



BROMSGROVE DISTRICT COUNCIL

YOU ARE HEREBY SUMMONED to attend a MEETING of BROMSGROVE DISTRICT COUNCIL to be held in the Council Chamber at The Council House, Burcot Lane, Bromsgrove at 6.00 p.m. on Wednesday 17th March 2010, when the business referred to below will be brought under consideration:-

The meeting will be opened with a prayer.

1. **Minute Silence in memory of the late Mrs Sheila Joy Bushby M. B. E., former Councillor and Chairman**
2. **To receive apologies for absence**
3. **To confirm the accuracy of the minutes of the Extraordinary Meeting of the Council held on 24th February 2010 (Pages 1 - 10)**
4. **Declarations of Interest**
(Members are reminded that they need to keep their register of interest forms up to date)
5. **To receive any announcements from the Chairman and/or Head of Paid Service (Pages 11 - 12)**
6. **To receive any announcements from the Leader (Pages 13 - 14)**
7. **Recommendations from the Cabinet (Pages 15 - 16)**

To consider the recommendations from the meeting of the Cabinet held on 3rd March 2010 on the following items *(the full Cabinet reports are enclosed for background information at the back of the Council agenda book)*:

- Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13
- Non Domestic Rates – Hardship Relief Policy

8. **To receive the minutes of the meeting of the Cabinet held on 3rd March 2010** (Pages 17 - 24)

9. **Questions on Notice** (Pages 25 - 26)

To deal with any questions on notice from Members of the Council, in the order in which they have been received.

10. **Motion - Market Hall**

To consider the following motion submitted by Councillor P. M. McDonald:-

“To many the market hall is part of Bromsgrove’s heritage which makes it stand out from other towns. If the market hall is lost and gone forever so will so much associated with it. Therefore any regeneration of the Market Hall Site includes within it a Market Hall.”

11. **Motion - Market Hall**

To consider the following motion submitted by Councillor Mrs. C. M. McDonald:-

“There is a growing ground swell of support opposing the demolition of the market hall and having regard to the fact that residents were never consulted over such a proposal; that this Council continues to operate and manage the Market Hall until Bromsgrove residents have been fully consulted regarding any regeneration of the site.”

12. **Revisions to the Constitution** (Pages 27 - 38)

To consider the report of the Head of Legal, Equalities and Democratic Services

13. **Parish Council Charter** (Pages 39 - 64)

To consider the report of the Head of Legal, Equalities and Democratic Services

- **Information Report for Recommendations from the Cabinet (Agenda Item 7) - Treasury Management Strategy And Investment Strategy 2010/11 To 2012/13** (Pages 65 - 94)
- **Information Report for Recommendations from the Cabinet (Agenda Item 7) - Non Domestic Rates - Hardship Relief Policy** (Pages 95 - 102)

14. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

"RESOLVED: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Item No.</u>	<u>Paragraph(s)</u>	
15	1	"

15. **Recommendation from the Appointments Committee** (Pages 103 - 110)

To consider the recommendation from the Appointments Committee held on 9th March 2010 regarding the appointment of an independent member of the Standards Committee

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

TO ALL MEMBERS OF THE BROMSGROVE DISTRICT COUNCIL

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Agenda Item 3

BROMSGROVE DISTRICT COUNCIL

EXTRAORDINARY MEETING OF THE COUNCIL

WEDNESDAY, 24TH FEBRUARY 2010, AT 6.00 P.M.

PRESENT: Councillors C. R. Scurrall (Chairman), Mrs. J. M. L. A. Griffiths (Vice-Chairman), Mrs. J. M. Boswell, Dr. D. W. P. Booth JP, Mrs. M. Bunker, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, Mrs. A. E. Doyle, J. T. Duddy, Mrs. J. Dyer M.B.E., D. Hancox, R. Hollingworth, Mrs. J. D. Luck, Ms. J. A. Marshall, Mrs. C. M. McDonald (not present during Minutes Nos. 88/09 to 92/09), P. M. McDonald (not present during Minutes Nos. 88/09 to 92/09), D. L. Pardoe, S. R. Peters, S. P. Shannon, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, E. C. Tibby, C. J. Tidmarsh, L. J. Turner, P. J. Whittaker and C. J. K. Wilson

88/09 PRAYER

At the request of the Chairman, the Reverend Chris Wingfield opened the meeting with a prayer.

89/09 MINUTE SILENCE

The Chamber held a minute silence in memory of the late Mike Gill who had been a Member of the Council from 1976 to 1983 and from 1991 to 2007 and Chairman during 2001/02.

90/09 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A. N. Blagg, Miss D. H. Campbell JP, Ms. H. J. Jones, B. Lewis F.CMI, Dr. G. H. Lord, D. McGrath, E. J. Murray, W. R. Newnes and M. J. A. Webb.

91/09 MINUTES

The minutes of the meeting of the Council held on 20th January 2010 were submitted.

RESOLVED that the minutes be approved as a correct record.

92/09 DECLARATIONS OF INTEREST

No declarations of interest were received.

93/09 **COUNCIL TAX 2010/11**

Further to the Council's budget requirements for 2010/11 agreed by the Council on 20th January 2010, Members received a report of the Head of Financial Services with regard to the setting of the Council Tax for 2010/11.

The Chairman announced that the meeting would be adjourned for around ten minutes to allow Members to peruse the papers which had been made available immediately prior to the meeting. The lateness of the papers was due to the timescale for the receipt of precept information.

Having reconvened the meeting, the recommendations were moved by Councillor G. N. Denaro and seconded by Councillor R. Hollingworth.

On a requisition under Council Procedure Rule 17.5, the following details of voting were recorded.

For the recommendations: Councillors Dr. D. W. P. Booth, Mrs. J. M. Boswell, Mrs. M. Bunker, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, Mrs. A. E. Doyle, J. T. Duddy, Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, D. Hancox, R. Hollingworth, Mrs. J. D. Luck, D. L. Pardoe, S. R. Peters, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, E. C. Tibby, C. J. Tidmarsh, L. J. Turner and P. J. Whittaker (23);

Against the recommendations: Councillors Ms. J. A. Marshall, Mrs. C. M. McDonald, P. M. McDonald, S. P. Shannon, and C. J. K. Wilson (5).

RESOLVED that the recommendations set out as an Appendix to these minutes, setting a Council Tax for 2010/11 of £192.85 for a Band D unparished property be approved.

94/09 **RECOMMENDATIONS FROM THE CABINET MEETING HELD ON 3RD FEBRUARY 2010**

INTEGRATED FINANCIAL AND PERFORMANCE MONITORING QUARTER 3 2009/10

The recommendations from the Cabinet were moved by Councillor G. N. Denaro and seconded by Councillor R. Hollingworth.

On a requisition under Council Procedure Rule 17.5, the following details of voting were recorded.

For the recommendations: Councillors Dr. D. W. P. Booth, Mrs. J. M. Boswell, Mrs. M. Bunker, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, Mrs. A. E. Doyle, J. T. Duddy, Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, D. Hancox, R. Hollingworth, Mrs. J. D. Luck, D. L. Pardoe, S. R. Peters, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, E. C. Tibby, C. J. Tidmarsh, L. J. Turner and P. J. Whittaker (23);

Against the recommendations: Councillors Ms. J. A. Marshall, Mrs. C. M. McDonald, P. M. McDonald, S. P. Shannon, and C. J. K. Wilson (5).

RESOLVED:

- (a) that the virements in excess of £100,000 as set out in Appendix 6 of the report be approved; and
- (b) that £150,000 be added to the Capital Programme in respect of the CCTV improvements as agreed on 16th September 2009 as part of the Shared Service arrangements.

95/09 **MINUTES OF THE MEETING OF THE CABINET HELD ON 3RD FEBRUARY 2010**

The minutes of the meeting of the Cabinet held on 3rd February 2010 were submitted for information.

During consideration of this item there was an interruption from a member of the public followed by disruption from the public gallery. The Chairman made repeated requests for the public to be quiet, to no avail. The Chairman then announced that the meeting would be adjourned.

The meeting stood adjourned from 6.25 p.m. to 6.35 p.m.

The Chairman then reconvened the meeting. With reference to Minute No. 154/09 (Integrated Financial and Performance Monitoring Quarter 3 2009/10) and the background report which had been submitted as information, a Member drew attention to the commentary with regard to expected expenditure on Travel Concessions. He queried how the figure had been arrived at and whether it was a true reflection of the number of users and actual journeys undertaken or could Council expenditure in this regard be in excess of the level of actual usage for the service.

The Portfolio Holder for Resources responded by referring to the procedures the Council had put in place and indicated that usage had exceeded expectations. He suggested that the queries could be referred to Overview and Scrutiny. The Chairman agreed that the matter be referred to Overview and Scrutiny.

96/09 **WETT REGULATORY SERVICES - JOINT APPOINTMENTS COMMITTEE**

Further to the decision made by the Council on 20th January 2010 with regard to the establishment of a Joint Appointments Committee as part of the way forward with regard to Regulatory Services under the Worcestershire Enhanced Two Tier (WETT) Programme, Members considered a report of the Head of Legal, Equalities and Democratic Services on the proposed terms of reference of the Committee and the need to appoint an Executive Member to serve on the Committee.

Having been moved by Councillor R. Hollingworth and seconded by Councillor E. C. Tibby, it was

RESOLVED:

- (a) that the terms of reference for the Joint Appointments Committee, as set out in the report, be approved;
- (b) that Councillor G. N. Denaro be appointed to represent Bromsgrove District Council on the Joint Appointments Committee.

The meeting closed at 6.45 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL
Revenue Budget and Council Tax Setting 2010/11

Appendix

RECOMMENDATIONS:

1. that it be noted at its meeting on 2 December 2009 the Executive Cabinet calculated the following amounts for the year 2010/11 in accordance with the Regulations made under Section 33(5) of the Local Government Finance Act 1992:

(a) 36,416.56 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Tax base) Regulations 1992 (as amended), as its Council Tax base for the year (the tax base for the whole district).

(b)

Alvechurch	2272.25
Barnt Green	925.75
Belbroughton	1,211.07
Bentley Paucefoot	186.42
Beoley	459.46
Bournheath	217.01
Catshill and North Marlbrook	2,429.46
Clent	1,203.34
Cofton Hackett	739.53
Dodford with Grafton	402.14
Finstall	297.99
Frankley	51.78
Hagley	2,117.11
Hunnington	238.79
Lickey & Blackwell	2,071.77
Lickey End	1097.81
Romsley	704.48
Stoke	1734.88
Tutnall and Cobley	357.19
Wythall	4,785.66

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which special items relate.

2. that

(i) the Council determines the level of Council Tax discount to be applied to second homes as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 for

- (a) Class A be set at 10%
(b) Class B be set at 10%

BROMSGROVE DISTRICT COUNCIL
Revenue Budget and Council Tax Setting 2010/11

Appendix

(ii) the Council determines to reduce or remove the Council Tax discount that is applied to long term empty properties defined as Class C to 0% - no discount.

(iii) these powers are delegated to the Head of Financial Services and the Revenues Services Manager to award case by case discounts or exemptions.

3. that the following amounts be now calculated by the Council for 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

- (a) £34,668,975 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (c) of the Act (including Parish Council precepts totalling £647,073.50)
- (b) £21,899,967 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.
- (c) £12,769,008 being the amount by which the aggregate of 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year.
- (d) £5,099,001 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non Domestic Rates and Revenue Support Grant, and increased by the amount of any sum which the Council estimates will be transferred from its Collection Fund directions under Section 98 (4) of the Local Government Finance Act 1988.
- (e) £210.62 being the amount at 3 (c) above less the amount at 3 (d) above, all divided by the amount at 1 above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of its Council Tax for the year; (this is an overall average amount of Council Tax, per Band D property, for District and Parish requirements).
- (f) £647,073.50 being the aggregate amount of all special items referred to in Section 34 (1) of the Act; (Parish precepts).
- (g) £192.85 being the amount at 3 (e) above less the result given by dividing the amount at 3 (f) above by the amount at 1 (a) above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate. (The District Council element of the tax for Band D dwellings).

