FULL 260215
Item 8

BUDGET PROPOSALS 2015/16

EXECUTIVE MEMBER:	Councillor Gillian Troughton
LEAD OFFICER:	Angela George – Interim Finance Manager (S151 Officer)
REPORT AUTHOR:	David Christie – Interim Financial Management and Treasury Accountant

SUMMARY:
The budget proposals were considered by the Executive at their meeting on 12th February.

This report summarises the Executive's recommended Budget Proposals for 2015/16 to Council, with respect to:

1.	Revenue Budget Programme 2015/16 and MTFS 2018/19	(Appendix **A**)
2.	Review of Reserves 2015/16	(Appendix **B**)
3.	Capital Programme 2015/16 – 2017/18	(Appendix **C**)
4.	Treasury Management Strategy 2015/16	(Appendix **D**)

RECOMMENDATION:
It is recommended that Council approve the following recommendations:

1. Revenue Budget 2015/16:

(i) Approve the policy decisions in Paragraph 3 and resulting savings proposals for 2015/16 of £1,039k set out in Para 3.1, which together with the use of reserves set out in Appendix **B** (and Recommendation 2. xi))**,** seek to balance the Council's budget and address the 2015/16 £1.6m projected budget shortfall.
(ii) Approve the proposals for increases in Fees and Charges set out in **Appendix AB**
(iii) Approve the increase in Council Tax of 1.95% for 2015/16 set out in paragraph 3.2(i) with the implication that the Council will not accept the Council Tax freeze grant of 1% from Government.
(iv) Delegate the setting of the council tax to the Council Tax Setting Committee each year, and which this year will meet on 3 March 2015, as detailed in paragraph 3.4.
(v) Approve the continuation of the Local Council Tax Support (LCTS) as detailed in paragraph 3.2 of this report
(vi) Approve that the decisions on the National Non Domestic Rate return, the calculation of the Collection Fund surplus and the calculation of the Council Tax Base as set out in **Appendices AC, AD and AE** remain delegated to the Council's Section 151 Officer.

(cont.)

(vii) Approve the commissioning approach outlined at Para 3.7 being adopted to ensure delivery of the Council's Medium Term Financial Strategy; and authorise the Chief Executive, in consultation with the Leader and the Interim Director of Resources and Strategic Commissioning, to undertake the appropriate procurement processes in line with the Council's Contract Procedure rules.

(viii) Approve the continued use of the new homes bonus of £609k to underpin the costs of existing council services in 2015/16 (Para 3.8)

(ix) Delegate the decision on acceptance of the Transformation Challenge Award funding to the Chief Executive and s151 Officer in consultation with the Portfolio holder.

2. Review of Reserves 2015/16

(x) Approve the use of Earmarked Reserves, as set out in paragraph 4.2 and detailed in **Appendix BC,** which includes the release of £376k for specific projects.

(xi) Approve the impact of the proposals on General Reserves as set out in paragraph 4.2 and detailed in **Appendix BB** which includes the use of £237k to balance the Council's budget and address the 2015/16 projected budget shortfall.

And that as a result of the recommendations at **1.** and **2**. ,above, approves:

(xi) A Copeland Borough Council Net Revenue Budget (excluding parish council precepts) requirement of £8.537m comprising net expenditure on Services of £9.150m with net contributions from Reserves of £613k as set out in paragraph 4, Table 4.

3. Capital Programme 2015/16:

(xi) Approve the Capital Programme for 2015/16 at £1.97m and future years at £888k for 2016/17 and £643k for 2017/18 as set out in **Appendix C** and summarised in paragraph 5.1(i).

(xii) Approve the funding of the proposed programme as summarised in paragraph 5.1, subject to an annual review by the s151 Officer during the preparation of the annual Statement of Accounts to optimise the use of Council Resources.

4. Treasury Management Strategy 2015/16

(xiii) Approves the Treasury Management Strategy 2015/16, incorporating the Annual Investment Strategy 2015/16 and the Minimum Revenue Provision Statement for 2015/16 as set out in **Appendix D.**

1. INTRODUCTION

1.1. The draft budget proposals were considered by the Executive on 8th January 2015 and were approved at that meeting for the purpose of the statutory consultation period which ended on 6th February. Executive further considered the reports in details at their meeting of 12th February following which they have made recommendations to Council. This report summarises the main issues with full detailed reports attached as follows:

- **Appendix A** – Revenue Budget Programme 2015/16 and MTFS 2018/19
- **Appendix B** – Review of Reserves 2015/16
- **Appendix C** – Capital Programme 2015/16 – 2017/18
- **Appendix D** - Treasury Management Strategy 2015/16

1.2. The budget proposals have been prepared in accordance with the Council's Medium Term Financial Strategy (MTFS) 2013/14 to 2016/17. The MTFS will be subject to a full update after the upcoming election cycle and the next spending review.

2. GOVERNMENT GRANT SETTLEMENT 2015/16 AND MEDIUM TERM FINANCIAL OUTLOOK

2.1 **Government Grant Settlement 2015/16** (no illustrative settlement for 2016/17 has been issued).

Following the provisional Settlement Funding Assessment (SFA) (which comprises Revenue Support Grant and the baseline funding level), announcement on 18 December 2014 there was a period allowed for consultation on the figures with written responses required by 15th January 2015. The final settlement figures for 2015/16 together were received on 3 February 2015. There were no changes between the provisional and final settlement figures. This report incorporates the final figures received on 3 February.

2.2 2015/16 figures published by the government assume full recovery of NNDR (£2.246m in 2014/15 and £2,289m in 2015/16), as opposed to the safety net position that the authority anticipates once numerous appeals are heard (drop in income limited to £172k to bring anticipated figure of receipt to £2.117m in 2015/16, see also Table 4). The margin of being in or out of safety net (of losing £172k) is very small with less than a 1.5% change in business rates due moving us from one to the other. Therefore a prudent approach has been taken (i.e. assume safety net position and reduce the funding by £172k, with the general fund making up this shortfall in the budget). Should the authority not be in safety net (which can only be determined fully at the end of the next financial year) then the general fund will not be required to fund the difference.

2.3 It should be noted that the Government's announcement of the settlement figures made comparisons of an authority's 'spending power'. This is a measurement that the Government favour and brings into account such things as Council Tax income generated by an authority, New Homes Bonus, impact of transitional grants and other special grants. This is the reason that different percentages have been quoted (i.e. depending on which measure is being used). In announcing the provisional settlement figures on 18 December it was stated that local authorities (collectively) will face an overall reduction in **spending power** of 1.8%; and that no local authority (individually) would experience a decrease of more than 6.4%. On the basis of the figures provided by DCLG for Copeland, we have suffered the maximum reduction of **6.4%,** as shown in **Appendix AF.** However, as stated above, the figures given in the settlement make various assumptions, but on the basis of actuals, Copeland has an adjusted reduction of 5.79% as detailed in Table 2 below:

Table 2 - Reduction in Spending Power (defined as categories in table below)

	2014/15 Actual	**2015/16 Final Adjusted**	**% drop in year**
Spending Power:	**£'000s**	**£'000s**	
Council Tax Requirement	3,650	3,789	
Settlement Funding Assessment	4,594	3,829	
New Homes Bonus	472	609	
Specific Grants	17	0	
Public Health Grants	n/a	n/a	
Total	**8,733**	**8,227**	**-5.79**

(i) **Appendix A** sets out further details of the Settlement with respect to:

- The Business Rates Retention (BRR) Scheme
- The Council Tax Support (CTS) Scheme
- New Homes Bonus and other Specific Grants

(ii) The impact of the Settlement figures on the Budget Proposals for 2015/16 and projections to 2018/19 are set out in Section 2.4.

2.4 **Medium Term Financial Strategy – Projections to 2018/19**

(i) The proposals for the Budget for 2015/16 have been prepared in accordance with the Council's Medium Term Financial Strategy (MTFS) with the financial projections and principles updated as set out in **Appendix A**, Paragraph 3.

(ii) The original budget deficit projections set out in the MTFS approved in February 2013 were as set out in the Table below along with the currently anticipated deficit. Agreed savings targets, as laid out in Appendix A, have addressed the 2015/16 position, but the remaining total is before consideration of savings proposals for 2016/17 onwards.

Table 3 – Revised Budget Deficit Projections 2014/15-2017/18

Year	MTFS Projections February 2014 £000	Current MTFS Projections* February 2015 £000
2015/16	1,648	Addressed (see App. **A**, Table 5)
2016/17**	546	1,350
2017/18**	418	1,063
2018/19**		940
Total Projected Deficit	**2,612**	**3,353**

* The MTFS will be subject to a full update after the upcoming election cycle and the next spending review.

** No illustrative settlement figures received, based on 1% reduction year on year on RSG and RPI increase on safety net figures for NNDR

3. REVENUE BUDGET PROPOSALS 2015/16 (APPENDIX A)

3.1 Informed by the 2015/16 consultation process (see Paragraph 7), and after a review of budgets, the 2015/16 savings required are addressed through the following proposals:

	£'000
Office Accommodation moves	500
Green waste Charges	50
Detailed Review of Base budgets with budget managers	331
Vacancy Management Savings	128
Treasury Management	30
Total*	**1,039**

*Appendix A, Table 5

3.2 **Council Tax and Local Council Tax Support (LCTS) - Proposals 2015/16**

(i) The proposed budget for Council Tax purposes has incorporated a recommended increase in Council Tax of 1.95% for 2015/16

(ii) The Government has offered a Council Tax Freeze Grant for 2015/16 funded at the level of 1%. It does however prevent the authority from raising council tax. The difference in the grant offer of 1% and the included proposed increase of 1.95% is approximately £57k.

(iii) The LCTS scheme was approved by Council on 22 January 2013. Under the current scheme none of the funding reduction has been passed on to claimants and the council meets the cost. Government provide a grant to meet part of the cost but the amount is not specifically disclosed in current settlement figures. The scheme will continue in its present state for 2015/16, with another review to take place in 2015.

