
Personnel Implications
None
Governance/Performance Management
Ability to improve performance against BVPI's as detailed in the report.
Community Safety including Section 17 of Crime and Disorder Act 1998
None
Policy
None
Environmental
None
Equalities and Diversity
None

12. OTHERS CONSULTED ON THE REPORT

Please include the following table and indicate 'Yes' or 'No' as appropriate. Delete the words in italics.

Portfolio Holder	YES and he supports the recommendations.
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

13. OTHER SUB HEADINGS

13.1 None

14.0 BACKGROUND PAPERS

14.1 None

CONTACT OFFICER

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

13th June 2007

Winter and Christmas Working Arrangements

Responsible Portfolio Holder	Councillor M Sherrey
Responsible Head of Service	Michael Bell

1. Summary

- 1.1 This report seeks to offer alternative arrangements for future Christmas holiday publicity in relation to the changed working arrangements for the refuse and recycling services and the postponement of the garden waste service during the winter months.

2. Recommendation

- 2.1 It recommended that:

Members agree to the changes proposed to the publicity of Christmas working arrangements as detailed within the report.

3. Background

- 3.1 There has been some criticism this year of the method of communicating the changes to the Christmas working arrangements for the refuse and recycling services on the grounds that not everyone was able to view a newspaper with the various advertisements, and that Parish Council notice boards were insufficient for communicating within the rural area.
- 3.2 My department believed that the approach taken would be sufficient and was the most cost effective way of getting the message across. However with hindsight we may have underestimated the difficulties within some areas of the District.
- 3.3 One of the difficulties we as a department have had this year was in negotiating the Christmas working arrangements with crews. This has in the past been carried out each year prior to Christmas because the changes to working patterns caused by the holiday period have never been included within Contracts of Employment. I was determined that this year that would be rectified and that arrangements for future years would be agreed now, in order to avoid similar delays in future. The negotiations took longer that

expected and delayed the commencement of leaflet delivery and issuing of advertisements and press releases

- 3.4 Because this negotiation is complete for next Christmas and subsequent years and will be written into staff Contracts of Employment we are in a position to know what arrangements will be in place for future holidays. We are therefore in the position of being able to agree communication processes for the next Christmas holiday and this report suggests some proposals for doing so.

4. Proposals

- 4.1 The only way to ensure that every property receives communication from the Department is to deliver it through the letter box. This is the most expensive method but the only one that guarantees every household receives the communication. It does not guarantee that every household will read the communication.
- 4.2 It is therefore proposed that the calendars for 2008 are produced during this year to include information about the collection over the Christmas holiday. They will become effective from 1st December and last for 12 months until 30th November 2009 when a further calendar will be issued. This will ensure that over the Christmas holiday every household will be in possession of the necessary information to know what days refuse and recycling will be collected.
- 4.3 This calendar will be posted through letter boxes prior to 1st November 2007.
- 4.4 In addition advertisements will be placed in local papers, Parish Councils will be advised and the Council web site populated with the relevant information.
- 4.5 As a further aid to communication 'Together Bromsgrove' will contain the necessary information and a page has already been booked in the edition with a delivery time closest to the appropriate date. The Councils CSC will also place a pre recorded message on the phone system so that any caller waiting to be connected will be given the message that Christmas working arrangements will change collection days and where to look for the relevant information.
- 4.6 A more recent innovation is the introduction of the text messaging service that will allow those residents that have registered for the scheme to be sent messages at pre determined times about changes to the service. This is dependant upon residents registering but it is anticipated that this method of communication will grow and become more important as more users register.

4.7 In addition to all of the above a monthly press release will be produced about one aspect of the work carried out by the Street Scene department. This may be a different topic each month but will always remind readers about the waste collection and recycling activities. As Christmas approaches this will focus more on the Christmas working arrangements and the postponement of the garden waste service.

4.8 By carrying out the above we will ensure that every resident in the District has the opportunity to access the relevant information easily. We cannot however ensure that everyone reads the information provided.

5. Financial Implications

5.1 The production of the calendars themselves, press releases and text messaging service are all covered by existing budgets. There is therefore no additional financial cost for this work.

6. Legal Implications

6.1 There are no specific legal implications arising from this report.

7. Corporate Objectives

7.1 To provide an effective, efficient and environmentally sound service.

8. Risk Management

8.1 The changes need to be carefully publicised and communicated to residents, through press release and leaflet drops.

9. Customer Implications

9.1 There will be an improvement in customer communications.

10. Other Implications

Procurement Issues:	None
Personnel Implications:	None
Governance/Performance Management:	None
Community Safety including Section 17 of Crime and Disorder Act 1998:	None
Policy:	None
Environmental:	See Report

Equalities and Diversity:	None
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11. Others Consulted on Report.

Portfolio Holder	Yes
Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

12. Appendices

None

13. Background Papers

None

Contact officer

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