BROMSGROVE DISTRICT COUNCIL
Revenue Budget and Council Tax Setting 2010/11

Appendix

(h)

Parish of:	£
Alvechurch	234.93
Barnt Green	253.34
Belbroughton	238.26
Bentley Pauncefoot	221.01
Beoley	214.80
Bournheath	240.68
Catshill and North Marlbrook	201.63
Clent	237.73
Cofton Hackett	223.74
Dodford with Grafton	217.34
Finstall	219.50
Frankley	228.58
Hagley	226.86
Hunnington	227.40
Lickey & Blackwell	216.36
Lickey End	192.85
Romsley	221.24
Stoke	218.79
Tutnall and Cobley	213.23
Wythall	212.85

being the amounts given by adding to the amounts at 3(g) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided by each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

- (i) the amounts given by multiplying the amounts at 3(g) and 3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in the proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

BROMSGROVE DISTRICT COUNCIL
Revenue Budget and Council Tax Setting 2010/11

Appendix

	A	B	C	D	E	F	G	H
Part of the Council's Area	£	£	£	£	£	£	£	£
Alvechurch	156.62	182.72	208.82	234.93	287.14	339.34	391.55	469.86
Barnt Green	168.90	197.04	225.19	253.34	309.64	365.94	422.24	506.68
Belbroughton	158.85	185.31	211.79	238.26	291.22	344.16	397.11	476.52
Bentley Pauncefoot	147.34	171.89	196.45	221.01	270.13	319.24	368.36	442.02
Beoley	143.20	167.06	190.93	214.80	262.53	310.26	358.00	429.60
Bournheath	160.46	187.19	213.94	240.68	294.17	347.65	401.14	481.36
Catshill and North Marlbrook	134.42	156.82	179.22	201.63	246.44	291.24	336.05	403.26
Clent	158.49	184.89	211.31	237.73	290.56	343.38	396.21	475.46
Cofton Hackett	149.17	174.02	198.88	223.74	273.47	323.18	372.91	447.48
Dodford with Grafton	144.90	169.04	193.19	217.34	265.65	313.94	362.24	434.68
Finstall	146.34	170.72	195.11	219.50	268.29	317.06	365.84	439.00
Frankley	152.39	177.78	203.18	228.58	279.38	330.17	380.97	457.16
Hagley	151.24	176.44	201.65	226.86	277.28	327.68	378.10	453.72
Hunnington	151.60	176.86	202.13	227.40	277.94	328.46	379.00	454.80
Lickey & Blackwell	144.24	168.27	192.31	216.36	264.44	312.51	360.60	432.72
Lickey End	128.57	149.99	171.42	192.85	235.71	278.56	321.42	385.70
Romsley	147.50	172.07	196.66	221.24	270.41	319.57	368.74	442.48
Stoke	145.86	170.16	194.48	218.79	267.41	316.03	364.65	437.58
Tutnall and Cobley	142.16	165.84	189.54	213.23	260.62	308.00	355.39	426.46
Wythall	141.90	165.54	189.20	212.85	260.15	307.44	354.75	425.70
Unparished Areas	128.57	149.99	171.42	192.85	235.71	278.56	321.42	385.70

4. It be noted that for the year 2010/11 Worcestershire County Council, West Mercia Police Authority and Hereford and Worcester Fire and Rescue Authority have stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Worcestershire County Council	692.71	808.16	923.61	1,039.06	1,269.97	1,500.87	1,731.77	2,078.12
West Mercia Police Authority	119.15	139.01	158.86	178.72	218.44	258.15	297.87	357.44
Hereford and Worcester Fire and Rescue Authority	49.10	57.28	65.46	73.64	90.01	106.38	122.74	147.28

BROMSGROVE DISTRICT COUNCIL
Revenue Budget and Council Tax Setting 2010/11

Appendix

5. Having calculated the aggregate in each case of the amounts at 3 and 4 above, Bromsgrove District Council in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the following amounts as the amounts of Council Tax for the year 2010/11 for each categories of dwelling shown below:

	A	B	C	D	E	F	G	H
Part of the Council's Area	£	£	£	£	£	£	£	£
Alvechurch	1,017.58	1,187.17	1,356.75	1,526.35	1,865.56	2,204.74	2543.93	3052.70
Barnt Green	1,029.86	1,201.49	1,373.12	1,544.76	1,888.06	2,231.34	2574.62	3089.52
Belbroughton	1,019.81	1,189.76	1,359.72	1,529.68	1,869.64	2,209.56	2549.49	3059.36
Bentley Pauncefoot	1,008.30	1,176.34	1,344.38	1,512.43	1,848.55	2,184.64	2520.74	3024.86
Beoley	1,004.16	1,171.51	1,338.86	1,506.22	1,840.95	2,175.66	2510.38	3012.44
Bournheath	1,021.42	1,191.64	1,361.87	1,532.10	1,872.59	2,213.05	2553.52	3064.20
Catshill and North Marlbrook	995.38	1,161.27	1,327.15	1,493.05	1,824.86	2,156.64	2488.43	2986.10
Clent	1,019.45	1,189.34	1,359.24	1,529.15	1,868.98	2,208.78	2548.59	3058.30
Cofton Hackett	1,010.13	1,178.47	1,346.81	1,515.16	1,851.89	2,188.58	2525.29	3030.32
Dodford with Grafton	1,005.86	1,173.49	1,341.12	1,508.76	1,844.07	2,179.34	2514.62	3017.52
Finstall	1,007.30	1,175.17	1,343.04	1,510.92	1,846.71	2,182.46	2518.22	3021.84
Frankley	1,013.35	1,182.23	1,351.11	1,520.00	1,857.80	2,195.57	2533.35	3040.00
Hagley	1,012.20	1,180.89	1,349.58	1,518.28	1,855.70	2,193.08	2530.48	3036.56
Hunnington	1,012.56	1,181.31	1,350.06	1,518.82	1,856.36	2,193.86	2531.38	3037.64
Lickey & Blackwell	1,005.20	1,172.72	1,340.24	1,507.78	1,842.86	2,177.91	2512.98	3015.56
Lickey End	989.53	1,154.44	1,319.35	1,484.27	1,814.13	2,143.96	2473.80	2968.54
Romsley	1,008.46	1,176.52	1,344.59	1,512.66	1,848.83	2,184.97	2521.12	3025.32
Stoke	1,006.82	1,174.61	1,342.41	1,510.21	1,845.83	2,181.43	2517.03	3020.42
Tutnall and Cobley	1,003.12	1,170.29	1,337.47	1,504.65	1,839.04	2,173.40	2507.77	3009.30
Wythall	1,002.86	1,169.99	1,337.13	1,504.27	1,838.57	2,172.84	2507.13	3008.54
Unparished Areas	989.53	1,154.44	1,319.35	1,484.27	1,814.13	2,143.96	2473.80	2968.54

6. That the Head of Financial Services be authorised to make payments under Section 90(2) of the Local Government Finance Act 1988 from the Collection Fund

(a) to Worcestershire County Council the sum of £38,094,176 by ten equal installments on dates between April 2010 to March 2011 agreed with Worcestershire County Council in respect of the precept levied on the Council (£37,839,099) and the distribution of the Surplus on the Collection Fund (£255,077).

(b) to West Mercia Police Authority the sum of £6,552,120 by ten equal installments on dates between April 2010 to March 2011 agreed with West Mercia Police Authority in respect of the precept levied on the Council (£6,508,433) and the distribution of the Surplus on the Collection Fund (£43,687).

(c) to Hereford and Worcester Fire and Rescue Authority the sum of £2,699,894.65 by ten equal installments on dates between April 2010 to March 2011 agreed with Hereford and Worcester Fire and Rescue Authority in respect of the precept levied on the Council (£2,681,885.65) and the distribution of the Surplus on the Collection Fund (£18,009).

BROMSGROVE DISTRICT COUNCIL
Revenue Budget and Council Tax Setting 2010/11

Appendix

7. That the Head of Financial Services be authorised to make transfers under Section 97 of the Local Government Finance Act 1988 from the Collection Fund to the General Fund the sum of £7,721,706.50 being the Council's own demand on the Collection Fund including Parish Precepts of £647,073.50 and the distribution of the Surplus on the Collection Fund (£51,699).

8. That the Head of Financial Services be authorised to make payments from the General Fund to the Parish Councils the sums listed below by two equal installments on 1 April 2010 and 1 October 2010 in respect of the precept levied on the Council

Parish of:	Alvechurch	95,615.00
	Barnt Green	56,000.00
	Belbroughton	55,000.00
	Bentley Pauncefoot	5,250.00
	Beoley	10,083.00
	Bournheath	10,380.00
	Catshill and North Marlbrook	21,327.00
	Clent	54,000.00
	Cofton Hackett	22,846.00
	Dodford with Grafton	9,850.00
	Finstall	7,942.50
	Frankley	1,850.00
	Hagley	72,000.00
	Hunnington	8,250.00
	Lickey & Blackwell	48,700.00
	Lickey End	0.00
	Romsley	20,000.00
	Stoke	45,000.00
	Tutnall and Cobley	7,280.00
	Wythall	95,700.00

9. That the above resolutions 3 to 5 be signed by the Chief Executive for use in legal proceedings in the Magistrates Court for the recovery of unpaid Council Taxes.

10. Notices of the making of the said Council Taxes signed by the Chief Executive be given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

Agenda Item 5

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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Agenda Item 6

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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CABINET

RECOMMENDATIONS TO THE COUNCIL

3RD MARCH 2010

1. TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2010/2011 TO 2012/2013

The Cabinet has considered a report on a Treasury Management Strategy and Investment Strategy 2010/2011 to 2012/2013.

It is therefore RECOMMENDED:

- (a) that the Treasury Management Strategy Statement and Investment Strategy 2010/2011 to 2012/2013, together with the prudential indicators set out in appendix B be approved;
- (b) that the Authorised Limit for borrowing be set at £6,500,000;
- (c) that the maximum level of investment to be held within each organisation be set at £3,000,000 subject to market conditions;
- (d) that the unlimited level for investment in Debt Management Account Deposit Facility be approved; and
- (e) that the Treasury Management Policy statement set out in appendix F be approved.

2. HARDSHIP RELIEF POLICY

The Cabinet has considered a report on the introduction of a National Non Domestic Rates Hardship Policy.

It is therefore RECOMMENDED:

- (a) that the National Non Domestic Rates Hardship Policy be approved;
- (b) that the Council's Section 151 Officer be authorised to determine any applications in accordance with the Policy.

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Agenda Item 8

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 3RD MARCH 2010, AT 6.00 P.M.

PRESENT: Councillors R. Hollingworth (Chairman), G. N. Denaro (Vice-Chairman), J. T. Duddy, Mrs. J. Dyer M.B.E., Mrs. M. A. Sherrey JP and M. J. A. Webb

Observers: Councillors Mrs. M. Bunker, D. L. Pardoe and C. B. Taylor.

Officers: Mr. K. Dicks, Ms. J. Pickering, Mr. H. Bennett, Mrs. C. Felton, Mr. J. Godwin, Mr. A. Coel and Ms. R. Cole.

156/09 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dr. D. W. P. Booth JP, R. D. Smith and P.J. Whittaker.

157/09 DECLARATIONS OF INTEREST

Councillor Mrs. M. A. Sherrey JP declared a personal and prejudicial interest during the discussion on Agenda item 6 (Performance Management Board Minute 77/09 (Annual Artrix Performance Report)) as a member of the Bromsgrove Arts Centre Operating Trust and left the meeting during the consideration of the item.

158/09 MINUTES

The minutes of the meeting of the Cabinet held on 3rd February 2010 were submitted.

RESOLVED that the minutes be approved as a correct record.

159/09 OVERVIEW BOARD

The minutes of the meeting of the Overview Board held on 2nd February 2010 were submitted.

RESOLVED that the minutes be noted.

160/09 SCRUTINY BOARD

The minutes of the meeting of the Scrutiny Board held on 25th February 2010 were submitted.

There was discussion on Minute No 66/09 relating to the Climate Change Presentation and the recommendation that the Council sign up to the 10:10 campaign which aimed to reduce CO2 emissions by 10% in one year. It was accepted that in signing up to the campaign the Council was able to commit to a reduction of a 2% reduction and that this would signal the Council's aspiration to reduce emissions further through the Climate Change Strategy which was being developed at present.

RESOLVED:

- (a) that the recommendation contained at Minute No 66/09 relating to Climate Change be approved, on the basis that when the Council's Climate Change Strategy is approved, a press release be issued to include details of the Council's participation in the 10:10 Campaign;
- (b) that the remainder of the minutes be noted.

161/09 **PERFORMANCE MANAGEMENT BOARD**

The Minutes of the meeting of the Performance Management Board held on 15th February 2010 were submitted.

It was noted that in relation to Minute No 77/09 (Annual Artrix Performance Report), the Board had raised concerns regarding the potential for disturbances of performances taking place at the Artrix from vehicles travelling from the proposed Blue Light Campus. The concern was noted and the Director of Policy, Performance and Partnerships confirmed he had already raised the issue with the Executive Director (Planning, Regeneration, Regulatory and Housing) for consideration at the Town Centre Steering Group.

RESOLVED that the minutes be noted.

162/09 **SHARED SERVICES BOARD**

The minutes of the meeting of the Shared Services Board held on 1st March 2010 were submitted.

RESOLVED that the minutes be noted.

163/09 **VERBAL UPDATES FROM THE LEADER AND/OR OTHER CABINET MEMBERS ON ANY RECENT MEETINGS ATTENDED IN AN EX-OFFICIO CAPACITY**

There were no updates on this occasion.

164/09 **OLDER PEOPLE TASK GROUP REPORT**

The Cabinet considered the report of the Overview Board Task Group on issues relating to Older People. The Leader welcomed Councillor Mrs. M. Bunker, Chairman of the Task Group to the meeting. Councillor Mrs. Bunker briefly introduced the report and presented the recommendations from the Task Group and these were then considered in detail by the Cabinet.

It was recognised that the Sustainable Community Strategy and the Council Plan included older people as a priority for the Council, particularly in view of the national and local trends and the need to prepare for an ageing population by “age-proofing” services.

It was noted that a key recommendation was the production of an A to Z Directory of Services available for older people in the Bromsgrove District and that a budget had been allocated for this in the Medium Term Financial Plan. Members were informed that the County Council may now be considering the production of a similar publication but felt it was important that information specifically relating to Bromsgrove was readily available.

Following discussion it was

RESOLVED:

- (a) that recommendations 1 (a and b) relating to UK Older People’s Day be approved;
- (b) that recommendations 2 (a and b) relating to free swimming at the Dolphin Centre be approved;
- (c) that recommendation 3 relating to gym facilities at the Dolphin Centre be approved;
- (d) that recommendations 4 (a and b) relating to Community Transport Services (BURT) be approved;
- (e) that recommendation 5 relating to THE TRUNK be approved;
- (f) that recommendation 6 relating to the Older People’s Strategy for Worcestershire be approved;
- (g) that recommendations 7 (a and b) relating to the mapping exercise be approved. It was noted that whilst the Older People Theme Group was no longer in existence, the work would be undertaken across the other Local Strategic Partnership Groups and in conjunction with the Champion for Older People;
- (h) that recommendations 8 (a and b) relating to an A – Z Directory of services for older people be approved;
- (i) that recommendations 9 (a and b) relating to Information Management be approved;
- (j) that recommendation 10 relating to Older People’s Champions be approved;
- (k) that recommendation 11 relating to the Older People’s Housing Strategy for Worcestershire be approved;
- (l) that in relation to recommendation 12 relating to Housing, the desire to ensure there is an appropriate housing mix in the District and that older people’s needs are catered for be endorsed, but that the limitations on the Council’s ability to achieve this be recognised and the Portfolio Holder, the Strategic Housing Manager and the Strategic Planning Manager be requested to ensure that all appropriate steps be taken to achieve the aim of the recommendation;
- (m) that recommendation 13 relating to the Lifeline Service be approved;
- (n) that recommendations 14 (a and b) relating to the Benefit Service be approved;

- (o) that recommendations 15 (a and b) relating to employment be approved;
- (p) that recommendation 16 relating to adult learning opportunities be approved;
- (q) that recommendation 17 relating to funding opportunities be approved;
- (r) that recommendation 18 relating to Worcestershire County Council Highways Department be approved and that this Council's representatives on the Highways Partnership Forum be requested to raise the issues with the Forum;
- (s) that recommendations 19 (a) to (e) relating to future vision be approved;
- (t) that recommendation 20 relating to the Older People's Strategy for Worcestershire – Phase 2 be approved.