3.3 **The Collection Fund surplus for 2015/16**

As set out in Appendix **AD**, the Collection Fund surplus has been calculated at £615,235 which is distributed in proportion to the precepts raised in the relevant year as follows:

Cumbria County Council	£451,817
Police and Crime Commissioner	£81,152
Copeland Borough Council	£82,266

The impact of the Tax Base calculation of 19846.4 as set out in Appendix **AE**, is that the estimated Council Tax income taking account of a 1.95% increase in the tax for 2015/16 is £3.789m.

3.4 **The Council Tax Setting committee**

Given the continued uncertainty over the timing of announcements on Government settlements and council tax referendum limits the Council set up a Council Tax Setting Committee. This ensures the parish councils and other preceptors have the maximum amount of time to submit their precepts. This approach is recommended again this year. This subcommittee will meet on 3 March 2015 to set the council tax. The sub committee comprises the Leader of the Council and Portfolio Holder for Finance and the Opposition Leaders and Deputy Leader as agreed at Council in February 2013.

3.5 Parish Councils are required to submit their precept requirements by 1st March 2015, to enable this information to be included in Council Tax billing processes for 2015/16. From 1 April 2015/16, this will also include a request from the newly created Whitehaven Parish Council, taking the total number of parishes to 29.

3.6 **Fees and Charges**

The proposed fees and charges were reviewed on a service-by-service basis as attached in **Appendix AB.** The total impact of the fees and charges set out is an overall planned increase in income of £23,437. The following should be noted:

- Fees for the following areas have remained unchanged:
  - Food Safety & Private water sampling
  - Health and Safety
  - Environmental Protection
  - Bulky waste collections
  - Land Charges
  - Crematorium

- Other fee alterations have been made to:
  - reflect current income levels;
  - to align with charges in neighbouring authorities;
  - or for any new services introduced.

3.7 **Commissioning of Services**

As part of the Council's Medium Term Financial Strategy presented to full Council on 27th February 2014, Council agreed that in order to address the significant financial challenges facing the authority that we look at how we commission our services. This commissioning approach was reconfirmed at the Executive meeting in September 2014 as part of the options being explored to meet the projected budget deficit from 2016/17 onwards.

The work is being progressed and, evidence-based need will be used to set the level of service provided and explore alternative ways to deliver our services. The decision about whether to source the services from within the Council or externally will be determined as part of this process as a means of addressing the remaining level of savings required in forthcoming years.

Briefings have been held with staff, members and trades unions and the next stage of the process is to commence the work on a series of Service Reviews that will review all services, however funded or currently delivered. A set of principles has been developed to guide this work and the aim is to conclude the majority of these reviews by the end of April 2015.

Authorisation is now sought to enable the tight timescales envisaged to be met to enable the delivery of savings as soon in 2016/17 as possible.

3.8 **New Homes Bonus**

The New Homes Bonus is not ring fenced it is therefore proposed to continue to use this funding to support the Council's existing services. Although New Homes Bonus is currently paid for 6 years from the date of award, it is anticipated that the funding will at some point in the future be withdrawn/reduced and so it cannot be relied upon for future funding. This thereby introduces an element of risk into the budget if we use it to support existing baseline services.

4.0 Budget and Council Tax Requirement 2015/16

4.0 Table 4 below identifies the Council's net budget (excluding parish precepts) for 2015/16, together with the original 2014/15 budget set in February 2014.

4.1 Under the Localism Act 2011, the Council is also required to calculate its Council Tax Requirement, for 2015/16.

4.2 Both of the above calculations are shown in Table 4 below

Table 4- Budget and Council Tax Requirement 2015/16

2014/15 Original Budget £000		2015/16 **Budget Proposal** £000
10,511	Net Expenditure	10,159
-472	New Homes Bonus	-609
-17	Specific Grants	0
-400	BEC Social Fund	-400
9,622	**Net Expenditure on Services prior to use of Reserves**	**9,150**
	Contribution to / from (-) Reserves:	
-275	Earmarked Reserves	-376
-230	General Fund Unallocated	-237
9,117	**CBC Net Budget Requirement (A)**	**8,537**
	Funded by:	
-2,513	RSG	-1,712
-2,081	Baseline Need	-2,117
-837	PFI Grant	-837
-37	Collection Fund Surplus	-82
-5,468	**Total CBC Funding (B)**	**-4,748**
-3,650	**CBC Council Tax Requirement (C)**	**-3,789**

4.2 **Funding from Reserves**

(i) Revenue Reserves play a key role in the management of the Council's budget. They are used as a contingency against risk, to fund new policy initiatives and to support the Council's Revenue and Capital budget when needed.

(ii) The 2015/16 budget as set out in Table 4 above, shows a contribution of £376k from earmarked Reserves and a contribution of £237k from the Unallocated General Fund Reserve .

(iii) Reserves fall into two main categories:

a) **General Reserves** – The risk based element of this reserve is based on an annual risk assessment of the financial position of the Council. That assessment has taken place and the recommendations of the s151 Officer on the minimum level of risk based reserve has been set at £2m. This level reflects the refreshed strategic risk register and in particular the growing uncertainty of the funding streams for local government following the Local Government Finance Act 2012 which passports the risks (and benefits) of business rate scheme to local authorities. Assuming Council agree to Executive recommendations on the use of reserves (as presented in various reports to Executive on 12 February) there is an element of Unallocated Reserve totalling £1,637k.

General Reserves are set out in Appendix BB. The projected balances are set out in the Table below. Members should note that these projections do not take account of any potential requirement to take from Reserves from 2015/16 onwards in respect of some of the financial risks set out in the report. Members are also asked to note that these balances are subject to change, dependent upon revenue out turn as at 31 March 2014; an underspend of the current year budget would increase reserves with an overspend causing them to drop below the levels stated below.

b) **Earmarked Reserves** – these are reserves set aside for specific purposes. Assuming Council agree to Executive recommendations on the use of reserves (as presented in various reports to Executive on 12 February) these changes are reflected in **Appendix BC.** The projected Balances are set out in the Table below. Members are asked to note that these balances are subject to change, dependent upon revenue out turn as at 31 March 2015; an underspend of the current year budget would increase reserves with an overspend causing them to drop below the levels stated below.

Table 5 – Reserve levels

General Reserves	Balance 31/3/15 £000	Balance 31/3/16 £000	Balance 31/3/17 £000
Risk Based Balance	2,000	2,000	2,000
Unallocated Balance	1,637	1,400	1,400
1.Sub total - General	**3,637**	**3,400**	**3,400**
2.Earmarked Reserves (Council controlled)	**5,631**	**5,493**	**5,548**
Total Reserves (1 + 2)	**9,268**	**8,893**	**8,948**
Other Earmarked – NNDR Safety Net payment*	5,178	5,178	5,178

*The authority received a general fund grant for NNDR to bring the authority back up to baseline line assessment, which due to timing issues will not be required in year but in the future to match against loss of income. Until this funding is required, it is being transferred to an earmarked reserve. As this reserve is linked to NNDR payments, it is therefore **not** available to the Council for spending.

5 CAPITAL PROGRAMME PROPOSALS 2014/15 (APPENDIX C)

5.1 Proposed Capital Programme for 2015/16

(i) The proposed Capital Programme for 2015/16 as set out in **Appendix BA** is £1.973m with provisional programmes totalling £888k in 2016/17 and £643k in 2017/18.

5.2 Funding of the Capital Programme 2015/16

(i) The funding of the proposed Capital Programme is essentially from capital receipts generated from the sale of Council assets and external income. This is set out in Table 7 below:

Table 7: Financing of the proposed 2015/16 – 2017/18 Capital Programme

Programme Funded by:	2015/16 £	2016/17 £	2017/18 £
General Useable Capital Receipts	551,005	37,680	68,431
Housing Capital Receipts	249,000	249,000	185,169
Revenue funded	209,500		
Other External Funding	963,405	601,000	389,849
TOTAL FINANCING	**1,973,410**	**887,680**	**643,449**

5.3 Capital Resource Projections 2015/16

(i) The forecast Capital Receipt projections for 2015/16 are as set out in Table 8 below, with forecasts to 31st March 2018 set out in Appendix **C**. This shows that the capital programme can be funded from the council's usable capital receipt balances and projected future capital receipts.

Table 8 – Forecast Capital Receipts 2015/16

USABLE CAPITAL RECEIPTS	General Capital Receipts (incl VAT Share) £	Housing Capital Receipts £	Land Management Reserve £	*TOTAL* *£*
Forecast **Opening balance** at 1st April 2015	**-707,926**	**-683,169**	**-200,000**	**-1,591,095**
Forecast draw down to fund draft 15/16 capital programme	551,505	249,000		**800,005**
Forecast Capital Receipts from sale of assets in year	-400,000	-	**-**	**-400,000**
Forecast Capital Receipts from VAT Share Agreement	-442,000			**-442,000**
Forecast useable Capital Receipts **closing balance** at 31st March 2015	**-998,421**	**-434,169**	**-200,000**	**-1,632,590**

6 TREASURY MANAGEMENT STRATEGY 2015/16

6.1 The Treasury Management Strategy is set out in Appendix **D**. This incorporates the Annual Investment Strategy and the Minimum Revenue Provision (MRP) Statement.

6.2 The documents as set out meet the requirements of the Local Government Act 2003, the CIPFA Prudential Code and Treasury Management Code and the DCLG MRP Guidance and Investment Guidance.

6.3 In accordance with these requirements the strategy has been scrutinised by the Audit and Governance Committee at its meeting on 29 January 2015.

6.4 It should be noted that the Council acts as the billing authority and collection authority for Council tax and NNDR and therefore holds often significant balances on behalf of other agencies Cumbria County Council and DCLG amongst others. The council's cash reserves at any one point will therefore not all be for the use of Copeland Borough Council.

7 BUDGET CONSULTATION 2015/16

7.1 In 2012, the Executive commenced an intensive period of work in order to prepare a series of proposals relating to the future role of Council and the future provision of services. This work lead to the development and publication of the Council's consultation document, "Our proposed budget savings 2013-2015 – the **future role of the Council**". The document set out the Council's overall budget strategy and a series of detailed service change options, and the Council conducted an extensive consultation process. The outcome of this consultation process was reported to Executive and Full Council in February 2013 where a range of policy and service change decisions were agreed.