Following consideration of the recommendations, the Leader thanked the Task Group for its hard work and for the production of an excellent report.

165/09 **BROMSGROVE ROVERS FC/VICTORIA GROUND UPDATE**

The Cabinet considered a report on the current situation regarding Bromsgrove Rovers Football Club Limited which was now in administration, and in particular the lease of the Victoria Ground, together with future lease implications for the site. Members raised issues relating to some of the practicalities involved and following discussion it was

RESOLVED:

- (a) that the position relating to the current lease of the Victoria Ground be noted;
- (b) that it be noted that officers are working on changing the conditions on which the Council holds the Victoria Ground; and
- (c) that officers be requested to seek expressions of interest for the lease of the Victoria Ground to ensure that the Council's community objectives and priorities are met and sustained.

166/09 **BROMSGROVE LOW COST HOUSING SCHEME**

Consideration was given to a report regarding the Council's Low Cost Housing Scheme. The report referred to the current low demand for the properties and suggested this could be addressed through the extension of the current eligibility criteria, together with revised methods of marketing the scheme and the available properties.

RESOLVED:

- (a) that the eligibility criteria for the Low Cost Housing Scheme be extended to align with the local connection criteria for the Housing Register to include applicants who are employed in the Bromsgrove District and to those who have family already resident in the District;
- (b) that the Low Cost re-sale properties be marketed by way of the advertising opportunity available through the Home Choice Plus, Choice Based Lettings Scheme.

167/09 **SUPPORTING PEOPLE STRATEGY FOR WORCESTERSHIRE 2010/2013**

Consideration was given to the Supporting People Strategy 2010/2013 developed by the Worcestershire Supporting People Team. The Strategic Housing Manager reported that the period for submitting comments on the Strategy had been extended.

RESOLVED:

- (a) that the Supporting People Strategy for Worcestershire 2010/2013 be approved ;
- (b) that the Strategic Housing Manager in consultation with the Portfolio Holder be authorised to approve any further amendments arising from the extension of the period for comment on the Strategy.

168/09 **HOMELESSNESS GRANT FUNDING - OUTTURN FOR 2009/2010 AND PROPOSED USE FOR 2010/2011**

The Cabinet considered a report on Homelessness funding including the use of funding for 2009/2010 and an update on the proposed use of grant for homelessness preventative schemes for 2010/2011. Following discussion it was:

RESOLVED:

- (a) that the latest position on the homelessness prevention and support schemes funded through the Communities and Local Government Homelessness Grant (CLG) 2009/2010 be noted;
- (b) that the Council's performance in continuing to more than halve the use of temporary accommodation in advance of the Government's 2010 target date be noted;
- (c) that the schemes recommended by the Bromsgrove Homeless Strategy Steering Group as set out in section 7 of the report be approved and funded from the Council's CLG Homelessness Grant for 2010/2011 as detailed within that section; and
- (d) that the Strategic Housing Manager in consultation with the Portfolio Holder for Strategic Housing be authorised to allocate any under spend or make further adjustments necessary to ensure full utilisation of the grant allocation for 2010/2011 in support of existing or new schemes and to approve expenditure of the Non Tenure Specific Economic Recovery Fund.

169/09 **TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2010/2011 TO 2012/2013**

Consideration was given to a report on a Treasury Management Strategy Statement and Investment Strategy 2010/2011 to 2012/2013. Following discussion it was

RECOMMENDED:

- (a) that the Treasury Management Strategy Statement and Investment Strategy 2010/2011 to 2012/2013, together with the prudential indicators set out in appendix B be approved;

- (b) that the Authorised Limit for borrowing be set at £6,500,000;
- (c) that the maximum level of investment to be held within each organisation be set at £3,000,000 subject to market conditions;
- (d) that the unlimited level for investment in Debt Management Account Deposit Facility be approved; and
- (e) that the Treasury Management Policy statement set out in appendix F be approved.

RESOLVED:

- (a) that it be noted that the Audit Board will be undertaking additional scrutiny of the Strategy during 2010/2011 to ensure the Council's investments are being managed in a risk free environment; and
- (b) that it be noted that Member training for Treasury Management will be incorporated into the Modern Councillor Programme and prioritised in accordance with other training needs.

170/09 **HARDSHIP RELIEF POLICY**

The Cabinet considered a report on the introduction of a National Non Domestic Rates Hardship Policy. Following discussion it was

RECOMMENDED:

- (a) that the National Non Domestic Rates Hardship Policy be approved; and
- (b) that the Council's Section 151 Officer be authorised to determine any applications in accordance with the Policy.

171/09 **IMPROVEMENT PLAN EXCEPTION REPORT (JANUARY 2010)**

Consideration was given to the Improvement Plan Exception report for January 2010 together with the corrective action being taken. Members requested that the basis of the figure given relating to suspended and reprogrammed actions be clarified in future reports.

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 for the 83 actions highlighted for January within the plan 77.1 percent were on target (green), 3.6 percent were one month behind (amber) and 7.2 percent were over one month behind (red). In addition it was noted that 12.1 percent of actions had been reprogrammed or suspended with approval.

172/09 **PERFORMANCE REPORT (JANUARY 2010)**

The Cabinet considered a report on the Council's performance as at 31st January 2010 (period 10). It was noted that some of the indicators had inevitably been influenced by the recent bad weather conditions.

RESOLVED:

- (a) that it be noted that 37 percent of Performance Indicators were stable or improving;
- (b) that it be noted that 65 percent of Performance Indicators that had a target were meeting their target as at the month end and 85 percent were projected to meet their target at the year end;
- (c) that the performance figures for January 2010 as set out in the report be noted;
- (d) that the particular areas of improvement as set out in section 3.5 of the report be noted;
- (e) that the areas of concern as set out in section 3.6 of the report be noted.

173/09 **LOCAL GOVERNMENT ACT 1972**

RESOLVED that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the item of business the subject of the following minute on the grounds that it involves the likely disclosure of "Exempt Information" as defined in part 1 of schedule 12A to the Act, as amended, the relevant paragraph of that part being as set out below and that it is in the public interest to do so.

Minute No.
174/09

Paragraph
3

174/09 **WRITE OFFS REPORT - COUNCIL TAX AND BUSINESS RATES**

The Cabinet considered a report on a request to write off a number of debts in relation to Council Tax and Business Rates.

RESOLVED that the Council Tax and Business Rates debts listed in the appendix to the report be written off as irrecoverable in accordance with the Council's Write Off Policy.

The meeting closed at 8.22 p.m.

Chairman

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Agenda Item 9

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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BROMSGROVE DISTRICT COUNCIL

FULL COUNCIL

17 MARCH 2010

REVISIONS TO THE CONSTITUTION

Responsible Portfolio Holder	Cllr Geoff Denaro
Responsible Head of Service	Claire Felton

1. SUMMARY

- 1.1 In order to keep the Constitution up-to-date and to reflect the shared management team which will formally take office on 20 April 2010 to support both Bromsgrove District and Redditch Borough Council, the Officer Employment Rules need to be modified. In addition, clarification of the Scheme of Delegation is recommended to authorise officers seconded to the Council under Shared Service arrangements to exercise delegations on behalf of the Council. This report explains the changes that need to be made and seeks Members' approval.

2. RECOMMENDATION

- 2.1 Members are asked to approve the following recommendations:-

- 2.1.1 That the amended Employment Procedure Rules at Appendix 1 be approved as Part 13 of the Constitution with effect from 20 April 2010.
- 2.1.2 That the words in below are added to clause 1 b. of the Preamble to the Scheme of Delegation:

For the avoidance of doubt, successor post holder(s) include officers placed at the disposal of the Council under secondment arrangements pursuant to s113 of the Local Government Act 1972 or any other enactment or power.

3. BACKGROUND

- 3.1 At the Council meeting on 2009 Members voted in favour of adopting a single management team for Bromsgrove District Council and Redditch Borough Council. Appointments to the new Senior Management Team have now been made and the new team will formally take office on 20 April 2010.

Officer Employment Rules

- 3.2 The new management team includes a statutory chief officer (the s151 Officer), the statutory post of the Monitoring Officer and 4 non-statutory Chief Officers (officers who are required to report directly to the Head of Paid Service, namely the 3 Executive Directors and Director of Policy, Performance and Partnerships) whose appointment, dismissal and disciplinary action are governed by statutory provisions. Statutory regulations require authorities to have standing orders in place to deal with certain employment issues relating to statutory chief officers and non-statutory chief officer and prescribe minimum wording which must be included in every Council's Constitution. The Bromsgrove District Council Officer Employment Rules ("the Rules") in Part 13 of the Constitution include more than just the prescribed.
- 3.3 The Rules set out the requirements for:
- 3.3.1 the appointment, dismissal and disciplinary action taken in respect of statutory chief officers and non-statutory chief officers; and
 - 3.3.2 procedures relating to the job applications received from persons who are related to existing councillors or officers; and
 - 3.3.3 the issue of seeking support for appointment and the consequences of doing so for candidates and for Councillors.
- 3.4 The Rules are now slightly out of date and require amendment to bring them in line with current statutory requirements.
- 3.5 In addition, officers have identified that the Officer Employment Rules at Redditch Borough Council are slightly different to those at Bromsgrove. Theoretically this could lead to a discrepancy of treatment between 2 chief officers depending on whether they are employed by Bromsgrove District Council. It is therefore proposed that the Officer Employment Rules at both Councils are aligned. For the time being it is proposed that the Rules contain simply the minimum statutory requirements which can be added to in due course.
- 3.6 Accordingly, an up-to-date version of the Rules has been drafted to incorporate the current required wording. Members at Redditch will be requested to adopt an identical version of the Officer Employment Rules at their next full Council meeting later this month.

Scheme of Delegations

- 3.7 The current version of the Scheme of Delegations makes provision for a restructuring of the management team and provides in the Preamble that:
- 1. This Scheme of Delegation will be updated regularly. However:

- a. any reference to specific legislation or statutory provisions shall be deemed to refer to any relevant aspects of any successive legislation or statutory provision;
- b. reference to post holder(s) shall be deemed to refer to any successor post holder(s) who is/are charged with the same responsibilities following any reorganisation or reallocation of functions, save that where there is any ambiguity as to who shall exercise a particular delegation of authority the delegation shall refer to the higher-ranking officer(s).

3.8 Officers seconded to the Council under shared services are treated by s113 as employees of this Council and as such are able to exercise delegations on behalf of the Council, but for the avoidance of doubt it is proposed that an extra sentence be added to clause 1 b. above to say:

“For the avoidance of doubt, successor post holder(s) include officers placed at the disposal of the Council under secondment arrangements pursuant to s113 of the Local Government Act 1972 or any other enactment or power.”

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising out of this report.

5. LEGAL IMPLICATIONS

5.1 The Local Government and Housing Act 1989 (as amended) defines statutory chief officers and non-statutory chief officers in s2 (6) & (7). The Regulations setting out the prescribed wording for standing orders in relation to the employment of staff are:

- The Local Authorities (Standing Orders) Regulations 1993
- The Local Government Act 2000
- The Local Authorities (Standing Orders) (England) Regulations 2001

and these Regulations are made pursuant to ss8, 20 &190 of the Local Government and Housing Act 1989 (as amended), ss19 & 26 of the Local Government Act 1992 and the Local Government Act 2000 (as amended).

6. COUNCIL OBJECTIVES

6.1 The subject matter of this report links to the Council Objective of Improvement CO2.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

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

- Failing to operate under up to date standing orders for staff employment – risk of challenge.
- Failing to put in place a common set of rules covering officer employment at Bromsgrove District Council and Redditch Borough Council – risk of differential treatment of staff.

7.2 These risks will be addressed if members to approve the recommendations set out in this report

8. CUSTOMER IMPLICATIONS

8.1 None

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 None

10. VALUE FOR MONEY IMPLICATIONS

10.1 None

11. CLIMATE CHANGE AND CARBON IMPLICATIONS

11.1 None

12. OTHER IMPLICATIONS

Procurement Issues	None
Personnel	None
Governance/Performance Management	Change to constitution required
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Biodiversity	None

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Joint Chief Executive	No

Executive Director - Partnerships and Projects	N/a
Executive Director - Services	N/a
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	No
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	N/a
Corporate Procurement Team	N/a

14. WARDS AFFECTED

All wards

15. APPENDICES

Appendix 1 Draft revised Part 13 to the Constitution – Officer Employment Procedure Rules

16. BACKGROUND PAPERS

Part 4H Redditch Borough Council Constitution

CONTACT OFFICER

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OFFICER EMPLOYMENT PROCEDURE RULES

Definitions

(Mandatory provisions to be incorporated – The Local Authorities (Standing Orders) Regulations 2001 Schedule I Part II)

1. In this Part:
 - "the 1989 Act" means the Local Government and Housing Act 1989;
 - "the 2000 Act" means the Local Government Act 2000;
 - "disciplinary action" has the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001;
 - "executive" and "executive leader" have the same meaning as in Part II of the 2000 Act;
 - "member of staff" means a person appointed to or holding a paid office or employment under the authority; and
 - "proper officer" means an officer appointed by the authority for the purposes of the provisions in this Part.

Appointment and Dismissal of Staff

2. Subject to paragraphs 3 and 7, the function of appointment and dismissal of, and taking disciplinary action against, a member of staff of the authority must be discharged, on behalf of the authority, by the officer designated under section 4(1) of the 1989 Act (designation and reports of head of paid service) as the head of the authority's paid service or by an officer nominated by him.
3. Paragraph 2 shall not apply to the appointment or dismissal of, or disciplinary action against:
 - (a) the officer designated as the head of the authority's paid service;
 - (b) a statutory chief officer within the meaning of section 2(6) of the 1989 Act (politically restricted posts);
 - (c) a non-statutory chief officer within the meaning of section 2(7) of the 1989 Act;
 - (d) a deputy chief officer within the meaning of section 2(8) of the 1989 Act; or
 - (e) a person appointed in pursuance of section 9 of the 1989 Act (assistants for political groups).
4. (1) Where a committee, sub-committee or officer is discharging, on behalf of the authority, the function of the appointment or

dismissal of an officer designated as the head of the authority's paid service, the authority must approve that appointment before an offer of appointment is made to him or, as the case may be, must approve that dismissal before notice of dismissal is given to him.

- (2) Where a committee or a sub-committee of the authority is discharging, on behalf of the authority, the function of the appointment or dismissal of any officer referred to in sub-paragraph (a), (b), (c) or (d) of paragraph 3, at least one member of the executive must be a member of that committee or sub-committee.
5. (1) In this paragraph, "appointer" means, in relation to the appointment of a person as an officer of the authority, the authority or, where a committee, sub-committee or officer is discharging the function of appointment on behalf of the authority, that committee, sub-committee or officer, as the case may be.
- (2) An offer of an appointment as an officer referred to in sub-paragraph (a), (b), (c) or (d) of paragraph 3 must not be made by the appointer until:
- (a) the appointer has notified the proper officer of the name of the person to whom the appointer wishes to make the offer and any other particulars which the appointer considers are relevant to the appointment;
 - (b) the proper officer has notified every member of the executive of the authority of:
 - i. the name of the person to whom the appointer wishes to make the offer;
 - ii. any other particulars relevant to the appointment which the appointer has notified to the proper officer; and
 - iii. the period within which any objection to the making of the offer is to be made by the executive leader on behalf of the executive to the proper officer; and
 - (c) either:
 - i. the executive leader has, within the period specified in the notice under sub-paragraph (b)(iii), notified the appointer that neither he nor any other member of the executive has any objection to the making of the offer;
 - ii. the proper officer has notified the appointer that no objection was received by him within that period from the executive leader; or

- iii. the appointer is satisfied that any objection received from the executive leader within that period is not material or is not well-founded.
- 6.
 - (1) In this paragraph, "dismissor" means, in relation to the dismissal of an officer of the authority, the authority or, where a committee, sub-committee or another officer is discharging the function of dismissal on behalf of the authority, that committee, sub-committee or other officer, as the case may be.
 - (2) Notice of the dismissal of an officer referred to in sub-paragraph (a), (b), (c) or (d) of paragraph 3 must not be given by the dismissor until:
 - (a) the dismissor has notified the proper officer of the name of the person who the dismissor wishes to dismiss and any other particulars which the dismissor considers are relevant to the dismissal;
 - (b) the proper officer has notified every member of the executive of the authority of:
 - i. the name of the person who the dismissor wishes to dismiss;
 - ii. any other particulars relevant to the dismissal which the dismissor has notified to the proper officer; and
 - iii. the period within which any objection to the dismissal is to be made by the executive leader on behalf of the executive to the proper officer; and
 - (c) either:
 - i. the executive leader has, within the period specified in the notice under sub-paragraph (b)(iii), notified the dismissor that neither he nor any other member of the executive has any objection to the dismissal;
 - ii. the proper officer has notified the dismissor that no objection was received by him within that period from the executive leader; or
 - iii. the dismissor is satisfied that any objection received from the executive leader within that period is not material or is not well-founded.
- 7. Nothing in paragraph 2 shall prevent a person from serving as a member of any committee or sub-committee established by the authority to consider an appeal by:

- (a) another person against any decision relating to the appointment of that other person as a member of staff of the authority; or
- (b) a member of staff of the authority against any decision relating to the dismissal of, or taking disciplinary action against, that member of staff.

Disciplinary Action

(Mandatory provisions to be incorporated – The Local Authorities (Standing Orders) Regulations 2001 Schedule 3)

- 8. In paragraph 2, "chief finance officer", "council manager", "disciplinary action", "head of the authority's paid service" and "monitoring officer", have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001 and "designated independent person" has the same meaning as in regulation 7 of those Regulations.
- 9. No disciplinary action in respect of the head of the authority's paid service (unless he is also a council manager of the authority), its monitoring officer or its chief finance officer, except action described in paragraph 3, may be taken by the authority, or by a committee, a sub-committee, a joint committee on which the authority is represented or any other person acting on behalf of the authority, other than in accordance with a recommendation in a report made by a designated independent person under regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001 (investigation of alleged misconduct).
- 10. The action mentioned in paragraph 2 is suspension of the officer for the purpose of investigating the alleged misconduct occasioning the action; and any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.

Declarations – relatives of existing councillors and officers

- 11. The Council will draw up a statement requiring any candidate for appointment as an Officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Councillor or Officer of the Council; or of the partner of such persons.
- 12. No candidate so related to a Councillor or an Officer will be appointed without the authority of the relevant Chief Officer or an Officer nominated by him/her.

Seeking support for appointment

13. The Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.
14. No Councillor will seek support for any person for any appointment with the Council.

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BROMSGROVE DISTRICT COUNCIL

COUNCIL

17TH MARCH 2010

PARISH COUNCIL CHARTER

Responsible Portfolio Holder	Councillor M. J. A. Webb
Responsible Head of Service	Mrs. C. L. Felton
Non-Key Decision	

1. SUMMARY

- 1.1 To maintain and enhance the working relationship between the District Council and the Parish Councils, a Parish Council Charter was published in July 2009 following meetings of the Parish Councils' Forum and a Working Group consisting of Members, Parish Councillors, Parish Clerks and officers. Since its publication, the document has been adopted by seventeen of the Parish Councils within the district.

2. RECOMMENDATION

- 2.1 That the Parish Council Charter, attached at Appendix 1, be approved and adopted.

3. BACKGROUND

- 3.1 The issue of the parish charter in Bromsgrove has acquired quite a lengthy history. The idea of parish charters was first proposed by the DEFRA paper on Quality Parish Councils approximately eight years ago. In Bromsgrove, because of the District Council's concerns about what might be included, a separate 2-tier (that is, District and Parish) version of a 'model Charter' was initially proposed, rather than joining in the County Council's proposal for a County-wide 3-tier (that is, County, District and Parish) Charter.
- 3.2 Both the County Council and the District Council had promoted different versions of a Charter. The latest version of the Charter has been drawn up in conjunction with the Parish Councils themselves during June / July 2009 and a majority of parishes have formally adopted it.
- 3.3 The County Council's Charter, published approximately seven years ago, was supported by the County Association of Local Councils who had exercised a large influence over its contents. The County-wide Charter achieved varying

degrees of acceptance in the Malvern Hills, Wyre Forest, Redditch and Worcester City Districts (although Redditch and Worcester only have one Parish Council each within their area). Wychavon, with over 60 Parish (or Town) Councils within its District area have, like Bromsgrove District Council, not adopted the County Charter.

- 3.4 All Parish Councils in the Bromsgrove District were asked at the end of 2004 if they wished to sign up to the first draft of the Bromsgrove version of the Charter. Three (Barnt Green, Cofton Hackett and Tutnall and Cobley agreed). Several more refused, saying that they only wanted the County-wide charter.
- 3.5 However, the present version of the District Council's Parish Charter was developed during 2009. The Parish Councils' Forum established a Working Group to discuss a draft Charter, which met on two occasions during July 2009. The Charter in its current form (Appendix 1) has now been published and adopted by a majority of Parish Councils. Only Catshill and North Marlbrook, Finstall and Lickey End Parish Councils have refused to adopt the Charter. However, there is an open invitation for these parish councils to adopt the Charter at any stage in the future.
- 3.6 The Charter document itself will be a 'living' document; that is, regularly reviewed to ensure that the two-way working relationship between the District Council and the Parish Councils is maintained. To this end, at the next meeting of the Parish Councils' Forum on 30th March 2010, it is anticipated that a new Working Group will be established, comprising Members, Parish Council representatives and officers, to review the content of the Charter and ensure that it is relevant and up-to-date.

4. FINANCIAL IMPLICATIONS

- 4.1 There are few, if any, financial implications in respect of the development of a Parish Council Charter due to the fact that the proposed document merely outlines, and formalises, what the District Council already does in respect of its relationship with the Parish Councils and existing obligations. The Parish Councils' Forum regularly meets on four occasions per year; however, it is not yet clear how often the proposed Working Group will meet to review and update the Charter, but this will only incur costs in respect of Members' and officers' time.

5. LEGAL IMPLICATIONS

- 5.1 There are no legal obligations in respect of establishing a Parish Council Charter. As stated above, the suggestion was proposed within the Government's White Paper relating to Quality Parish Councils which seeks to ensure the compliance of Parish Councils with the relevant legislation. However, developing a Parish Charter could be seen to be a recommended method in terms of best practice and developing a formal working relationship with Parish Councils.

6. COUNCIL OBJECTIVES

6.1 The creation of a Parish Council Charter links to the Council's objectives and priorities relating to **Improvement**, and the **Sense of Community and Well-being**.

7. RISK MANAGEMENT INCLUDING HEALTH AND SAFETY CONSIDERATIONS

7.1 There are no direct risks arising from the adoption of the Parish Council Charter.

8. CUSTOMER IMPLICATIONS

8.1 Parish Councils are, essentially, customers of the Council and the development of a Parish Charter will help maintain and enhance the mutual working relationships between the Council and the Parish Councils.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 There are no direct Equalities and Diversity Policy implications arising from the adoption of the Parish Council Charter.

10. VALUE FOR MONEY IMPLICATIONS

10.1 There are no direct Value For Money implications arising from the adoption of the Parish Council Charter.

11. CLIMATE CHANGE AND CARBON IMPLICATIONS

11.1 There are no direct Climate Change or Carbon implications arising from the adoption of the Parish Council Charter.

12. OTHER IMPLICATIONS

Procurement Issues	None
Personnel	None
Governance / Performance Management	None
Community Safety, including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Biodiversity	None

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Joint Chief Executive	Yes
Deputy Chief Executive	No
Executive Director (Finance and Corporate Services)	Yes
Director of Policy, Performance and Partnerships	Yes
Head of Legal, Equalities and Democratic Service	Yes
Head of Financial Services	No
Corporate Procurement Team	No

14. WARDS AFFECTED

14.1 All wards

15. APPENDICES

15.1 Appendix 1 Parish Council Charter

16. BACKGROUND PAPERS

16.1 None

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Parish Council Charter

**A Framework Document for working relations between
Bromsgrove District Council and Parish Councils in its area**

Contents

<u>Chapter</u>	<u>Title</u>	<u>Page</u>
1.	Introduction	2
2.	Core Statement of Agreement	2
3.	Consultation, Liaison and Engagement	3
4.	Information and Communication	5
5.	Standards Committee	7
6.	Local Neighbourhood Partnerships	7
7.	Devolution of Services	7
8.	Quality Parishes	8
9.	Conflict Resolution	9
10.	Development Control	9
11.	Review and Operation of the Charter	9
12.	Forward Plan	10

Appendices

1.	CALC Code of Practice	11
2.	Parish Councils' Forum Terms of Reference	14
3.	Development Control	16
4.	Enforcement	18
5.	Work Programme	20

1. Introduction

- 1.1 Bromsgrove District Council and the Parish Councils located in its area have agreed to publish a charter which sets out how they aim to work together for the benefit of local people. This Charter is the result of discussions locally to establish a new way of working and to confirm existing good practice.
- 1.2 Bromsgrove District Council acknowledges that Parish Councils are the grass-roots level of local government. By working with them and the Area Committee of the County Association of Local Councils, Bromsgrove District Council aims to act in partnership with local communities, while balancing the needs of the wider community.
- 1.3 In their role as democratically accountable bodies, Parish Councils offer a means of shaping the decisions that affect their communities. They offer a means of decentralising the provision of certain services and maintaining the vitality of local communities. In turn, the Parish Councils recognise the strategic role of Bromsgrove District Council and the equitable distribution of services which it has to achieve.
- 1.4 This Charter reflects the increasing importance attached by Central Government to partnership working and the development of Quality status for Parish Councils.

2. Core Statement of Agreement

- 2.1 By signing up to this document, Bromsgrove District Council and the Parish Councils collectively agree -
 - 2.1.1 **to recognise** Local Councils alongside Bromsgrove District Council Ward Councillors as the grass roots level of local democracy and community leadership (See Note 2.2: Parish Governance);
 - 2.1.2 **to recognise** Bromsgrove District Council's lead role in developing strategic services and working partnerships with other service providers and units of local governance for the benefit of all communities and further to acknowledge the active participation of Bromsgrove District Council and Parish Councils' representatives in the Local Strategic Partnership for the area;
 - 2.1.3 **to acknowledge** that Bromsgrove District Council will work in partnership with all Parish Councils to promote sustainable social, economic and environmental developments for the benefit of local communities;

- 2.1.4 **to raise** awareness among their staffs of the respective roles of all the Parish Councils and the District Council;
- 2.1.5 **to respect** and take account of the different capacities of Parish Councils to handle information and respond to consultations;
- 2.1.6 **to engage** in regular liaison about issues of common interest;
- 2.1.7 **to recognise** the Government's encouragement for the concept of Quality Parishes;
- 2.1.8 **to monitor** through the Parish Councils' Forum Meeting, on a quarterly basis, the delivery of the principles and practices covered by this Charter;
- 2.1.9 **to respond** in a helpful, timely and efficient manner to all communications from Parish Councils / Bromsgrove District Council respectively;

2.2 **Note: Parish governance -**

The District Council and Parish Councils agree to adopt the CALC Code of Practice relating to attendance (Appendix 1).