7.2 Since that time, the Council has continued its consultative approach to achieving the significant remaining funding gaps over the MTFS timeframe. The council has undertaken a further budget consultation to help prioritise expenditure and make necessary savings over the next two years. The consultation on proposed savings ran from Wednesday 12 November until Tuesday 23 December 2014 to give local people the opportunity to put forward their views on key proposals. The results were fed back to the Executive meeting of 8 January 2015. The budget consultation document outlined the reductions in government funding in recent years, as well as explaining that more savings and efficiencies would be required. It outlined proposals for saving £2.5 million from 2015/16 to 2017/18.

7.3 Appendix **AA** sets out the details of the most recent budget consultation process, and responses.

7.4 In addition, a statutory consultation process for business responses was also conducted. This consultation ran from 8th January 2015 to 6th February 2015. There were no responses received.

8 RISKS

8.1 There are always risks associated with setting a budget as many budget assumptions can change if forecasts used in the process prove to be inaccurate. The scale of the cuts and the changing way in which figures are given makes this more challenging.

8.2 The Mayoral election will take place in May 2015. An independent remuneration panel is currently working on indicative costs for the Mayor and a report is considered elsewhere on the Council agenda for consideration. The new Mayor, once elected may decide to appoint a Political Assistant. Once known these will increase the base budget and the call on the General Fund. In the interim, a contingency sum of £100,000 has been set aside in the earmarked reserves (subject to member approval) for spend in 2015/16.

8.3 Decisions relating to the Revenues and Benefits shared service may impact further on the financial forecasts included in this report. A report considered by the Executive on 12 February examined the proposal to re-localise the service. In the event of the break up and TUPE transfer of operational staff back to each individual site, the Council will have to budget for its own staffing structure in line with its current budgetary provision. A significant amount of work will need to take place to assess the implications of the staff and service transferring back to the Council. Any cost and service implications will be brought back to members in due course.

As part of the Executive report, a recommendation is made regarding delegating the decision to accept the Transformation Challenge Award. A bid was made against the fund and we were recently notified by DCLG that we have been successful. The award of £295k for 2015/16 was specifically to enable the partnership to address specific customer service improvements. Whilst the work will continue to improve the customer services, part of the eligibility criteria for award of the grant is that savings must exceed the amount of grant awarded. T and C are still awaited, and at that point, an assessment will be made to determine if all of the eligibility criteria are met. The s151 officer of Copeland will be required to sign off acceptance of the award on behalf of the partnership as Copeland is the lead auth. In view of the timescale the Executive recommend to Council that the decision on acceptance of the award is delegated to the Chief Executive and s151 officer in consultation with the Portfolio Holder.

8.4 The Revenue Support Grant is a guaranteed cash receipt, but the receipt of Baseline Needs funding is dependent upon the collection of NNDR. For the purposes of the budget and MTFS we have assumed the appeals lodged will take Copeland down to the safety net payment, which equates to a loss of circa.£172k (7.5% of baseline need),as previously stated in paragraph 2.4 above.

8.5 Provisional settlement figures for 2016/17 were not included on 18 December 2014. The RSG figures for 2016/17 onwards have been included as 15/16 level but reduced by 1/3 over the next 3 years to reduce RSG to £nil over the life of the next government as indicated in the Chancellors Autumn Statement of 3 December 2014. NNDR has been increased by RPI year on year for NNDR, and then reduced to safety net level, for the purposes of the MTFS.

8.6 There is a risk that New Homes Bonus will be reviewed or deleted in future Government funding settlements and as this funding has been used to support core services, there is a risk to those services if removed.

8.7 The Pension Fund triennial review will be due 2016/17 which is within the life of the current MTFS. The current contribution rate is included at 12.4% with yearly additional sums for past service of c. £124k for 15/16 and £133k for 16/17, being included in the MTFS. For the sake of completeness the 16/17 contribution has been replicated for inclusion in 17/18 and 18/19 figures, but these will be updated once the next review takes place in 16/17.

8.8 Whilst the Authority took the decision to postpone auto enrol into the pension scheme for its employees until 2017/18, any employee who is not a member can join at any time. The previous MTFS agreed in February 2014 included an estimate of take up at £50k a year, (circa 25% of estimated additional cost if all employees in scheme) every year, until 2017/18. This has been reviewed in light of take up numbers and costs to date with revised estimates now being £30k for years 15/16 and 16/17 with the remaining £120k included in 17/18.However this remains an estimate and take up may be more or less.

8.9 The government published 'The Single-Tier Pension: a simple foundation for saving' on 14 January 2013. On 18 March 2013 the government announced that the single-tier pension will be brought in on 6 April 2016. The single-tier pension will replace the State Second Pension, contracting-out arrangements and reliefs.

Closing the State Second Pension is an important part of the single-tier reforms. Contracting out of the State Second Pension for Defined Benefit schemes will therefore come to an end. Contracting out means giving up entitlement to the State Second Pension in return for a broadly similar occupational pension and a lower National Insurance (NI) rate for employer and employee.

For employers, the end of contracting out will have cost and administrative implications, the largest of which will be paying higher employer National Insurance contributions. They will have to pay the same rate of National Insurance as all other employers, meaning an increase in respect of each contracted-out employee of 3.4 per cent of earnings between the Lower Earnings Limit (LEL) and Upper Accrual Point (UAP), for Copeland this cost is estimated at £126k pa and is included in the MTFS projections from 2016/17 onwards.

8.10 As set out in a separate report, the Council holds a risk-based reserve of £2m, with an estimated unallocated General Fund Reserve of £1.637m. As stated in para 3.8, 10. above, up to £960k of the unallocated general fund was allowed for as potential support to revenue budgets in 2015/16. The current plan is to utilise £237k of these reserves (Table 5).

9 REPORT OF THE S151 OFFICER

9.1 In setting the budget requirement in February 2014, the Council is required under Section 25 of the Local Government Act 2003 to consider the formal advice of the statutory s151 Responsible Officer, the s151 Officer, on the robustness of the estimates included in the budget and adequacy of reserves. In a report to Executive on 8 January 2015, the s151 Officer recommended a level of £2,000,000 be set as the minimum level deemed acceptable for Council purposes.

9.2 If the balance on the General Fund is projected to fall below the recommended risk-based level, then priority will be placed on restoring the balance in subsequent budget and out-turn recommendations. Temporary dips below the target may be acceptable provided that the minimum amount is not likely to be breached and there is a robust plan to restore balances to the target level.

9.3 The estimates as set out are considered to be robust in terms of the proposals to balance the budget for 2015/16.

9.4 Members should note however that the scale of the projected deficit over the period 2016/17 to 2018/19 will require further ongoing savings over and above the significant savings already made over the last 4 years and this will represent a significant financial challenge to the Authority.

10 CONCLUSIONS

10.1 The report and attached appendices set out the budget proposals for 2015/16 for approval by Council on 26 February 2015.

11. STATUTORY OFFICER COMMENTS

11.1 The Monitoring Officer’s comments are: No Further comment

11.2 The Section 151 Officer’s comments are: included in the report

11.3 EIA Comments: As detailed in individual Appendices

11.4 Policy Framework: As detailed in individual Appendices

11.5 Other consultee comments: As set out in the report.

12. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

12.1 The budget process is a high risk process which is project managed and monitored by CLT. The risks are contained in the Strategic Risk Register and are monitored as part of that process, regularly reported to Executive and Audit and Governance Committee.

12.2 The policy and service changes have been through an equality impact assessment highlighting the risks and possible mitigations.

13. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

13.1 The key measurable outcome is a balanced budget proposal for the Council for 2015/16, which will determine the manpower, financial and other resources it will have available to provide services for the year.

List of Appendices

Appendix A – Revenue Budget Programme 2015/16 and MTFS to 2018/19. Includes the following other appendices:

- Appendix **AA** – Public Consultation Feedback 2015/16
- Appendix **AB** – Proposed Fees and Charges Schedule 2015/16
- Appendix **AC** – Business Rates Scheme and Calculation of NNDR1 2015/16
- Appendix **AD** – Collection Fund Surplus Calculation 2015/16
- Appendix **AE** – Council Tax Base Calculation 2015/16
- Appendix **AF** – Revenue Spending Power, Settlement Funding Assessment (DCLG)

Appendix B – Review of Reserves 2015/16. Includes the following appendices:

- Appendix **BA** - General Fund Risk Base Assessment
- Appendix **BB** – General Fund Risk and Unallocated Reserve
- Appendix **BC** – Earmarked Reserves

Appendix C – Capital Programme 2015/16 – 2017/18. Includes the following appendices:

- Appendix **CA** – Draft Capital Programme 2015/16 -2017/18
- Appendix **CB** – Capital Criteria Scoring Results
- Appendix **CC** – Capital Business Case Summaries & PID's (various)

Appendix D – Treasury Management Strategy 2015/16. Includes the following appendices:

- **Appendix DA** – Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2015/16

List of Background Documents:

Government Settlement announcements:

- 18 December 2014 (Provisional) and 3 February 2015 (final)

Public consultation on savings proposals

Other reports that have been considered during the budget cycle

Revenue Budget Proposals for 2015/16 and Medium Term Financial Strategy Projections 2015/16 to 2018/19

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS
This report is part of the suite of budget reports to enable Copeland Borough Council to set a balanced budget for 2015/16. This report provides Executive Members with the Revenue Budget draft proposals for 2015/16 following the receipt of the Government grant settlement figures for 2015/16 on 18 December 2014 and which were confirmed on 3rd February. The report also includes a first update of the Medium Term Financial Strategy (MTFS) projections for the period to 2018/19 following the announcements in the Chancellor's Autumn Statement received on 3rd December 2014.

WHY HAS THE REPORT COME TO THE EXECUTIVE?
Approval of the budget is a policy recommendation to full Council. Executive recommendations will be referred to full Council for approval as part of the Budget meeting on 26th February 2015.

[Full Council 26 February - NOTE ***: The Recommendations below are as presented to Executive on 12 Feb 2015, updated for approvals from that meeting. They are not for consideration at Full Council of 26 February, but provide background information to the Budget Proposals 2015/16 Council paper agenda item, along with all other information in this Appendix]***

RECOMMENDATION:
It is recommended that Executive considers the issues in this report for the purpose of recommending the following budget proposals to Council on 26th February 2015:

1. Note the government Settlement Funding Assessment received on 3rd February of £3.829m and set out at Section 2, indicating a reduction of £765k (17%) from 2014/15 (no change from provisional figures issued on 18 December). The overall government grant reduction means that Copeland is once again in the category of the authorities most severely affected by the Government Grant reductions for 2015/16. Full details of any other low value specific grants outwith this main settlement are currently awaited (Table 1, Para 2.8). Following clarification, the effect of these will be included in details presented to Council on 26th February.