3. Consultation, Liaison and Engagement

3.1 Bromsgrove District Council will:

- 3.1.1 **consult** Parish Councils generally on all issues which are likely to affect their area or on which the view of the grass roots tier of local governance would be beneficial. These include, for example -
 - key corporate arrangements which materially affect the work of Parish Councils or the delivery of local services;
 - issues of strategic policy;
 - other issues of relevance to all or a number of Parish Councils;
- 3.1.2 **consult** an individual Parish Council when a planned decision or action will have a direct and significant impact on that Parish Council or its area or inhabitants;
- 3.1.3 **allow** not less than 21 working days for any such consultation;
- 3.1.4 **notify** to Parish Councils the name of the relevant Lead Officer to whom queries about the consultation may be addressed;

- 3.1.5 **undertake** to provide sufficient information to enable a meaningful response;
- 3.1.6 **recognise that occasionally** an urgent issue may arise which might prevent the usual consultation or at least curtail the consultation period to less than the specified minimum of 21 working days. Where this happens Parish Councils will be given the reasons;
- 3.1.7 **consult** in ways that enable all Parish Councils, with or without IT support, to have the opportunity to respond;
- 3.1.8 **take full account** of all views offered by Parish Councils;
- 3.1.9 **offer feedback** to Parish Councils (individually or collectively) on the outcomes of the issue on which consultation took place, and host briefing sessions on major issues that are the subject of consultation, where it is practical to do so. (For administrative ease, where there are several Parish Councils, this will be done collectively through the Forum);
- 3.1.10 **involve** Parish Councils in relevant workshop activity that helps to develop an overall approach to community leadership and the management of change;
- 3.1.11 **promote** full engagement with Parish Councils on all key Parish issues including the development of Parish Plans (See Note 3.2: Parish Plans);
- 3.1.12 **look for ways** in which Parish Councils might actively be engaged in the development of the Sustainable Community Strategy and other key strategic policies;
- 3.1.13 **maintain and publish** a database of planned consultation activity so that Parish Councils may be aware and incorporate their considerations within their own work plans;
- 3.1.14 **publish** agendas for the Council, Cabinet, Regulatory Committees, Overview and Scrutiny Committees in advance to enable any Parish Council comments to be considered at the point of decision making;
- 3.1.15 **schedule and organise** meetings of the Parish Councils' Forum four times in each council (or municipal) year in order to achieve effective dialogue on particular issues of common interest (See Appendix 2: Terms of Reference);
- 3.1.16 **ensure** the attendance of the Chief Executive or his representative and relevant senior officers at each meeting of the Parish Councils' Forum;
- 3.1.17 **keep** its consultation procedures and practice under review;

3.1.18 **maintain** an up-to-date contact list of Parish Council Clerks/Executive Officers (name, address, telephone, email, etc.)

3.2 **Note: Parish Plans -**

3.2.1 *The District Council will encourage Parish Councils to produce Parish Plans and will provide advice and support where practicable;*

3.2.2 *The Council will publish separate guidance for how parish plans can be presented at the Local Strategic Partnership Board. As previously discussed with Parish Councils the District Council would like to treat the Parish Plans as local information sources;*

3.2.3 *The District Council will take account of the proposals and priorities contained within Parish Plans in developing and implementing sustainable community strategies as they affect the Parish areas concerned, provided that each Parish Plan has gone through the LSP process. Bromsgrove District Council will strengthen links between the Parish Councils in order to improve delivery of Parish priorities;*

3.2.4 *Parish Councils are encouraged to precept adequately in order to fund the action plan developed through the Parish Plan process.*

3.3 Parish Councils will -

3.3.1 **endeavour** to take part in relevant consultations and to respond within the given timescales;

3.3.2 **ensure** prompt responses to invitations from Bromsgrove District Council to attend workshops, briefing meetings, etc.;

3.3.3 **ensure** that agenda items for Parish Forum Meetings are notified to the Committee Services Team in accordance with the published lead-in times for agenda planning for those meetings;

3.3.4 **consult** with District Council Ward Members on a regular basis.

4. Information and Communication

4.1 Effective working between the Parish Councils and Bromsgrove District Council depends on clear information being available to all. To promote this and to ensure and maintain effective communication, Bromsgrove District Council will -

4.1.1 **identify** a portfolio holder with responsibilities for relationships with the Parish Councils and a Senior Officer to support the portfolio holder;

- 4.1.2 **provide** information electronically (including access to important Parish issues; for example, highways works) and keep this information up-to-date;
 - 4.1.3 **encourage** all Parish Councils to equip themselves to receive information electronically;
 - 4.1.4 **provide** information electronically or in the formats requested by Parish Councils;
 - 4.1.5 **maintain** an up to date list of Bromsgrove District Council Members and Officers, their duties and related contact details;
 - 4.1.6 **use** plain language in all its communications and explain technical terms and acronyms;
 - 4.1.7 **ensure** there is a full understanding among its Members and Officers of the role of Parish Councils and the importance of engagement with those Councils on all relevant matters;
 - 4.1.8 **provide** an acknowledgement of information requests within 5 working days with an indication of when the substantive response will be sent and generally will apply its customer care standards to any correspondence or telephone calls from Parish Councils;
 - 4.1.9 **afford** Parish Councils the opportunity to speak at any meeting of the Planning, Overview and Scrutiny Boards for up to 3 minutes on any specific agenda item or on a general matter not featured on the agenda but relevant to the remit of the body.
- 4.2 Parish Councillors will have the same legal rights as members of the public unless they are also members of the District Council. This means that although they have a right to attend meetings they have no right to speak or take part in meetings other than as explained above. Similarly, they can be excluded from a meeting if the Council has resolved to exclude the public because it is considered that publicity would prejudice the public interest by reason of the confidential nature of the business or for some other reason stated in the resolution and arising out of the business to be transacted.
- 4.3 Parish Councils will -
- 4.3.1 **provide**, and keep up to date, information to Bromsgrove District Council's Committee Services Team about the Parish Council including the name and contact details of the Clerk and Chairperson;
 - 4.3.2 **provide** an email address wherever possible;
 - 4.3.3 **have the right** to initiate the Council's Complaints Procedure if they are dissatisfied with an action of Bromsgrove District Council, its response to a request for information or a failure to consult.

5. Standards Committee

- 5.1 Bromsgrove District Council and the Parish Councils have adopted Codes of Conduct for Councillors based on the national model Code of Conduct. Parish Councils will work with Bromsgrove District Council's Standards Committee to promote and maintain high standards of conduct, including the provision of Ethical Framework training.
- 5.2 The arrangements for the appointment of Parish Council representatives to serve on the Standards Committee are as set out in the Council's Constitution.

6. Local Neighbourhood Partnerships

- 6.1 Bromsgrove District Council has introduced the concept of Local Neighbourhood Partnerships (LNPs). The partnerships are designed to provide a setting where the three tiers of local government, local strategic partners and residents can work together on tackling local issues and improve resident's satisfaction. (*The District Council held two stakeholder events in December 2008 and agreed that it will undertake further consultation with the Parish Councils on the sequencing of the proposed roll out of LNPs in future years.*) The District Council expects to roll out two LNPs per year, in consultation with Parish Councils. An annual consultation event will be held in December each year with representatives from each of the three tiers of local government to look at the specific issues of roll out in their areas and to learn lessons from the previous pilots.
- 6.2 Bromsgrove District Council will publish the terms of reference for the LNPs as and when these are approved by Cabinet. A Senior Officer from Bromsgrove District Council will be attached to each LNP and a budget delegated to each LNP, based on the number of District Councillors in each LNP. The budget allocation will be £5,000 per District Councillor, making a total amount of £195,000 once the concept is rolled out completely.

7. Devolution of Services

- 7.1 Parish Councils may request Bromsgrove District Council to devolve to them the running of services or may wish to fund services to a higher level than that provided by Bromsgrove District Council.

- 7.2 Where any such requests are made, Bromsgrove District Council will consider this where it provides best value, taking account of quality, cost, Parish preferences and practicality. Bromsgrove District Council will also consider the service implications of the request and the effect of such arrangements on the cost and standards of the services offered elsewhere in the Council's area. Where such a request is not good value or practicable, Bromsgrove District Council will, in consultation with the Parish Council, explore alternative solutions to encourage more Parish-level input to services.
- 7.3 In the light of a response to the request, the Parish Council will indicate whether it wishes to continue with its request. If so, Bromsgrove District Council will convene a formal meeting to discuss the issue with a view to making a recommendation to the Cabinet. The recommendation may be to refuse, grant or modify the Parish Council's request.
- 7.4 If, on its own initiative, Bromsgrove District Council wishes to propose to devolve services to Parish Councils, it will provide all necessary information as detailed above to enable the Parish Council(s) concerned to reach a decision on the proposal. If there is agreement to proceed, Bromsgrove District Council will appoint a Senior Officer to advise on and oversee the transfer of responsibility, and to maintain liaison for a minimum period of twelve months.
- 7.5 Where a Parish Council takes on the provision of a certain service, the financial arrangements and partnership framework agreement will be agreed by Bromsgrove District Council and the relevant Parish Council.

8. Quality Parishes

- 8.1 Without affecting any of the commitments and agreements stated elsewhere in this Charter in respect of all Parish Councils, Bromsgrove District Council reaffirms that it will work with Parish Councils that have attained Quality Parish status in all of the ways described in this Charter. It will -
- 8.1.1 support any request from a Quality Parish in acting as an information or access point for Bromsgrove District services;
 - 8.1.2 give the Quality Parish the opportunity to put forward proposals to take on aspects of the delivery, management and monitoring of significantly larger scale services provided by Bromsgrove District Council.

9. Conflict Resolution

- 9.1 From time to time issues may arise upon which Bromsgrove District Council and Parish Councils are initially unable to agree. In such cases, either the Bromsgrove District Council or the Parish Council(s) concerned may raise the item at a meeting of the Parish Councils' Forum. If it is not possible to identify a solution there, the Parish Forum may, with mutual consent, appoint a Joint Working Party to examine the issue in depth and to come up with recommendations.
- 9.2 The meeting of the Forum will determine the servicing and administrative arrangements at the time it appoints a Joint Working Party.
- 9.3 Nothing in the above paragraph shall prevent Parish Councils from establishing their own Working Party at any time which may make and present recommendations direct to Bromsgrove District Council or through the Parish Councils' Forum.
- 9.4 Bromsgrove District Council, or its Cabinet, will consider any recommendations arising from a Joint Working Party or a Parish Councils' Working Party at the first appropriate opportunity. The Council will report its decision to the Parish Councils concerned.

10. Development Control / Enforcement

- 10.1 This Charter recognises the special rights and arrangements that exist for Parish Councils with regard to the development control process and enforcement, which is required to be conducted in an open, fair and transparent manner.
- 10.2 Appendices 3 and 4 to this Charter set out the working arrangements between Bromsgrove District Council and the Parish Councils in the development control and enforcement processes.

11. Review and Operation of the Charter

- 11.1 The working and effectiveness of the Charter will be reviewed quarterly by the Parish Councils' Forum and the views of the District Council and of all Parish Councils in the District will be invited before the meeting at which the review takes place.

12. Forward Plan

- 12.1 The Forward Plan for the District Council lists the 'Key Decisions' which the Council is expected to make during the period specified in the Plan. Key Decisions are executive decisions which must be taken or delegated by the Council's Cabinet and relate to matters which fall within the Council's agreed Budget and Policy Framework. The document will keep all Parishes informed of the major decisions the District Council will be considering over the forthcoming four months. It will be updated monthly by the District Council and made available on the District Council's website at -

<http://www.bromsgrove.gov.uk/forwardplan>

CALC CODE OF PRACTICE ATTENDANCE OF DISTRICT COUNCILLORS AT PARISH COUNCILS

Introduction

1. A good working relationship between Parish Councils and the Parish, County and District (Principal) Councillors is essential if Parish service provision is to be delivered in an efficient and effective way.
2. The Parish Principal Councillors have a special and important role to play as links between Parish Councils and the other tiers of Parish government, and this should be recognised if the Parish Council is to obtain the maximum benefit from them. However, it is accepted that a balance needs to be struck which makes it clear that Parish Principal Councillors are not members of the Parish Council and that their participation at meetings is by invitation only.

The Legal Position

3. At meetings of Parish Councils, Principal Councillors have only the same legal rights as members of the public unless they are also members of the Parish Council. This means that although they have a right to attend meetings they have no right to speak or take part in meetings. Similarly, they can be excluded from a meeting if the Council has resolved to exclude the public because it is considered that publicity would prejudice the public interest by reason of the confidential nature of the business or for some other reason stated in the resolution and arising out of the business to be transacted.

Guiding Principles

4. For a Parish Council and Principal Councillor relationship to develop in a mutually beneficial way the following guiding principles should be adopted.

Invitation to attend

5. The Clerk should invite the Parish Principal Councillor(s) to attend all meetings of the Parish Council and the Annual Parish Meeting. This could be achieved by the Parish Council adopting NALC Model Standing Order No. 74 which states: "*A Summons and Agenda for each meeting shall be sent, together with an invitation to attend, to Principal Councillors for the appropriate division or ward.*"

Opportunity to speak

6. The Parish Council agenda should provide an opportunity during the meeting for the Principal Councillors to present a report to the Parish Council and for the Council to question them. This can be achieved by including "County

Councillor's Report" and "District Councillor's Report" as items on the Agenda. The Principal Councillors will also be able to speak during any period set aside by the Parish Council for public participation. In addition, in view of their special role and depending on business being discussed, the Chairman of the Council may wish to invite the Principal Councillor(s) to speak during a meeting on a particular topic. This needs to be exercised carefully to avoid individual members of the public, who may also wish to speak on this topic, feeling they are being discriminated against unfairly.

Principal Councillor who is also a Parish Councillor

7. If a Principal Councillor is also a member of the Parish Council (s)he is entitled to speak and vote on any business in the same way as any other member of the Council. However, it is good practice for them to remember that, because of their membership of a Principal Council, they are in fact in a different position from the rest of the Parish Council and should bear this in mind when debating issues.

Seating Arrangements

8. Seating arrangements for the Principal Councillors should be chosen carefully to avoid the impression being given that the Principal Councillors are members of the Parish Council. A position apart from the Parish Council and other members of the public is probably advisable; there is no necessity for the Principal Councillors to have to sit with other members of the public.

Correspondence

9. The Clerk should send the Parish Principal Councillors copies of correspondence between the Parish Council and the Principal Councils. This could be achieved by the Parish Council adopting NALC Model Standing Order No. 71 (check) which states: "*Unless the Council otherwise orders, a copy of each letter ordered to be sent to a Principal Council shall be transmitted to the Principal Councillor for the division or ward as the case may require.*"

Principal Councillors' Reports

10. Principal Councillors should, where possible -
 - attend Parish Council meetings in their division / ward when time permits;
 - prepare a brief report for each Parish Council meeting, to be made in person or relayed to the Clerk;
 - provide the Clerk with a copy of relevant correspondence in the public domain to the Councillors on Parish Council business;
 - advise the Parish Council when relevant Parish and strategic matters of interest are to be considered by the Principal Council in public session;
 - make an annual report to the Annual Parish Meeting.

Consultation and Collaboration

11. Principal Councillors should seek to ensure that the Council Charter is applied and, in particular, ensure that:
 - liaison between the three tiers of Parish government is improved;
 - Parish Councils are advised when opportunities occur for collaboration with the other tiers;
 - Principal Councils consult Parish Councils on relevant Parish and strategic matters.

Parish Councils' Forum - Terms of Reference

1. Aim and Purpose

Bromsgrove District Council and the Parish Councils aim to work for the benefit of local people. As part of that joint working, Bromsgrove District Council and the 20 Parish Councils within the District of Bromsgrove have agreed to hold regular meetings known as the Parish Councils' Forum.

The purpose of the Forum is to enable consultation, liaison and engagement between Bromsgrove District Council and the Parish Councils within the district.

2. Terms of Reference

The terms of reference of the Parish Councils' Forum will be -

2.1 To share information and views of districtwide relevance and interest.

In support of the work of the Forum -

2.2 Bromsgrove District Council will provide information on relevant changes in legislation or external guidance;

2.3 Bromsgrove District Council will provide information on the development of internal policy and strategy and engage with Parish Councils on the development of such policy and strategy, where relevant;

2.4 Bromsgrove District Council will provide information on forthcoming changes to service delivery which will affect the parishes and engage with Parish Councils on the development of those changes and/or how to ensure that appropriate information is distributed to the public;

2.5 Bromsgrove District Council will provide information and guidance on individual service areas;

2.6 Bromsgrove District Council will listen to the concerns of Parish Councils on matters of strategy, policy or service delivery relating to all Parish Councils and seek to resolve these where possible.

3. Meetings, Representation and Attendance at Meetings

3.1 The Parish Councils' Forum will meet quarterly.

- 3.2 Meetings will be chaired by the Leader of the District Council, or in his absence, another senior representative of Bromsgrove District Council nominated by the Leader.
- 3.3 Bromsgrove District Council will provide administrative support to the Parish Councils' Forum; all papers for meetings will be published at least three days in advance supported by a clear recommendation wherever possible.
- 3.4 Bromsgrove District Council will arrange for appropriate Members and/or officers to attend meetings of the Parish Council's Forum.
- 3.5 Agendas, reports and minutes of the meeting shall be available to the public and from the District Council's web site (www.bromsgrove.gov.uk/pcf).
- 3.6 Bromsgrove District Council will be responsible for arranging the date of meetings, for booking a suitable room and for providing appropriate refreshments.
- 3.7 Each Parish Council may be represented at the Forum by up to 2 parish councillors and its Clerk / Executive Officer.
- 3.8 Bromsgrove District Council will be represented by such members and/or officers as are required to deal appropriately with the items on the agenda.
- 3.9 The quorum for meetings of the Parish Councils' Forum shall be 5 members, with a minimum of 3 members from any of the Parish Councils.
4. **Agenda Preparation**
 - 4.1 Bromsgrove District Council will have the primary responsibility for inclusion of items on the agenda.
 - 4.2 Bromsgrove District Council will liaise with the Secretary to the Area Committee of CALC to enable the Area Committee to include items on the agenda.
 - 4.3 Individual Parish Councils may request items to be included on the agenda provided these are of a district-wide, not parochial, nature.

DEVELOPMENT CONTROL

(The following arrangements are agreed in respect of development control functions and the important partnership that exists between Bromsgrove District Council and all Parish Councils)

Bromsgrove District Council will conduct its development control process in an open, fair and transparent manner. In this context it will -

1. **consult** Parish Councils on applications for planning permission within their relevant administrative boundary under the Town and Country Planning Acts or other relevant legislation;
2. **make available** to each relevant Parish Council the facility to view such applications and plans and submit comments;
3. **allow** 14 days for the submission of representations by Parish Councils in accordance with the requirements of the Town and Country Planning General (Procedure) Order 1995;
4. **undertake** to report a summary of all such representations to the relevant committee determining the application and to ensure the representation is taken into account;

OR

5. **on Officer delegated decisions**, ensure the representation is placed before the Officer at the time the matter is determined;
6. **make available via the Council's Website** all planning decisions taken by Bromsgrove District Council;
7. **afford** Parish Council representatives the opportunity to speak at a Development Control meeting for up to 3 minutes on each proposal on the agenda that is within their Parish and on which the Parish Council has given notice of its wish to make representations, and in accordance with the terms of public speaking as published by Legal, Equalities and Democratic Services;
8. **endeavour** to make planning case officers available to attend Parish Council meetings, at the request of the Parish Council, to offer factual information or to clarify information about significant or highly controversial applications;
9. **make** training places available to Parish Councillors and/or Parish Council Clerks to help in their understanding of the planning process and of matters that have a bearing on the determination of planning matters;

10. **adopt** and adhere to a Planning Code of Conduct and in this respect apply the highest standards of integrity to the management and delivery of its development control (and planning enforcement) responsibilities.

Parish Councils will:

1. **reply** within 14 days, in writing, email and/or other electronic means (such as the Bromsgrove District Council's 'Public Access' facility) to all planning applications within their Parish and which they have commented upon;
2. **comment** on planning applications on planning grounds only and specify as fully as possible the reasons for any objection to, or support for, a particular application;
3. **attend** meetings, briefings and training courses as appropriate in order to gain a fuller understanding of the planning process;
4. **assist** Bromsgrove District Council in delivering its development control responsibilities with integrity and otherwise in accordance with the agreed Planning Code of Conduct (available within the District Council's Constitution).

PLANNING ENFORCEMENT

Initial Investigation of Complaints

Many breaches of Planning Control are revealed through complaints, usually by local residents, elected Members, competitive traders, societies, other Departments of the Council and Parish Councils. Bromsgrove District Council recognises the assistance of Parish Councils in the planning enforcement process.

Upon receipt of a complaint, the Enforcement Officers will raise a Complaint Form on the computerised system and research as much detail and history as possible before carrying out a site visit.

Procedure

Where a breach of planning control has occurred, action will be taken depending upon the nature and seriousness of it. The majority of the work of the Planning Enforcement Team is generated via complaints and it is considered important to deal with complaints in a set manner to ensure fairness and consistency of approach. Complaints will therefore -

- (a) be accepted in writing, by telephone or email; address and contact details will be held in confidence. The Council will not accept anonymous complaints;
- (b) be acknowledged within 5 working days of receipt of a written complaint;
- (c) be treated in confidence. However, complainants need to be aware that, should formal action be taken, it may require a commitment from them and, as such, they may be requested to give evidence in order to secure a successful outcome. In such circumstances, anonymity will not be possible;
- (d) be prioritised.

Complaints will be prioritised as follows:

Priority 1

Activities or development, which could lead to immediate or irreparable, harm (that is, demolition of Listed Buildings, felling of trees protected by a Tree Preservation Order, etc.)

Priority 2

Activities or development causing serious harm to the amenities of a neighbourhood.

Priority 3

Development in a designated area (for example, a Conservation Area), where it would have a significant impact on the designation.

Priority 4

Other complaints. (Anonymous complaints will not be investigated.)

Once a complaint has been received, investigations will begin which will include the initial checking of the planning history by the Enforcement Officers. In most cases, a site visit will be made by the officers concerned. The response times for visiting the sites will, when necessary, vary according to the type of breach and how the particular breach has been prioritised.

After the initial investigations have been undertaken, and a breach of planning control is confirmed, the investigating Enforcement Officer will, where appropriate advice has been sought, do the following -

- (i) Advise the owner / occupier responsible for the alleged breach of the intended action, option to resolve the situation, or seek further information to determine whether a breach has occurred;
- (ii) Advise complainant of findings and proposed action (if any), or that further information or monitoring is required;
- (iii) Where appropriate, ask the complainant to keep a diary of events for use as evidence if the matter proceeds to formal Enforcement Action;
- (iv) If an application for planning permission were requested, a time period of 28 days will normally be given for an application to be submitted. If it is not received within the designated period, a reminder will be sent giving a date for an application to be received. Failure to adhere to this would lead to further consideration and most probably Enforcement Action.

WORK PROGRAMME

This appendix lists the work programme of the sub-group that monitors the delivery of the Charter. The sub-group reports to the Parish Councils' Forum.

The sub-group will meet at least quarterly. It will be chaired by the District Council Portfolio Holder, will have five Parish Council members and will be supported by officers from the District Council.

The outline work programme is -

- developing the financial arrangements;
- developing enforcement protocols linked to planning / development control;
- improving IT between the District and Parishes;
- developing the communications and consultations between the District and Parishes.

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COUNCIL

17TH MARCH 2010

RECOMMENDATIONS FROM THE CABINET (AGENDA ITEM 7)

- BACKGROUND INFORMATION REPORTS

The following reports considered by the Cabinet on 3rd March 2010 are submitted to the full Council as background information to the recommendations from the Cabinet on these items:

- Treasury Management Strategy and Investment Strategy 2010/11 to 2012/13
- Non Domestic Rates – Hardship Relief Policy

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BROMSGROVE DISTRICT COUNCIL

CABINET

3rd MARCH 2010

TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2010-11 TO 2012-13

Responsible Portfolio Holder	Cllr Geoff 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 Cabinet recommend to Full Council approval of the strategy and prudential indicators shown at Appendix A and B.
- 2.2 That Cabinet notes that the Audit Board will undertake additional scrutiny of the Strategy during 2010/11 to ensure the Council's investments are being managed in a risk free environment.
- 2.3 That Cabinet recommend to Full Council the approval of the Authorised Limit for borrowing at £6,500,000 if required.
- 2.4 That Cabinet recommend to Full Council the approval of the maximum level of investment to be held within each organisation (i.e. bank or building society) as detailed at £3m subject to market conditions.
- 2.5 That Cabinet recommend to Full Council the approval of unlimited level for investment in Debt Management Account Deposit Facility (DMADF).
- 2.6 That Cabinet notes that training for Treasury management has been identified and will be incorporated within the Modern Councillor Programme (Training and Development Events for Members) prioritised with all other needs.
- 2.7 That Cabinet recommend to Full Council the approval of the Treasury Management Policy statement shown at Appendix F.

3. BACKGROUND

- 3.1 As members will be aware the world has been experiencing an economic downturn of exceptional proportions in which the origins can be traced back

to the US and the sale of risky mortgages. However, by Summer 2007, the problem spread around the world, eventually leading to the collapse of the Icelandic banking system.

- 3.2 At the time, 127 English local authorities had funds in one or more of the Icelandic banks, with deposits totalling more than £954 million.
- 3.3 Many other local authorities – including this Council – did not have any funds invested in Icelandic banks at the time of their collapse. However, the repercussions of the collapse of Icelandic banks raised questions about the stewardship of funds held by local authorities.
- 3.4 In response to the Icelandic banking collapse, the Audit Commission carried out an urgent investigation, which examined local authorities' arrangements for placing and managing cash on deposit. This led to the publication of a national report in March 2009.
- 3.5 One of the key messages highlighted in the Audit Commission's report was that local treasury management arrangements vary and (nationally) the governance and scrutiny of treasury management arrangements specifically is generally poor.
- 3.6 A key recommendation within the Audit Commission's report was that CIPFA should revise and tighten its Treasury Management Code to take account of the findings in their report.
- 3.7 Consequently CIPFA has revised its Treasury Management Code and guidance notes. The key changes to that Code are as follows:
 - Enhancement of the role of scrutiny of treasury management strategies and procedures. It will be the Council's responsibility to identify an appropriate body or individual to have responsibility for the scrutiny function. It is proposed that this be the Audit Board.
 - Currently, full Council must approve the Treasury Management Strategy. The revised Code will allow approval from a relevant committee. Where approval is not by full Council, the decisions made must be reported to full Council. It is proposed that the responsibility remains with Full Council.
 - The revised Code will require Treasury Management training to be available for relevant Council members with responsibility for treasury management; and
 - The existing Code requires the Treasury Management Strategy to be approved prior to the start of the financial year and a report presented after the end of the financial year. The revised Code will also require an interim or mid-year operational report.
- 3.8 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.

3.9 CIPFA has defined Treasury Management as:

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

3.10 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 will ensure that the Council invests its resources within a robust and effective framework to deliver a maximum return on investments within a secure environment.

7. RISK MANAGEMENT

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

- *Poor Use of Resources scoring*
- *Poor investment return*
- *Loss of capital due to investing with inappropriate organisations*

7.2 These risks are being managed as follows:

- Poor Use of Resources scoring

Risk Register: *Corporate*

Key Objective Ref No: 1

Key Objective: *Effective Financial Management*

7.3 The risks associated with the delivery of maximum return within a secure environment have now been addressed in the risk register. The risks and controls in place to mitigate them have been assessed and detailed within the register.

7.4 Current controls to reduce the risk of loss of capital and poor return on investment include:

- Monthly reports from investment managers on performance of funds
- Quarterly reporting to Performance Management Board and Cabinet of financial position on investments
- Monthly updates from treasury advisors in respect of level of status for organisations we invest with
- Daily monitoring by internal officers of banking arrangements and cash flow implications

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. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 None as a direct result of this strategy

10. VALUE FOR MONEY IMPLICATIONS

10.1 The robust framework that is in place to ensure investments maximise return within a secure environment support the demonstration that the Council is providing value for money is the use of its funds available.