2. Note that any suggestions arising from the business consultation which ends on 6th February will be notified to the Executive separately prior to the meeting on 12th February. 3. Subject to 2. above, the Executive approve and recommend to Council on 26th February: (i) The savings proposals for 2015/16 of £1.039m as set out in Para 3.9, which contribute to the achievement of a balanced Council budget at Para 3.7 Table 5. (ii) The proposed fees and charges as summarised in Para 3.7 (vii) and detailed in **Appendix B** (iii) The impact of the proposals on General Reserves of supporting the 2015/16 budget by £237k as outlined at Para 3.8 and in the Reserves report presented elsewhere on this agenda. (iv) The use of £376k from Earmarked Reserves in 2015/16, as detailed in Para 3.7, and in the Reserves report presented elsewhere on this agenda. (v) The continued use of the new homes bonus of £609k to underpin the costs of existing council services in 2015/16. (vi) Approve the commissioning approach outlined at Para 3.6 (viii) being adopted to ensure delivery of the Council's Medium Term Financial Strategy; and authorise the Chief Executive, in consultation with Councillor Elaine Woodburn and the Interim Director of Resources and Strategic Commissioning, to undertake the appropriate procurement processes in line with the Council's Contract Procedure Rules. (vii) The decision that there will be no change to the current Council Tax Discount Scheme for 2015/16 as set out at Para 4.2. (viii) To increase Council Tax by 1.95% for 2015/16. (ix) That Council delegate the setting of the council tax to the Council Tax setting meeting which will meet on 3rd March 2015. 4. Taking into account the above, the Executive to approve a budget to recommend to Council of £10.159m for 2015/16 as set out in Para 3.7, Table 5. 5. Approve the working MTFS assumptions set out in paragraphs 3.5 including the financial planning assumption that council tax will be raised by 1.95% per annum (see paragraph 3.5 (v)). Also to note that the provisional projections to 2018/19 will be re-analysed following the May elections, but that the current deficit projections of another £3.3m savings to be found from 2016/17 onwards will represent a significant financial challenge to the authority.

1. INTRODUCTION

1.1 The draft budget proposals were considered by the Executive on 8th January 2015 and were approved at that meeting for the purpose of the statutory business consultation period which ends on 6th February. As the consultation period had not concluded at the point of writing this report, any further suggestions and proposals arising from the consultation will be notified to the Executive separately.

1.2 The savings proposals set out in the report have also been subject to a six week public consultation period and the results of the consultation are set out in **Appendix A** (as considered by the Executive at their meeting on 8th January).

1.3 This report provides Executive Members with Revenue Budget proposals for 2015/16 following the receipt of the final Government grant settlement figures for 2015/16 on 3rd February 2015.

1.4 The report also includes updated projections on the Medium Term Financial Strategy (MTFS) for the period to 2018/19 following the announcements in the Chancellor's Autumn Statement received on 3rd December 2014. These projections will be updated following the National elections and the resulting spending review in the summer of 2015.

1.5 The Parishes must formally notify Copeland Borough Council (CBC) of their precept requirements for 2015/16 by the end of February, and once the precepts have been received the formal Council Tax setting can take place. The Government have consulted on whether the Parishes should be brought into the Council Tax referendum (capping) regime and have responded as part of the final settlement on 3rd February that the Parishes will not be subject to the same referendum limits as Councils for 2015/16. The Executive agreed at their meeting on 8th January that there would be no reduction to the level of funding available to Parishes (following public consultation), enabling parishes to set their precepts. At the time of writing, CBC are still awaiting information on precept requirements from 7 parishes (excluding the new parish of Whitehaven, see 1.6)

1.6 Following the recommendation of the Whitehaven Community Governance Review Panel, the full Council meeting of 4 December 2014 approved the creation of a Whitehaven Parish Council, to come into effect 1 April 2015, with the intention being to set an initial parish precept of no more than £1 per week on band D properties.

1.7 Following budget approval on 26th February and the receipt of the precept information from the Parishes, the Council Tax Setting Committee will meet on 3rd March to formally set the level of Council Tax. This is in advance of the statutory annual deadline of 11th March to set the Council Tax.

2. 2015/16 LOCAL GOVERNMENT FINANCE SETTLEMENT

2.1 The Local Government Finance Act 2012 changed the way local government is financed. This means that the Council has a greater reliance on income from Council Tax, Business Rates and other direct income sources. At the same time the Government is reducing the core grant funding that it allocates to councils. This fundamental change in our funding regime increases the Council's financial risk.

2.2 The analysis of the figures received from the government for the final settlement funding assessment for 2015/16 announced on 3rd February are included in Table 1 below. The final figures showed no change from the provisional settlement announcement made on 18th December 2014.

Table 1 – Overall reduction in Funding levels

	2013/14 Actual	2014/15 Actual	2015/16 Illustrative	2015/16 Final (no change from Provisional)	Note
Spending Power:	**£'000s**	**£'000s**	**£000's**	**£'000s**	
Council Tax Requirement	3,590	3,648	3,976	3,789	**2.7**
Settlement Funding Assessment					
- Revenue Support Grant	3,312	2,513	1,695	1,712	**2.5**
- Business Rates Baseline	2,203	2,081	2,142	2,117	**2.4**
New Homes Bonus	236	472	472	609	**2.6**
Specific Grants	21	17	0	0	**2.8**
Total	**9,362**	**8,731**	**8,285**	**8,227**	
Percentage reduction		**-6.74%**		**-5.8%**	**2.3**

2.3 Whilst the actual cash figures above show a reduction in funding of over 5%, the Governments own assessment of 'spending power' that is widely quoted in the press shows a reduction of 6.4%. The Government calculation is arrived at by analysing a number of chosen grants and then making a number of assumptions, for example that there will be no increase in Council Tax; that the Council Tax freeze grant is accepted; that the level of Parish funding stays at 2013/14 levels, that Business Rates income will be in line with forecast etc. None of these assumptions apply to Copeland finances as Copeland has taken difficult decisions in previous years to achieve a balanced budget position. However, it is interesting that on the Governments own analysis, Copeland is once again in the category of the authorities most severely affected by grant reductions at the maximum 6.4% (see **Appendix F**).

2.4 It should be noted that the figures announced assume the Baseline Need for Business Rates of £2.289m; however we anticipate that we will be once again be in a safety net position once various appeals are heard. The drop in income to the safety net position is limited by regulations to 7.5% (c. £172k) to bring the anticipated receipt to £2.117m. Whilst generally Business Rates receipts can fluctuate and so income levels cannot be guaranteed, the safety net position is guaranteed and therefore this is the worst case scenario for Copeland. The amount shown is the lowest amount receivable from NNDR, with the proposal that the potential reduction be funded in 2015/16 from the General Unallocated Reserve (as set out in the Reserves report considered elsewhere on the agenda).

2.5 The Authority will become ever more reliant upon collection of Business Rates as it is anticipated the Revenue Support Grant will continue to be cut. The Revenue Support Grant has been cut by over 50% since 2013/14 with a 30% reduction from 2014/15 to 2015/16. The assumptions for the MTFS planning period to 2018/19 are set out in Section 3.7 (vi) of the report.

2.6 The New Homes Bonus is a grant paid by Central Government for increasing the number of homes and their use. It is based on the amount of extra Council Tax revenue raised from new build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.

During 2013/14, an empty homes review was undertaken which identified a number of properties that could be re-classified as occupied. In addition to this exercise the impact of the 'long term empty premium' on Council Tax of 150% introduced, also resulted in a decrease in the number of empty properties. These two things together resulted in an increase in New Homes Bonus in 2014/15 of £255k. The empty property review was repeated this year however the exercise did not yield any further income. Instead there has been a net increase in housing stock in 2015/16 resulting in an in-year award of £137k which will take the total anticipated award for 2015/16 to £609k.

This money recognises the additional burden that new homes and residents will place on existing services. As it is not ring fenced it is therefore proposed to continue to use this funding to support the Council's existing services. Although New Homes Bonus is currently paid for 6 years from the date of award, it is anticipated that the funding will at some point in the future be withdrawn/reduced and so it cannot be relied upon for future funding. This thereby introduces an element of risk into the budget if we use it to support existing baseline services.

The analysis of the New Homes Bonus paid in each year is set out in Table 2 below. The New Homes Bonus allocation for the year is paid each year for 6 years (i.e. the 2011/12 award will drop out in 2017/18 etc.).

Table 2: New Homes Bonus Allocations

Year	**£000**
2011/12	15
2012/13	18
2013/14	184
2014/15	255
2015/16	137
Total	**609**

2.7 Council Tax Assumptions
See paragraph 3.5 (v)

2.8 Within the overall funding assessment total of £3,829k at Table 1 (£2,117k + £1,712k) there are a range of smaller ring-fenced grants. These are as follows:

- Council Tax Freeze compensation (Part 1) £99k
- Homelessness Prevention Funding £49k
- Rural Services Delivery Funding £9k

Further details of any remaining specific grant funding outwith the main funding assessment are awaited. This includes clarity on any conditions attached to such funding. The effect of any (low value) additions will be included in information presented to Council on 26th February.

3. MEDIUM TERM FINANCIAL STRATEGY - PROJECTIONS TO 2018/19

3.1 The proposals for the Budget for 2015/16 have been prepared in accordance with the Council's existing Medium Term Financial Strategy (MTFS) agreed by Council in February 2014 and updated in this report. When the MTFS was last formally revised in February 2014, illustrative settlement figures notified on 5th February 2014, were used for the 2015/16 projections. Final settlement figures for 2015/16 were received on 3 February 2015, and these confirmed the provisional figures issued on 18 December 2014.