11. 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 None

12. **OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	No
Chief Executive	No
Executive Director (Partnerships and Projects)	No
Executive Director (Services)	No
Assistant Chief Executive	No
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

13. **WARDS AFFECTED**

All wards

CONTACT OFFICER

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Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13

Template

Contents

1. Background
2. Balance Sheet and Treasury Position
3. Outlook for Interest Rates
4. Borrowing Requirement and Strategy
5. Investment Policy and Strategy
6. Balanced Budget Requirement
7. 2010/11 MRP Statement
8. Reporting
9. Other Items

Appendices

- A. Current and Projected Portfolio Position
- B. Prudential Indicators
- C. Interest Rate Outlook: The Council's, Arlingclose's
- D. Specified Investments for use by the Council
- E. Non- Specified Investments for use by the Council
- F. Treasury Management Policy Statement

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 determine the Treasury Management Strategy Statement (TMSS). This statement also incorporates the Investment Strategy as required under the Communities and Local Government (CLG) Investment Guidance. Together, these cover the financing and investment strategy for the forthcoming financial year.

In response to the financial crisis in 2008 and the collapse of the Icelandic banks, CIPFA revised the TM Code and Guidance Notes as well as the Prudential Indicators in late November 2009. CLG has produced draft revisions to Investment Guidance. In the event that the official Guidance differs from the draft, and changes required to be made to this Strategy and/or documentation will be placed before members for consideration at the next appropriate Cabinet meeting.

- 1.2 CIPFA has defined Treasury Management as:

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

- 1.3 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk is an important and integral element of its treasury management activities. The main risks to the Council's treasury activities are:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal & Regulatory Risk

- 1.4 The strategy also takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix A), the Prudential Indicators (Appendix B) and the outlook for interest rates (Appendix C).

- 1.5 The purpose of this Treasury Management Strategy Statement is to approve:
- Treasury Management Strategy for 2010-11 (Borrowing - Section 4, Debt Rescheduling - Section 5, Investments - Section 6)
 - Prudential Indicators – Appendix B (NB - PI No. 6 - The Authorised Limit is a statutory limit)
 - MRP Statement – Section 8
 - Use of Specified and Non-Specified Investments – Appendices D & E

2. Balance Sheet and Treasury Position

- 2.1 The underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) together with Balances and Reserves are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are set out below:

	31 Mar 10 Estimate £m	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m
CFR	0	0	0	0
Balances & Reserves	4.742	3.751	2.617	2.118
Net Balance Sheet Position	4.742	3.751	2.617	2.118

- 2.2 The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at Appendix A. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position.
- 2.3 The CFR represents the level of borrowing for capital purposes. The CFR for the Council is predicted to remain at zero, as the capital programme has been fully financed to date with no use of borrowing.
- 2.4 The move to International Financial Reporting Standards (IFRS) has implications for the Capital Financing Requirement components on the Balance Sheet. Analysis of the Council's Private Finance Initiative (PFI) schemes and Operating leases against IFRS requirements may result in the related long term assets and liabilities being brought onto the Council's Balance Sheet. The estimates for the CFR and Long Term Liabilities will therefore need to take into account such items. This will influence the determination of the Council's Affordable Borrowing Limit and Operational Boundary.
- 2.5 The estimate for interest receipts is £0.080m.

3. Outlook for Interest Rates

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at Appendix C. Financial markets remain reasonably volatile as the structural changes necessary within economies and the banking system evolve. This volatility provides opportunities for active treasury management. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

4. Borrowing Requirement and Strategy

- 4.1 The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR) – see Appendix B. The CFR represents the cumulative capital expenditure of the local authority that has not been financed. The current CFR is zero and is predicted to remain zero until the period ended 31/03/2013. This is in line with the proposed capital programme where all expenditure will be financed by Capital Receipts and Capital Grants. Based on this the Council does not propose to have any external borrowing other than that of a short term nature for cash flow requirements

5. **Investment Policy and Strategy**

Background

- 5.1 Guidance from CLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

Investment Policy

- 5.2 To comply with the CLG's guidance, 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 CLG's recent (draft) revised Guidance on investments reiterates security and liquidity as the primary objectives of a prudent investment policy. The speculative procedure of borrowing purely in order to invest is unlawful.

- 5.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Potential instruments for the Council's use within its investment strategy are contained in Appendix D.

- 5.4 The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The draft revisions to the CLG's Investment Guidance state that a specified investment is one made with a body or scheme of "high credit quality". The Council will continue to maintain a counterparty list based on these criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength as outlined in paragraph 5.12. The CLG's Draft revisions to its Guidance on local government investments recommend that the Investment Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed. Such decisions will be based on an assessment of the authority's Balance Sheet position with the limit being set in Prudential Indicator 12 - Upper Limit for total principal sums invested over 364 days.

- 5.5 The CLG's Draft revisions to its Guidance on local government investments recommend that the strategy should state the authority's policies on investing money borrowed in advance of spending needs. This statement should identify any measures to minimise such investments, including any limits on:

- amounts borrowed and
- periods between borrowing and expenditure.

The statement should also comment on the management of risks, including the risk of loss of the borrowed capital and the risk associated with interest rate changes.

- 5.6 The Council's current level of investments is presented at Appendix A.

Investment Strategy

- 5.7 The global financial market storm in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield. Income from investments is a key support in the Council's budget. The UK Bank Rate has been maintained at 0.5% since March 2009. **Short-term money market rates are likely to remain at very low levels which will have a significant impact on investment income.** The Council's strategy must however be geared

towards this development whilst adhering to the principal objective of security of invested monies.

- 5.8 The Executive Director of Finance and Resources, 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.

Investments managed in-house:

- 5.9 The Council's shorter term cash flow investments are made with reference to the outlook for the UK Bank Rate and money market rates.
- 5.10 In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office.
- 5.11 Currently the Council has restricted its investment activity to:
- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure)
 - AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)
 - Deposits with other local authorities
 - Business reserve accounts and term deposits. *These have been primarily restricted to UK institutions that are rated at least A+ long term (or equivalent), and have access to the UK Government's 2008 Credit Guarantee Scheme (CGS)**
 - Bonds issued by Multilateral Development Banks
Please see Appendix D for a breakdown of current counterparties, instruments and limits used.

**Eligible Institutions can issue new guaranteed debt under the CGS until 28/02/2010, after which only existing guaranteed debt can be rolled over.*

- 5.12 Conditions in the financial sector have begun to show signs of improvement, albeit with substantial intervention by government authorities. In order to diversify the counterparty list, the use of comparable non-UK Banks for investments is now considered appropriate.

The sovereign states whose banks are to be included are Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the US. These countries, and the Banks within them (see Appendix E/E), have been selected after analysis and careful monitoring of:

- Credit Ratings (minimum long-term A+)
- Credit Default Swaps
- GDP; Net Debt as a Percentage of GDP
- Sovereign Support Mechanisms / potential support from a well-resourced parent institution
- Share Price

The Council has also taken into account information on corporate developments and market sentiment towards the counterparties. The Council and its Treasury Advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.

We do remain in a heightened state of sensitivity to risk. Vigilance is key. This modest expansion of the counterparty list is an incremental step. In order to meet requirements of the revised CIPFA Treasury Management Code, the Council is focusing on a range of indicators (as stated above), not just credit ratings.

Limits for Specified Investments are set out in Appendix E/F.

Investments managed externally

Collective Investment Schemes (Pooled Funds):

- 5.13 The Council has evaluated the use of Pooled Funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Council to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns.
- 5.14 Investments in pooled funds will be undertaken with advice from Arlingclose. The Council's current investments in Pooled Funds are listed in Appendix A; their performance and continued suitability in meeting the Council's investment objectives are regularly monitored.

6. Balanced Budget Requirement

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

7. 2010/11 MRP Statement

- 7.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.
- 7.2 The four MRP options available are:
 - Option 1: Regulatory Method
 - Option 2: CFR Method
 - Option 3: Asset Life Method
 - Option 4: Depreciation Method

The 2009 SORP and IFRS may result in PFI schemes and leases being brought on balance sheet. Where this is the case the CFR will increase, which will lead to an increase in the MRP charge to revenue. MRP for these items will match the annual principal repayment for the associated deferred liability.

- 7.3 The Council's CFR at 31st March 2010 is estimated to be £Nil/Negative and as such under Option 2 (the CFR Method) there is no requirement to charge MRP in 2010/11.
- 7.4 An analysis is underway at this time to determine if under the 2009 SORP and IFRS accounting requirements, any leases will be brought onto the Balance Sheet, this review will subsequently assess the impact on the MRP in respect of leases brought onto the Balance Sheet and will match the annual principal repayment for the associated deferred liability.

8. Reporting on the Treasury Outturn

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

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

9. Other items

Training

CIPFA's revised Code requires the *responsible officer* to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

The CLG's Draft revisions to its Guidance on local government investments recommend that the Investment Strategy should state what process is adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.

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

Investment Consultants

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

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

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

Publication

The CLG's Draft revisions to its Guidance on local government investments recommend that the initial strategy and any revised strategy should, when approved, be made available to the public free of charge, in print or online.

Publication requirements will be complied with, the Revised Strategy will be made available to the public on the internet. Its availability will be published to ensure the public are aware of its existence.

EXISTING PORTFOLIO PROJECTED FORWARD

This is our current investment portfolio as at 31st January 2010.

	Current Portfolio £m
Investments: <i>Managed in-house</i>	
- Deposits and monies on call and Money Market Funds	6.0
- Fixed Term Deposits	11.5
Total Investments	17.5

PRUDENTIAL INDICATORS 2010/11 TO 2012/13

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. It should be noted that CIPFA undertook a review of the Code in early 2008, and issued a revised Code in November 2009.

2. Net Borrowing and the Capital Financing Requirement:

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

The Executive Director of Finance and Resources reports that the authority had no difficulty meeting this requirement in 2009/10, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

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

No. 1	Capital Expenditure	2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	General Fund	3.389	4.755	2.465	1.600	0.599
	Total	3.389	4.755	2.465	1.600	0.599

3.2 Capital expenditure will be financed as follows:

Capital Financing	2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
Capital receipts	2.514	3.891	1.877	1.227	0.226
Government Grants	0.875	0.864	0.588	0.373	0.373
Total	3.389	4.755	2.465	1.600	0.599

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out at paragraph 87 of the Prudential Code.

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

No. 2	Ratio of Financing Costs to Net Revenue Stream	2009/10 Approved %	2009/10 Revised %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
	General Fund	-1.27	-1.41	-0.56	-0.77	-0.70
	Total	-1.27	-1.41	-0.56	-0.77	-0.70

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	General Fund	0	0	0	0	0
	Total CFR	0	0	0	0	0

6. Actual External Debt:

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

No. 4	Actual External Debt as at 31/03/2009	£m
	Borrowing	0.116
	Total	0.116

The short term borrowing as at 31st March 2009 was for the management of the Council's cash flow requirements.

7. Incremental Impact of Capital Investment Decisions:

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

No. 5	Incremental Impact of Capital Investment Decisions	2009/10 Approved £	2010/11 Estimate £	2011/12 Estimate £	2012/13 Estimate £
	Increase in Band D Council Tax	0.31	0.01	0.01	0.15

7.2 The impact on Band D council tax reflects the reduction in investment income due to depletion of capital receipts to finance the capital programme.

8. Authorised Limit and Operational Boundary for External Debt:

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

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

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

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

No. 6	Authorised Limit for External Debt	2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Borrowing	6.0	6.0	6.5	7.5	8.5
	Total	6.0	6.0	6.5	7.5	8.5

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

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

No. 7	Operational Boundary for External Debt	2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Borrowing	5.0	5.0	5.5	6.5	7.5
	Total	5.0	5.0	5.5	6.5	7.5

9. Adoption of the CIPFA Treasury Management Code:

9.1 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 is asked to adopt of the revised CIPFA Treasury Management Code at its meeting on 17 th March 2010.

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

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

10.1 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).

10.2 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

		2009/10 Approved £m or %	2009/10 Revised £m or %	2010/11 Estimate £m or %	2011/12 Estimate £m or %	2012/13 Estimate £m or %
No. 9	Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%
No. 10	Upper Limit for Variable Interest Rate Exposure	100%	100%	100%	100%	100%

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

10.3 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.

11. Maturity Structure of Fixed Rate borrowing:

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

11.2 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. 11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	under 12 months	0.00%	100.00%
	12 months and within 24 months	0.00%	100.00%
	24 months and within 5 years	0.00%	100.00%
	5 years and above	0.00%	100.00%

11.3 As the Council currently has no outstanding long-term borrowing, the limits above provide the necessary flexibility within which decisions will be made for drawing down new fixed rate loans.

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

12.1 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. 12	Upper Limit for total principal sums invested over 364 days	2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
		3.0	3.0	2.0	2.0	2.0

Arlingclose's Economic and Interest Rate Forecast

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
Official Bank Rate													
Upside risk			+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	0.50	0.50	0.50	1.00	1.50	2.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Downside risk				-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
1-yr LIBID													
Upside risk			+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	1.25	1.25	1.50	1.75	2.25	3.00	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt													
Upside risk	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	2.70	2.80	2.90	3.00	3.25	3.50	3.75	4.00	4.25	4.25	4.25	4.25	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk		+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50
Central case	3.75	3.75	4.00	4.00	4.25	4.25	4.50	4.50	4.75	5.00	5.00	5.00	5.00
Downside risk		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	+0.25	+0.50	+0.50	+0.50	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50
Central case	4.25	4.50	4.75	4.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	4.25	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75	5.00	5.00	4.75	4.75
Downside risk		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- The recovery in growth is likely to be slow and uneven, more “W” than “V” shaped. The Bank of England will stick to its lower-for-longer stance on policy rates.
- Gilt yields will remain volatile; yields have been compressed by Quantitative Easing and will rise once QE tapers off and if government debt remains at record high levels.
- The path of the base rate has been downgraded to reflect the fragile state of the recovering economy and the severe fiscal correction that will be coming post General Election that will dampen aggregate demand and cut household cashflow. Expectations of central bank exit strategies and their timing will increase volatility in sovereign bond yields and equities.
- There are significant threats to the forecast from potential downgrades to sovereign ratings and/or political instability.