3.2 There is currently no indication on funding levels for Local Government from 2016/17 onwards, however the Chancellor's Autumn Statement published on 3rd December 2014 contained information that suggests that there will be significant additional savings required from 2016/17, and that the next three years will see savings required of the same order of those achieved between 2010 and 2015.

3.3 A considerable amount of work has been carried out each year to enable the Council to continue to set a balanced budget as required by legislation whilst still meeting its statutory duties. However the Council will need to make significant additional savings over and above those already approved by Council in February 2014. These are estimated to be in the region of £4.3m over the next 3 financial years from 2016/17 (based on the assumption of a complete reduction of RSG grant within this time). There are some considerable variables such as auto enrol pension, loss of NI rebate, anticipated further reductions in government funding etc. in these projections.

3.4 The **original** budget deficit projections set out in the MTFS approved in February 2014 were as set out below in Table 3 below, along with the revised anticipated deficit taking into account the Autumn Statement announcements and other information known to date, together with the assumptions set out in paragraph 3.6. This anticipated deficit is fully addressed through the savings and other adjustments identified at paragraph 3.7.

Table 3 – Revised Projections 2015/16-2018/19

Year	MTFS Projections February 2014 £000	Current MTFS Projections February 2015 £000
2015/16	1,648	Addressed (see Table 5)
2016/17	546	1,350
2017/18	418	1,063
2018/19		940
Total Projected Deficit	**2,612**	**3,353**

3.5 It is anticipated that these revised projections would be the worst case scenario facing the Council to 2018/19 and more detailed analysis will be presented to future meetings once the projections for 2016/17 onwards become firmer following the May 2015 General Election. Members should note however that the scale of the deficit, which will require further on-going savings to be made over and above the significant savings already made over the last four years, will represent a very significant financial challenge to the Authority.

Despite this the Authority is well placed to meet these challenges as it has a proven track record in delivering the necessary savings. A recent report from the Authorities auditors, Grant Thornton, has highlighted that the council has demonstrated good financial performance, as well as stating that members and officers have a good understanding and awareness of the financial environment and challenges facing the borough.

In considering value for money, the audit findings state that overall the council has adequate systems and processes in place to manage financial risks effectively, and to secure a stable financial position that enable it to continue to operate for the foreseeable future.

The report also underlines the importance of improving efficiency and productivity, stating that the council’s Change Programme Board has been responsible for delivering a savings target of £1.76m which was set as part of the 2013/14 budget.

This demonstrates the council's ability to deliver its savings and efficiencies agenda and take appropriate steps to secure a stable financial position with a clear focus on delivering its statutory services.

3.6 The MTFS projections are based on broad assumptions and Members are asked to confirm these amended assumptions for the purpose of setting the budget for 2015/16:

(i) Inflation:

- Whilst headline inflation is currently low with CPI hitting 1% in November, the current forecast are that it will begin to increase again across next year with a current forecast average in 2015-2018 on CPI of 1.5%-2.1%. (information from gov.uk, November 2014 forecast). Therefore a 2% increase for general inflation will be included for 2015/16 in line with the original MTFS forecasts. A 2% provision will also be built in for 2016/17 onwards. The cost of the 2% provision is estimated as £75k in 2015/16.

- Individual contracts (CPI/RPI/Other) in all years

- The inflation projections are set out in Table 4 below:

Table 4: Inflation Projections 2015/16

Contract	Increase £'s
NCL	95,687
PFI	44,830
Term contract repairs & Maintenance	16,154
Vehicles	13,131
Utilities	18,830
RBS Shared Service	32,851
General Inflation	74,490
Total inflation 2014/15	295,973

(ii) Salaries:

- Living wage or 2.2% pay award for 2015/16, for all staff excluding Chief Officers, to meet the nationally agreed pay award.

- 2% for Chief Officers as provision for the on-going pay award debate.

- 1% for 2016/17 to 2018/19, to provide for future national pay awards
(Note: a 1% addition on salaries equates to c. £66k)

- The previous MTFS approved in February 2014 had included staff inflation at 1% in line with the then offer for 14/15 onwards.

- Change in staffing structure as well as the differing levels of pay awards in 14/15 and 15/16 have resulted in a net difference of only £4k at £206k compared to the £210k included in MTFS approved in February 2014.

- Increments c. £35k are included for 15/16, c.£29k in 16/17 and c.£20k in 17/18

(iii) Pensions Contributions:

- The MFTS as at February 2014 included sufficient sums to fund the pension deficit until the date of the next triennial review which will take place in April 2017. For the sake of completeness and in absence of other information the 2016/17 contribution has been replicated for inclusion in 17/18 and 18/19 figures.

- The impact of auto enrol had been assessed at a maximum of £200k pa once fully in force (date of calculation being December 2013). Whilst the Authority took the decision to postpone auto enrol into the pension scheme for its employees until 2017/18, any employee who is not a member can join at any time. The MTFS approved in February 2014 assumed an estimated take up and cost of £50k per annum (circa 25% of estimated additional cost if all employees in scheme) for people who may opt in themselves before we reach our postponed date of 1 October 2017. This has been reviewed in light of take up numbers and costs to date with revised estimates of timing of original cost **estimates** as below:

Year	2014/15	2015/16	2016/17	2017/18	Total
2014 MTFS	50,000	50,000	50,000	50,000	200,000
Revised Budget/MTFS	20,000	30,000	30,000	*120,000	200,000

**Remainder of original estimate*

(iv) Treasury Management:

- The Treasury Management income budget has been increased in the current year by £49k removing the pressure that was originally identified when the budget was set in February 2014.

- An additional £30k income has been targeted for 2015/16 to reflect the small but currently forecast pick up in interest rates which have now been revised back to Quarter 4 of 2015. A review of this projection will be carried out early in 2015 to analyse whether further improvements at the level of achievement of 2014/15 would be sustainable.

- For the years 16/17 – 18/19 no increase/decrease in interest earned has been assumed, whilst we await the outcome of the NNDR appeals, which could significantly affect the level of and/or availability of funds to invest.

(v) Council Tax Projections:

- The Council Tax referendum level has been announced at 2% (as per the previous year). An increase of 1.95% for 2015/16 and 2016/17 onwards, based on the current estimated council tax base, has been assumed for forward planning purposes. Any proposed increases above 2% would trigger a referendum.

- Any change to the level of capping, the inclusion of Parishes or any grants, which will be built into the baseline funding (i.e. not lost after the year in which awarded) that may be offered will be included in future budget reports when the details are known.

- The impact of the 1.95% increase on band D and band B (highest number of properties in borough) is detailed below:

Band D – currently £187.28 p.a.	£190.93
Annual increase - Council Tax	**£3.65**
Cost per week	£0.07
Cost per instalment (12)	£0.30
Band B – currently £145.66 p.a. (7/9).	£148.50
Annual increase - Council Tax	**£2.84**
Cost per week	£0.05
Cost per instalment (12)	£0.24

- The Council tax base (i.e. the number of Band D properties used to determine the Council Tax) is 19,846.39 (19,488.80 2014/15), an increase of 1.8% and is calculated in December each year.

- This low council tax base in the area means the proposed increase in Council Tax of 1.95% only generates around £72k extra revenue to the Council (2015/16 base figure x £3.65 annual increase); or £37k for each 1% increase.

(vi) Government Settlement:

- The MTFS approved in February 2014 included the 2015/16 'illustrative' settlement figure received 5 February 2014 with a 1% reduction year on year for RSG and an RPI increase year on year for NNDR.

- The Chancellor's statement on 3 December indicated that Local Government would see continued aggressive reductions in funding over the life of the next parliament and for this reason the assumed RSG funding (as only 15/16 figures have been provided) has been phased out to £nil for the purposes of the preparation of the MTFS. This is considered to be a worst case scenario.
- The Revenue Support Grant is a guaranteed cash receipt, but the receipt of Baseline Needs funding is dependent upon the collection of NNDR. For the purposes of the budget we have assumed the appeals lodged will take Copeland down to the safety net payment, which equates to a loss of c.£172k (7.5%) which will need to be borne by the Authority.

- The other authorities within the area have pooled for NNDR purposes with the aim of increasing retained income to every member. It still remains impossible for Copeland to join the pool as the outstanding appeals that would put Copeland into the safety net position as an individual authority (and trigger payments from the government) would not be sufficiently large to put the pool into a safety net position so the loss would have to be borne by all members with no payment from the government. The county pool and Copeland's inclusion in it will be reviewed in the future (can be renewed each year) to see if this would be beneficial.

(vii) Fees and charges

- Some of the fees we charge are statutory and therefore we have no discretion as to the level, however we do determine fees and charges on a number of services.
- In a CLT led workshop held on fees and charges, the proposed fees and charges were reviewed on a service-by-service basis as attached in **Appendix B.** The total impact of the fees and charges set out is an overall planned increase in income of £23,437.
- Executive are asked to recommend the attached fee and charges to Council and the resultant changes in income targets for inclusion in the 2015/16 budget. The following should be noted:
    - Fees for the following areas have remained unchanged:
        - Food Safety & Private water sampling
        - Health and Safety
        - Environmental Protection
        - Bulky waste collections
        - Land Charges
        - Crematorium
    - Other fee alterations have been made to:
        - reflect current income levels;
        - to align with charges in neighbouring authorities;
        - or for any new services introduced.

(viii) Commissioning of Services

As part of the Council's Medium Term Financial Strategy presented to full Council on 27th February 2014, Council agreed that in order to address the significant financial challenges facing the authority that we look at how we commission our services. This commissioning approach was reconfirmed at the Executive meeting in September 2014 as part of the options being explored to meet the projected budget deficit from 2016/17 onwards.

The work is being progressed and, evidence-based need will be used to set the level of service provided and explore alternative ways to deliver our services. The decision about whether to source the services from within the Council or externally will be determined as part of this process as a means of addressing the remaining level of savings required in forthcoming years.

Briefings have been held with staff, members and trades unions and the next stage of the process is to commence the work on a series of Service Reviews that will review all services, however funded or currently delivered. A set of principles has been developed to guide this work and the aim is to conclude the majority of these reviews by the end of April 2015.

Authorisation is now sought to enable the tight timescales envisaged to be met to enable the delivery of savings as soon in 2016/17 as possible.

3.7 Table 5 below details the original 2015/16 budget as projected in February 2014 and the latest revision:

Table 5 – Detailed Revised Projections 2015/16

	2015/16 Orignal Feb 2014	2015/16 Current revision	Notes
Base budget	10,176,273	10,087,225	
Budget Reductions			
Savings proposals for 2014/15	(8,000)	(8,000)	
Savings proposals for 2015/16		(1,039,000)	1
Budget Increases			
In year pressures	0	87,000	2
Salary Movements	94,789	206,111	3
Auto Enrol pensions	50,000	30,000	4
Estimate increase pension deficit	123,700	123,700	
Contractual increases for inflation	275,276	295,973	5
Loss of NI rebate	125,828	0	6
Loss of recycle credits	75,000	0	7
	10,912,866	9,783,009	
Funding from Reserves			
Earmarked Reserves	54,000	375,807	8
Total Spending	**10,966,866**	**10,158,816**	
Rounded Total Spending (£'000)	10,967	10,159	
FUNDING			
RSG	1,695	1,712	
Baseline Need	2,142	2,117	
New Homes Bonus	472	609	9
PFI Grant	837	837	
Council Tax	3,719	3,789	10
Collection Fund surplus		82	
BEC - Social Fund	400	400	
General Reserves		237	11
Earmarked Reserves	54	376	
	9,319	10,159	
Shortfall	1,648	0	

3.8 The main reasons for the movement between the original February 2014 projections and the current projections as at February 2015 are as follows:

1. Savings Proposals for 2015/16
See paragraph 4.2 below.

2. Cost of additional Mayoral election and additional member training costs for change in constitution.

3. Salaries and pensions
The base in the original figures included a 1% pay award for 14/15 and then a pressure of 1% for 15/16. However the 1% pay award was not given in 14/15, with 2.2% (for majority of staff – see paragraph 3.5 (ii) above) given for 2015/16.

4. Auto Enrol Pension
As detailed in paragraph 3.5 (iii) above this is purely a change in the estimate of timing, on the uptake of auto enrol costs.

5. Contractual increases for inflation
Original MTFS in February 2014- £275k; Revised Revenue Budget January 2015 - £295k. See (3.5 (i))

6. Loss of NI rebate
As detailed in paragraph 5.7 the pressure relates to changes in rates of national Insurance, however this will become effective from 1 April 2016, so it has moved from 2015/16 to 2016/17 on table 5.

7. Loss of recycle credit
This is not anticipated to occur in 2015/16 and has been moved to 2016/17.

8. Earmarked Reserves

Proposed use of earmarked reserves as detailed in the **Reserve Review** report, also on this agenda. This includes the approval (Executive, 12 February) of a further release of £100k in the Delivering Differently Programme –Progress Update paper. It also assumes the release of the £100k reserve for costs associated with the new mayoral system.

9. New Homes Bonus

The indicative New Homes Bonus award (as notified on 17 December 2014) is an in year award of £137k bring the total award for 2015/16 to £609k.

10. Council Tax

As detailed in paragraph 3.5 (v) above the change in Council Tax base has increased the potential income (if proposed increase in rate of 1.95% is agreed by Council). The Collection Fund Surplus figure is assessed at £82k.

11. General Reserves – the achievement of a balanced budget for 2015/16 requires the use of £237k to support the revenue position. Initial planning for 2015/16 allowed for the potential for use of up to £960k for this purpose. The proposed level of support in this report is therefore significantly lower than this limit. Further details of Reserve movements and balances is outlined in the separate Review of Reserves paper separately provided to this Executive meeting.

4. BUDGET CONSULTATION AND SAVINGS PROPOSALS 2015/16

4.1 Members considered a report at their meeting on 30th September 2014 on the budget options to close the budget deficit for 2015/16. These proposals formed the basis of the public consultation which ran from 12th November to 23 December 2014. The consultation feedback was considered at the Executive meeting on 8th January 2015 (attached again at Appendix A).

4.2 Savings proposals were approved by the Executive at their meeting on 8th January and together with the results of the base budget analysis work, have been built into this report as set out below for recommendation to Council:

- Office Accommodation moves (£500k) – these are the result of the Accommodation Review.
- Green Waste Charges (£50k) – as noted at Para 3.6 (vii)
- Detailed review of base budgets with budget managers – (£331k)
- Vacancy management saving (£128k)
- Treasury Management (£30k) – as noted at Para 3.6 (iv)

Total of items identified (£1,039k)

4.2 Prior to the consultation, the Executive took the decision not to change the Council Tax Discount Scheme for 2015/16 and to continue to support the most vulnerable low income families for a further year.

4.4 As set out, the savings set out above together with a usage of General Reserves of £237k (which includes the Business Rates risk of £172k) will meet the requirement to produce a balanced budget position for 2015/16. Further efforts will be needed to be address any deficit in 2016/17 by the longer term savings proposals consulted on such as wider commissioning of services as set out in Para 3.6 (viii) above. There will also need to continue to be a strategic use of reserves to allow time for the successful management and implementation of the savings strategy going forward and to provide capacity for planning for the 2016/17 phases of the transformation programme.

5. RISKS

5.1 There are always risks associated with setting a budget as many budget assumptions can change if forecasts used in the process prove to be inaccurate. The scale of the cuts and the changing way in which figures are given makes this more challenging.

5.2 The Mayoral election will take place in May 2015. An independent remuneration panel is currently working on indicative costs for the Mayor and their Executive and as such are NOT currently included in the figures in this report. The new Mayor, once elected may decide to appoint a Political Assistant, again the cost of this is NOT currently included in the figures in this report. Once known these will increase the base budget and the call on the General Fund. In the interim, a contingency sum of £100,000 has been set aside in the earmarked reserves (subject to member approval).

5.3 Decisions relating to the Revenues and Benefits shared service may impact further on the financial forecasts included in this report. There is a report considered elsewhere on this agenda recommending the re-localisation of the service. As part of this report, a recommendation is made regarding the Transformation Challenge Award, and if approved by the Executive this will be recommended to Council as part of the budget report.

5.4 The Revenue Support Grant is a guaranteed cash receipt, but the receipt of Baseline Needs funding is dependent upon the collection of NNDR. For the purposes of the budget and MTFS we have assumed the appeals lodged will take Copeland down to the safety net payment, which equates to a loss of circa.£172k (7.5% of baseline need),as previously stated in paragraph 2.4 above.

5.5 Provisional settlement figures for 2016/17 were not included on 18 December 2014. The RSG figures for 2016/17 onwards have been included as 15/16 level but reduced by 1/3 over the next 3 years to reduce RSG to £nil over the life of the next government as indicated in the Chancellors Autumn Statement of 3 December 2014. NNDR has been increased by RPI year on year for NNDR, and then reduced to safety net level, for the purposes of the MTFS.

5.6 There is a risk that New Homes Bonus will be reviewed or deleted in future Government funding settlements and as this funding has been used to support core services, there is a risk to those services if removed.

5.7 The Pension Fund triennial review will be due 2016/17 which is within the life of the current MTFS. The current contribution rate is included at 12.4% with yearly additional sums for past service of c. £124k for 15/16 and £133k for 16/17, being included in the MTFS. For the sake of completeness the 16/17 contribution has been replicated for inclusion in 17/18 and 18/19 figures, but these will be updated once the next review takes place in 16/17.

5.8 Whilst the Authority took the decision to postpone auto enrol into the pension scheme for its employees until 2017/18, any employee who is not a member can join at any time. The previous MTFS agreed in February 2014 included an estimate of take up at £50k a year, (circa 25% of estimated additional cost if all employees in scheme) every year, until 2017/18. This has been reviewed in light of take up numbers and costs to date with revised estimates now being £30k for years 15/16 and 16/17 with the remaining £120k included in 17/18.However this remains an estimate and take up may be more or less.

5.9 The government published 'The Single-Tier Pension: a simple foundation for saving' on 14 January 2013. On 18 March 2013 the government announced that the single-tier pension will be brought in on 6 April 2016. The single-tier pension will replace the State Second Pension, contracting-out arrangements and reliefs.

Closing the State Second Pension is an important part of the single-tier reforms. Contracting out of the State Second Pension for Defined Benefit schemes will therefore come to an end. Contracting out means giving up entitlement to the State Second Pension in return for a broadly similar occupational pension and a lower National Insurance (NI) rate for employer and employee.

For employers, the end of contracting out will have cost and administrative implications, the largest of which will be paying higher employer National Insurance contributions. They will have to pay the same rate of National Insurance as all other employers, meaning an increase in respect of each contracted-out employee of 3.4 per cent of earnings between the Lower Earnings Limit (LEL) and Upper Accrual Point (UAP), for Copeland this cost is estimated at £126k pa and is included in the MTFS projections from 2016/17 onwards.

5.10 As set out in a separate report, the Council holds a risk-based reserve of £2m, with an estimated unallocated General Fund Reserve of £1.637m. As stated in para 3.8, 10. above, up to £960k of the unallocated general fund was allowed for as potential support to revenue budgets in 2015/16. The current plan is to utilise £237k of these reserves (Table 5).

6 REPORT OF THE s151 OFFICER

6.1 In setting the budget requirement in February 2015, the Council is required under Section 25 of the Local Government Act 2003 to consider the formal advice of the statutory s151 responsible officer, on the robustness of the estimates included in the budget and adequacy of reserves. In a report to Executive on today's agenda, the s151 officer recommended a level of £2m be set as the minimum level of Reserves deemed acceptable for Council purposes.

6.2 If the balance on the General Fund is projected to fall below the recommended risk-based level, then priority will be placed on restoring the balance in subsequent budget and out-turn recommendations. Temporary dips below the target may be acceptable provided that there is a robust plan to restore balances to the target level.

6.2 The view on the robustness of the estimates is that the budget for 2015/16 is balanced and the savings proposed are achievable. For 2016/17 onwards however there will be a very significant financial challenge to achieve the deficit projections currently projected on top of the savings already achieved over the last four years.

7 CONCLUSIONS

7.1 The position of the budget and the MTFS projections as set out in this report outline the budget proposals for consideration for 2015/16 for recommendation to Council on 26th February 2015. The report also provides a forecast for a further 3 years to 2018/19 and the challenges that this will make on the authority.