Underlying assumptions:

- The Bank of England's Quantitative Easing (QE) program which injected £200bn to insure against the downside risks to growth and stimulate the economy officially ends 26th January. We estimate that QE has depressed gilt yields by around 70bs (0.7%).
- The Bank forecasts GDP to grow by 4% in 2011 but concedes growth could be impeded by corporate and consumer balance sheet adjustments, restrictions in bank credit and consumers' cautious spending behaviour. This is an optimistic forecast in our view; evidence of recovery is scant with weak real economic data and rising unemployment. Q4 2009 grew by just 0.1%.
- Looming bank regulation and liquidity and capital requirements will curb bank lending activity. The Bank retains the option to reduce the rate on commercial banks' deposits

to encourage them to lend. But FSA regulations will force banks to buy more Gilts which could help slow the rise in yields in 2010/11.

- The employment outlook remains uncertain. Pay freezes, short hours, job cuts and a migration toward part time employment will continue into 2010 keeping the headline unemployment number down.
- Inflation is not an immediate worry for the Bank which forecasts CPI to rise due to higher commodity prices and VAT reverting to 17.5%. Commodity prices and VAT will push inflation over 3% prompting a letter from the Bank's Governor to the Chancellor in Q1 2010.
- The UK fiscal deficit remains acute. Cuts in public spending and tax increases are now inevitable and more likely to be pushed through in 2010 by a new government with a clear majority, however a hung parliament cannot be ruled out and would be potentially disruptive to financial markets.
- The net supply of gilts will rise to unprecedented levels in 2010. Failure to articulate and deliver on an urgent and credible plan to lower government borrowing to sustainable levels over the medium term will be negative for gilts.
- The Federal Reserve Chairman Bernanke's diagnosis of a weak U.S. economy and labour market signal that the Fed's "extended period" of low rates may get even longer. The outlook for the Eurozone is more optimistic but the European Central Bank will only increase rates after a durable upturn in growth.

Specified and Non Specified Investments

Please note the CLG has produced draft revised Investment Guidance for Local Authorities in England and this section would therefore be subject to review and amendment if the final version differs from the draft.

Specified Investments identified for use by the Council

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

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high credit quality” as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council.
- 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
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

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 manager(s) 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/long-term ratings assigned by various agencies which may include Moody’s Investors Services, Standard & Poor’s, Fitch Ratings:

Long-term minimum: A1 (Moody’s) or A+ (S&P) or A+(Fitch)

Short-term minimum: P-1 (Moody’s) or A-1 (S&P) or F1 (Fitch).

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

New specified investments will be made within the following limits:

Instrument	Country	Counterparty	Maximum Limit of Investments %/£m
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/Call Accounts	UK	Other UK Local Authorities	No limit
Term Deposits/Call Accounts	UK	Abbey	
Term Deposits/Call Accounts	UK	Bank of Scotland/Lloyds	
Term Deposits/Call Accounts	UK	Barclays	
Term Deposits/Call Accounts	UK	Clydesdale	
Term Deposits/Call Accounts	UK	HSBC	
Term Deposits/Call Accounts	UK	Nationwide	
Term Deposits/Call Accounts	UK	Royal Bank of Scotland	
Term Deposits/Call Accounts	Australia	Australia and NZ Banking Group	
Term Deposits/Call Accounts	Australia	Commonwealth Bank of Australia	
Term Deposits/Call Accounts	Australia	National Australia Bank Ltd	
Term Deposits/Call Accounts	Australia	Westpac Banking Corp	
Term Deposits/Call Accounts	Canada	Bank of Montreal	
Term Deposits/Call Accounts	Canada	Bank of Nova Scotia	
Term Deposits/Call Accounts	Canada	Canadian Imperial Bank of Commerce	
Term Deposits/Call Accounts	Canada	Royal Bank of Canada	
Term Deposits/Call Accounts	Canada	Toronto-Dominion Bank	
Term Deposits/Call Accounts	Finland	Nordea Bank Finland	
Term Deposits/Call Accounts	France	BNP Paribas	
Term Deposits/Call Accounts	France	Calyon (Credit Agricole Group)	
Term Deposits/Call Accounts	France	Credit Agricole SA	
Term Deposits/Call Accounts	Germany	Deutsche Bank AG	

Accounts			
Term Deposits/Call Accounts	Netherlands	Rabobank	
Term Deposits/Call Accounts	Spain	Banco Bilbao Vizcaya Argentaria	
Term Deposits/Call Accounts	Spain	Banco Santander SA	
Term Deposits/Call Accounts	Switzerland	Credit Suisse	
Term Deposits/Call Accounts	US	JP Morgan	
Gilts	UK	DMO	No limit
Bonds	EU	European Investment Bank/Council of Europe	
AAA rated Money Market Funds	UK/Ireland/ Luxembourg	CNAV MMFs	
Other MMFs and CIS	UK	Collective Investment Schemes	

NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.

Please fill in your own limits above.

NB

Non-UK Banks - these should be restricted to a maximum exposure of 25-30% per country. This means that effectively all your authority's investments can be made with non-UK institutions should you wish, but it limits the risk of over-exposure to any one country.

MMFs - We emphasise diversification for all investments including MMFs. We advise that, as far as is practicable, clients spread their investments in Money Market Funds between two funds or more.

Group Limits - For institutions within a banking group, we advise a 20% limit.

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 	✓		<u>5 yrs</u>	<u>60%</u> 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, e.g. GEFCO ▪ Sterling denominated bonds by non-UK sovereign governments 	✓ (on advice from treasury advisor)	✓	<u>10 years</u>	<u>75%</u> in aggregate	No
Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573) but which are not credit rated	✓ (on advice from treasury advisor)	✓	These funds do not have a defined maturity date	<u>50%</u>	No
Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies (e.g. govt bonds issued by HBOS / RBS / Nationwide, etc)	✓	✓	<u>10 years</u>	<u>75%</u> in aggregate	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 manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.

NB Where clients wish to keep open the option of investing in Banks for periods in excess of 1 year, we advise the following minimum ratings:

	Long-term	Short-term
Fitch	AA- (AA minus)	F1+
Moody's	Aa3	P-1
S&P	AA- (AA minus)	A-1+

TREASURY MANAGEMENT POLICY STATEMENT**1. INTRODUCTION AND BACKGROUND**

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- 1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Cabinet and for the execution and administration of treasury management decisions to the Executive Director of Finance and Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.5 The Council nominates the Audit Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

- 2.1 The Council defines its treasury management activities as:
- "The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
- 2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed

to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

BROMSGROVE DISTRICT COUNCIL

CABINET

3RD MARCH 2010

NON DOMESTIC RATES - HARDSHIP RELIEF POLICY

Responsible Portfolio Holder	Cllr Denaro
Responsible Head of Service	Jayne Pickering
Non-Key Decision	

1. SUMMARY

- 1.1 To request Councillors consider approval to adopt a National Non Domestic Rates Hardship Policy.

2. RECOMMENDATION

- 2.1 That the Council considers the policy and approves its adoption.
- 2.2 That the approval of applications be delegated to the S151 officer of the Council.

3. BACKGROUND

- 3.1 Non Domestic Rates (NDR) is a national tax on Non Domestic Properties (Business) levied by the Council.
- 3.2 The council is responsible for the collecting the charges which are paid into a central pool and redistributed to Councils, County Council and Police Authorities
- 3.3 Due the current economic climate it has become apparent that a number of businesses are looking to apply for relief due to financial hardship.
- 3.4 Section 49 of the Local Government Finance Act 1988 gives billing authorities (the Council) the discretion to reduce or remit the payment of Non Domestic Rates for any ratepayer. The Council can do so where it is satisfied that the ratepayer would sustain real hardship if it did not do so, and it is responsible to do so, having regarded to the wider interests of its Council Tax Payers.
- 3.5 It is important to recognise that the award of Hardship Relief is purely discretionary, and as there is no legislation requirement for Councils to

make such awards, they should not adopt a blanket policy to award or not award relief, dealing with each case on its own merits.

- 3.6 The hardship policy includes criteria which have to be met by the businesses to enable the relief to be granted. These include;
- The impact the closure of the business would have on employment in the area, and if the amenities available to the public would be reduced if the business was no longer trading.
 - Other business in the area which provide the same or similar services or facilities
 - Whether the business is essential to the local community eg the impact on a community through the loss of its only village shop

4. FINANCIAL IMPLICATIONS

- 4.1 There is currently no budget allocated to grant hardship relief to business rate payers. Any allocation would have to be met from existing budgets.
- 4.2 25% of the award must be borne by the council and the local Council Tax payers, as only 75% of any award can be recovered from the non domestic pool
- 4.3 It is recommended that the relief be limited to a maximum of 10% of the annual rate charge, for a period of three months in any financial year

5.0 LEGAL IMPLICATIONS

- 5.1 Section 49 of the Local Government Finance Act 1988, gives billing authorities' (the council), the discretion to reduce or remit the payment of non domestic rates for any ratepayer
- 5.2 The council can do so where it is satisfied that the ratepayer would sustain real hardship if it did not do so, and it is reasonable to do so having regard to the wider interests of its Council Tax payers
- 5.3 The award of Hardship Relief is purely discretionary, and there is no legislative requirement for councils to make such awards
- 5.4 Applications must be made in writing , and the last 2 years audited trading accounts must be submitted, along with other information outlined in the policy at appendix 1.

6. COUNCIL OBJECTIVES

- 6.1 Maximising the collection of NDR in order to achieve high customer satisfaction as specified in KD04. In order a professional service, to all

business rate payers, advising and ensuring that reliefs are granted when eligible.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

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

- Loss of income
- Performance of Local Indicators

Risk Register: *Financial Services*

Key Objective Ref No: 1

Key Objective: *Maximise collection of Council Tax and Business Rates*

8. CUSTOMER IMPLICATIONS AND EQUALITIES AND DIVERSITY

8.1 The Councils Hardship Relief Policy makes provision for customers to be treated fairly and equally.

9. OTHER IMPLICATIONS

Procurement Issues	None
Personnel	None
Governance/Performance Management	None
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Biodiversity	None

10. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Joint Chief Executive	Yes
Executive Director - Partnerships and Projects	
Executive Director – Services	
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes

Head of Organisational Development & HR	
Corporate Procurement Team	No

11. WARDS AFFECTED

All wards

12. APPENDICES

Appendix 1 Hardship Relief Policy

CONTACT OFFICER

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Appendix 1

BROMSGROVE DISTRICT COUNCIL

NON DOMESTIC RATES

HARDSHIP RELIEF POLICY

Local Government Finance Act 1988, Section 49

March 2010

Non Domestic Rates – Hardship Relief

Introduction

This policy identifies the legislation and procedures to be followed in considering applications for hardship relief, in relation to the payment of Non Domestic Rates (NDR).

Background

NDR is a national tax on non domestic properties (business), levied by the council. The amount payable is based on the multiplier for the year (currently 48.9p in 2009/10), multiplied by the rateable value of the property, which is determined by the Valuation Office Agency. The council is responsible for collecting the charges, which are paid into a central pool and redistributed to Councils, County Councils and Police Authorities.

Section 49 of the Local Government Finance Act 1988 gives billing authorities (the Council) the discretion to reduce or remit the payment of Non Domestic Rates for any ratepayer. The Council can do so where it is satisfied that the ratepayer would sustain real hardship if it did not do so, and it is responsible to do so, having regard to the wider interests of its Council Tax Payers.

It is important to recognise that the award of Hardship Relief is purely discretionary, and as there is no legislation requirement for Councils to make such awards, they should not adopt a blanket policy to award or not award relief, dealing with each case on its own merits.

Amount and Period of Award

It should be noted that 25% of any award must be borne by the council and local Council Tax Payers, as only 75% of each award can be recovered from the Non Domestic Rate Pool. Therefore, taking into account the financial implications of such awards and the financial constraints on the Councils General Fund the level of relief awarded will be limited to a maximum of 10% of the annual charge, for a period of three months in any financial year.

Applications For Hardship Relief

Guidance on Hardship Relief and the application form is available from the Customer Service Centre, School Drive, Bromsgrove or on the Councils website at [www. Bromsgrove.gov.uk](http://www.Bromsgrove.gov.uk).

When applying for relief, businesses must:

- Complete the Hardship Relief application Form.
- Submit fully audited accounts for the last two financial years or the most recent audited accounts if trading for less than two years along

with projected income for the current financial year. The accounts will be reviewed by the accountancy section to assist in the decision process.

- Clearly demonstrates that hardship will occur if the application is refused.
- Declare if there are any creditors taking legal action against the business and provide details if required.
- Provide details of any financial support the business has received in the last two financial years preceding the application , such as reductions in rateable value; Small business rate relief :grants from any public bodies
- Be occupying the premises on which the relief is applied.

Determining The Application

Guidance, published by the Office of the Deputy Prime Minister (ODPM) in 2002, advises it is for the councils to decide whether to use its powers under the section 49, based on the facts of each case. Decisions on applications will be made by nominated Officers of the Council, including the Head of Financial Services.

- Each case to be considered on its own merits, with the process kept as simple as possible to allow decisions to be made quickly.
- Reducing or remitting rates should be the exception rather than the rule and reductions should only be awarded for a period where hardship can clearly be shown.
- All relevant factors affecting the ability of the business to meet their rate liability, and if they have contacted the council to discuss alternative payment arrangements
- If business have appealed against their rateable value or explored the option of relief as a result of partial occupation of the premises (Section 44A)
- The impact the closure of the business would have on employment in the area, and if the amenities available to the public would be reduced if the business was no longer trading.
- Other business in the area which provide the same or similar services or facilities
- If the business has been proactive in attempts to improve its financial position eg increase in over draft , or loan from Bankers or Shareholders to resolve any short term cash flow problems
- If the hardship is due to normal market forces or general economic conditions.
- If there has been a marked decline in trading accounts compared to corresponding periods in previous years
- If the award of relief will have an anti –competitive effect on other businesses
- Whether the business is essential to the local community eg the impact on a community through the loss of its only village shop

Conclusion

As the grant of Hardship Relief is purely discretionary, the Council must carefully scrutinise each case on its own merits, and adopt a consistent approach when making a decision. The interest of the Council Tax Payer plays an important part of any decision, as 25% of any award will ultimately be paid via their council Tax charge, hence the reason why the size and duration of award is limited.

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

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