8 STATUTORY OFFICER COMMENTS

8.1 The monitoring officer's comments are: No further comments

8.2 The Section 151 Officers comments are: included in the report

8.3 EIA Comments: There are no EIA impacts identified.

8.4 Policy Framework: Proposals in accordance with the Budget and Policy Framework

8.5 Other consultee comments: the consultation process is set out in the report.

9. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

9.1 The budget process is a high risk process which is project managed and monitored by the Corporate Leadership Team. The risks are contained in the Strategic Risk Register and will be monitored as part of that process.

10. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

10.1 The key measurable outcome is a balanced budget proposal for the Council for 2015/16, which will determine the manpower, financial and other resources it will have available to provide services for the year.

List of Appendices

Appendix A – Public Consultation Feedback 2015/16	(AA for Council 26 Feb)
Appendix B – Proposed Fees and Charges Schedule 2015/16	(AB “)
Appendix C – Business Rates Scheme and Calculation of NNDR1 2015/16	(AC “)
Appendix D – Collection Fund Surplus Calculation 2015/16	(AD “)
Appendix E – Council Tax Base Calculation 2015/16	(AE “)
Appendix F – Revenue Spending Power (DCLG)	(AF “)

List of Background Documents:

Government Provisional Grant Settlement 18 December 2014
Public consultation - savings proposals November/ December 2014
Quarters 1, 2 and 3: Revenue Budget Monitoring reports
Final Government Grant Settlement 3rd February 2015

APPENDIX A

BUDGET CONSULTATION 2015/16 FEEDBACK

1. INTRODUCTION

1.1 The council has undertaken a budget consultation to help prioritise expenditure and make necessary savings over the next two years.

The consultation on proposed savings ran from Wednesday 12 November until Tuesday 23 December 2014 to give local people the opportunity to put forward their views on key proposals.

This report outlines the feedback from this consultation exercise.

1.2 The budget consultation document outlined the reductions in government funding in recent years, as well as explaining that more savings and efficiencies would be required.

It outlined proposals for saving £2.5 million from 2015/16 to 2017/18.

2. BUDGET PROPOSALS & PUBLIC ENGAGEMENT ACTIVITY

2.1 The budget proposals consulted on included:

- **Council Tax Reduction Scheme** - whether to reduce the same proportion (30%) from this grant for parishes as the funding reduction from government
- **Council Tax** - a proposal to raise around £70,000 by increasing the Council's small share by 1.95% (a cost of an extra 5p per week for a band B property)
- **Cost reduction by increased efficiency** - for example, making savings on office accommodation and sharing services with other local councils
- **Income generation** - including reintroducing charges for replacement rubbish bins in certain circumstances and an annual fee of £35 per bin for the collection of additional garden waste
- **The proposed application of up to £960,000 of unspent funding** - to cushion the impact of the cuts over a two year period.

2.2 The purpose of the budget consultation was to seek public feedback on proposals to help set expenditure and prioritise the provision of council services in Copeland for the next two years. To support this, the council undertook a range of communications and engagement activity to ensure that local people had plenty of time and opportunity to submit their views.

2.3 The consultation was open from Wednesday 12 November until Tuesday 23 December 2014, providing ample scope for people to consider in detail the proposals to meet budgetary challenges, as well as offering their ideas, input and solutions. Communications and engagement activity included:

- Production of full consultation document including rationale for proposals
- An A4 summary document of the key aspects of the proposals
- A dedicated webpage about the proposals on the council website, including clear signposts from the homepage
- An online survey as part of the above webpage
- Press releases issued to local media on 12 November and 9 December, both of which received substantial coverage including in the Whitehaven News
- The dissemination of the webpage link to stakeholder organisations and contacts
- Hard copies of the budget consultation and survey on display in council buildings
- Hard copies of the budget consultation and survey on display in local libraries
- An A4 promotional flyer for noticeboards in council buildings and libraries
- Presentations on the consultation proposals at neighbourhood forums in November 2014
- Social media reminders throughout November and December on both Facebook and Twitter with links to the online survey.

3. BUDGET CONSULTATION FEEDBACK

3.1 Levels of public response:

3.1.1 A relatively small number of responses to the consultation were received, with only 17 online survey forms, 6 email submissions and 6 hard copy completed responses being received. It is likely that this was because the scale of this year's proposals is again smaller than in other years.

3.1.2 Three responses were on behalf of parish/town councils and AWAZ which represents the black and minority ethnic community. The remainder came primarily from individual residents.

3.1.3 Summaries of the survey responses are shown below, including specific answers and suggestions which were forthcoming.

3.2 Proposals in relation to reducing parish funding for the Council Tax Reduction Scheme:

3.2.1 There was a broadly neutral split of respondents with a small majority disagreeing with this course of action.

3.2.2 Parton Parish Council's response states that the consultation document does not state that government funding towards the cost of providing CTRS has been reduced by 30%. It cites the LGA assertion that no grant is to be lowered by more than 10% and suggests a reduction of no more than the 6.4% budget reduction facing the council. It also points out that parish and town councils in less affluent areas of the borough will feel a greater impact and suggests that one solution to addressing the financial imbalance would be to make no grant to those parishes which would be entitled to less than £200.

3.2.3 Some alternative comments were made and proposals suggested. In terms of grants and funding, AWAZ has stated that it is essential that before making any decision to discontinue any such funding, the Council undertakes an equality impact analysis and effective consultation with grants or funding holders to minimise any potential negative impacts.
Other respondents asked for less spending on community regeneration and culture and for all grants to be re-examined to see what value they add, as well as ensuring that all incoming nuclear money is more efficiently allocated, not put into lower priority schemes.

3.2.4 Egremont Town Council has stated that a 30% reduction is too excessive and the timing of the proposal 'would not enable them to set their precept without an in depth look at how such a cut could be embraced within next year's financial projection'. It also said that is has been providing community services that Copeland used to provide, thus saving Copeland this expense over past years.

3.3 Proposals in relation to charges for replacement bins and additional garden waste collection:

3.3.1 There was a similarly even split of respondents with some stating there would be no impact whereas others said there would be strong or some impact on families.

3.3.2 One respondent pointed out that 'not everyone has a garden and not everyone has garden waste removed, therefore a charge should apply for a level playing field', also suggesting that the same approach could be adopted for recycling services. Another expressed concerns as to who would pay for bins damaged by council bin collectors.

3.3.3 Other suggestions for fees and charges included planning services, taxi services and centralised services. One respondent said: 'even if you only make a nominal charge for your admin costs, nothing should be provided for free, as there is then nothing to limit demand'. Another suggested making doorstep recycling collections optional with a charge for collection.

3.4 Proposals in relation to sharing services with other councils:

3.4.1 A clear majority of respondents agreed or strongly agreed with this suggestion (a ratio of nearly 5:1 made this reasonably conclusive despite the relatively low number of responses). Most also thought that there would be little or no impact on their family.

3.4.2 Although it states the view that shared services with other councils are a good idea, AWAZ has concerns that specialist knowledge base within the council workforce with regards to communities of identities and place may evaporate, leaving vulnerable people from BME communities to 'fall through the net' and be left to navigate through the system on their own. AWAZ requests that the council provides them with a copy of the review on the effectiveness of the existing shared services and its associated Equality Impact Analysis.

3.4.3 Some alternative proposals and comments were suggested, including the following ideas and proposals for sharing services and reducing costs:

- Explore the concept of sharing chief executive and senior management posts, or entire senior management teams, with adjoining authorities e.g. Allerdale, Barrow
- Push for a Unitary Authority for Cumbria
- Move to alternative cheaper to run offices
- Sell the large office in Whitehaven to a Sellafield company requiring off-site space
- Reduce amount of waste generated by Copeland Council, e.g. multiple copies of documents to multiple people
- Further staff reductions at head office
- Reduce employment of agency staff
- Reduce salaries of minor officials
- Reduce the number of councillors and their allowances
- Reduce or cancel senior staff bonuses.
- Some departments like waste collection could be run on a 'workers co-operative basis' to save on higher salaries of managerial posts.

3.5 Proposals in relation to the Council's 'Delivering Differently' initiative:

3.5.1 The majority of respondents tended to agree with this idea, one saying that it would cost more in the short term before savings would show through. The three tier' meeting in December 2014 indicated support for proposed accommodation moves.

3.5.2 In principle, AWAZ expressed support for this approach but has concerns that over-reliance on ICT technologies may reduce equity in accessing council services among a considerable proportion of tax payers. It also suggests that the council carefully analyses the data from 2011 Skills for Life Survey to ascertain how many people will be put at risk and disadvantage within Copeland Borough Council jurisdiction as a result of this approach because they lack functional skills in literacy, numeracy and ICT. Furthermore, BME people who do not have English as their first language or people with learning difficulties or living in rural areas having no internet connections or means to afford ICT and internet may find additional barriers in accessing services.

3.5.3 Some additional proposals were also suggested:

- Seek to generate income by developing Ginns into a formal car park
- Explore the introduction of a Community Infrastructure Levy
- Look at possible retention of Business Rates by the Borough Council
- Investigate use of biodiesel for vehicles or investing in electric vehicles
- Instal solar panels and/or wind turbines on council buildings to generate energy, reduce bills and feeds into national grid
- Reduce street lighting or replace with low energy lighting
- Increase preventative maintenance of assets (roads, building) to reduces longer term costs
- Explore opportunities to work in partnership with local communities and VCS to co-produce redesigned services currently under threat
- Better use of IT systems to reduce waste - limit internet access to internet for personal use, cut IT spending on over-technology
- Reduce car parking charges to encourage more people to use the towns in the area therefore encouraging more businesses to operate in Whitehaven.

3.6 Proposals in relation to increasing Council Tax by 1.95%, although one response asked why it was set at 1.95% and not 2%.

3.6.1 A small majority of respondents thought this measure would have some or high impact on their community.

3.6.2 AWAZ states that the proposal will have a high impact, citing the socio-economic conditions and political economy within Copeland indicating that there are fewer opportunities for Black and Minority Ethnic Community Council Tax payers to increase their income potential to meet the demands of the Council to pay increased Council Tax.

3.7 Proposals in relation to the use of unspent funding to meet the budget gap identified for 2015/16 to 2017/18:

3.7.1 The majority of respondents either strongly agreed or tended to agree with the proposal to use unspent funding to meet the budget gap. Very few disagreed with this approach.

3.7.2 Of those who agreed, there was an even split between the 'tend to agree' and 'strongly agree' categories.

3.8 Other savings proposals:

3.7.1 A number of alternative proposals were suggested for consideration and are listed below:

- A reference to Section 12 (2) of the Local Government Finance Act 2012, allowing 'local authorities in England to set a council tax rate for long-term empty properties of up to 150% of the normal liability. The premium may be applied when a given property has been empty for two years, irrespective of how long its current owner has owned it. Therefore, it is possible for an individual to buy a property which has already been empty for two years and be liable for the premium immediately'.
- A reference to Chapter 8 (6) of the Cremation Act 1902: 'A burial authority may accept a donation of land for the purpose of a crematorium, and a donation of money or other property for enabling them to acquire, construct, or maintain a crematorium. As cremations and the tending of graves are a discretionary service, donations should be sought for maintenance rather than passing or even reducing costs to the bereaved.
- Better measures in place to accurately evaluate performance and drive efficiency and accountability.
- Cease transfer of capital and value from the public to the private sector - e.g. PFI, outsourcing, consultants etc.
- Invest in ways of improving services and being more creative in raising revenue from those that flout and abuse the system e.g. fly-tippers, property owners who deliberately leave buildings empty etc.
- With some council tax going to the police, police forces should share their resources too.

- AWAZ suggests that the council proactively and meaningfully engages with communities, VCS and social enterprise sector organisations to transform frontline community services and work in partnership with them to work on co-production of services utilising community assets and resilience.

3.7.2 Other comments:

"Shared and outsourced services rarely bring an improvement in performance long term - they may look good on the balance sheet, but ultimately the profits leave the region (and no doubt corporation tax as well). This short-termism undermines the very core of Local Government as suppliers rub their hands with glee at the potential profits to be made by restrictive contracts."

"Consultants must be strongly policed both commercially and ethically. Contracts must be designed to benefit Copeland long term rather than the supplier. If the Church of England can take action against Wonga by withdrawing investment, surely Copeland can redress the balance as well."

"The idea of having to pay high salaries to recruit the 'best' is a lie generated by people who are only interested in moving up the financial ladder."

"You have proved in recent years that you can make savings when forced to, and we believe that there is more available."

4. EQUALITIES

4.1 AWAZ Cumbria noted the council's proactive engagement with Black and Minority Ethnic Communities as part of budget consultation process and continued support for AWAZ to enable minority ethnic engagement in the process. Whilst it observed some improvements in the on-line budget consultation process and the actions taken to address concerns from the previous budget consultation, it has pointed out that no initial Equality Impact analysis on the Budget proposals for 2015-16 were published with the consultation document, nor last year's analysis to demonstrate how it has mitigated negative impacts.

It also has concerns that there is no explicit demonstration anywhere in the budget proposals as to how the council would meet the aims of the General Equality Duty s.149 of Equality Act 2010 (http://www.legislation.gov.uk/ukpga/2010/15/section/149) through these proposals within the limits of 2015-16 Budget.

5. CONCLUSIONS

5.1 Copeland Borough Council, like most other local authorities across the country, has to make further significant changes to the way it provides services, to help address the biggest funding cuts that local government has ever seen.

5.2 It is important that the feedback from the public and our stakeholders on our proposals is fully considered, so that changes to the services we provide, and on our future budget take account of these.

PROPOSED INCREASES IN FEES AND CHARGES

2015/16

February 2015

PROPOSED FEES AND CHARGES 2015/16

Page No.	Service	2014/15 Approved Current Base Budget (Income from Fees and Charges only)	2015/16 Base Proposal (Income from Fees and Charges only)
		£	
1 - 5	Building Control	201,000	204,000
6	Development Control	333,720	333,720
7	Homelessness	4,288	4,288
		539,008	**542,008**
8	Allotments	2,112	4,000
9	Crematorium	768,980	768,980
10	Cemeteries	141,561	144,000
11	Markets	38,961	28,000
12 &13	Car Parks	416,829	386,000
14	Dogs Enforcement	1,038	2,538
15	Food Safety and Private Water Sampling	8,000	8,000
16	Health and Safety	400	400
17	Environmental Protection	12,000	12,000
18	Waste	316,000	342,400
		1,705,881	**1,696,318**
19	Land Charges	90,431	120,431
20	Licences	120,442	120,442
21	Licensing Gambling		
		210,873	**240,873**
22	Court Costs	163,400	163,400
Total Fees and Charges		**2,619,162**	**2,642,599**

Copeland borough council

Proud of our past. Energised for our future.

BUILDING CONTROL
COPELAND BOROUGH COUNCIL

The Copeland Centre,
Catherine Street, Whitehaven,
Cumbria CA28 7SJ

BUILDING CONTROL CHARGES

Guidance on Building Regulations Charges – with effect from 1 April 2015

The charges for Building Regulations work are intended to cover the cost of the building control services provided by the Council. There are two methods that the authority may use to establish the applicable charge for building work:

1. Standard charges; and
2. Individually determined charges.

Standard charges

Standard charges are applicable in the following circumstances:

1. The work consists of the erection or conversion of less than 6 dwellings.
2. The work consists of a domestic garage or extension with a floor area less than 80m².
3. The work consists of a loft conversion with an estimated cost* of less than £75,000.
4. Domestic building work consisting of alterations where the estimated cost is less than £75,000.
5. Non domestic building work where the estimated cost* is less than £250,000.

Individual determination of charges

Charges are individually determined for larger and/or more complex schemes, including:

1. A reversion charge
2. The building work is in relation to more than one building
3. Domestic building work consisting of alterations where the estimated cost* exceeds £75,000 under schedule 3.
4. Non domestic building work where the estimated cost exceeds £250,000.
5. The work consists of a domestic extension with a floor area over 80m².
6. The work consists of the erection or conversion of 6 or more dwellings or the floor area of a dwelling exceeds 300m²
7. The work consists of the conversion of a building to a dwelling, dwelling house or flat(s), where the works are all carried out at the same time and the estimated cost* of the works exceeds £75,000 (see Notes under schedule 3 – Charges for other work).
8. Any other domestic work when the estimated cost* of work exceeds £75,000 (where the works are carried out at the same time).
9. Where work does not fall within any of the standard charge categories of Schedules 1 to 3 (inclusive) the charge will be individually determined.

If your building work is defined above as requiring an individual assessment of a charge, please email Building Control at building.control@copeland.gov.uk or call (01946) 598409/598413.

* **Estimated cost means a reasonable estimate that would be charged by a professional builder (excluding VAT).**

How to pay

Please note that we cannot accept cash payments at any of the Councils offices or through the post. Please choose one of the following payment options:

CHEQUE – please make your cheque payable to Copeland Borough Council with your address and invoice number on the back and post it to Building Control, The Copeland Centre, Catherine St, Whitehaven, Cumbria CA28 7SJ.

ONLINE - please enter your debit/credit card details at www.copeland.gov.uk/civicapayments

TELEPHONE PAYMENT – please call 01946 598470 or 598473 with your debit/credit card details. Alternatively, you can call our automated service on 0845 303 9490.

CASH – please find details of how you can pay by cash at any Post Office or Pay Point on the sheet entitled "Building Control Fees Payments".

Chartered Building Consultancy BREEAM® POSITIVE ABOUT DISABLED PEOPLE

SCHEDULE 1: CHARGES FOR NEW DWELLINGS

Figures in red are VAT at 20% (VAT is not payable on a regularisation Charge)

Figures in bold are the charges including VAT

Number of dwelling types	Plan Charge £	Inspection Charge £	Building Notice Charge £	Regularisation Charge £
1	214.58 (42.92) **257.50**	454.83 (90.97) **545.80**	803.29 (160.66) **963.95**	1,004.56
2	292.69 (58.54) **351.23**	579.48 (115.90) **695.38**	1,046.61 (209.32) **1,255.93**	1,308.26
3	385.12 (77.02) **462.14**	809.97 (161.99) **971.96**	1,434.11 (286.82) **1,720.93**	1,792.64
4	477.55 (95.51) **573.06**	937.71 (187.54) **1,125.25**	1,698.32 (339.66) **2,037.98**	2,122.90
5	577.69 (115.54) **693.23**	1,152.43 (230.49) **1,382.92**	2,076.14 (415.23) **2,491.37**	2,595.18

Notes:

1. For 20 or more dwellings or if the floor area of a dwelling exceeds 300m^2, the charge is individually determined.
2. For electrical work not covered under a Competent Persons Scheme, the basic inspection charge per dwelling will be £217.00 plus VAT (account will be given for repetitive work and a discount may be applied),
3. For wood burning stoves not covered under a Competent Persons Scheme, an additional charge of £203.00 plus VAT will be payable.
4. Unless otherwise agreed, schemes exceeding one year in duration may be subject to an additional charge.

SCHEDULE 2:
CHARGES FOR SMALL BUILDINGS AND EXTENSIONS

Figures in red are VAT at 20% (VAT is not payable on a regularisation Charge)

Figures in bold are the charges including VAT

Type of Work	Plan Charge £	Inspection Charge £	Building Notice Charge £	Regularisation Charge £
1. Erection or extension of a detached or attached garage or carport or both, having a floor area up to 40m^2 in total and intended to be used in common with an existing building, and which is not an exempt building.	150.38 (30.08) 180.46	153.82 (30.76) 184.58	365.04 (73.01) 438.05	456.30
2. Erection or extension of a detached or attached garage or carport or both, having a floor area which exceeds 40m^2 but does not exceed 80m^2 in total and intended to be used in common with an existing building, and which is not an exempt building.	150.38 (30.08) 180.46	294.93 (58.99) 353.92	534.37 (106.87) 641.24	667.96
3. Any extension of a dwelling, the total floor area of which is up to 10m^2.	150.38 (30.08) 180.46	153.82 (30.76) 184.58	365.04 (73.01) 438.05	456.30
4. Any extension of a dwelling, the total floor area of which exceeds 10m^2 but does not exceed 40m^2.	150.38 (30.08) 180.46	294.93 (58.99) 353.92	534.37 (106.87) 641.24	667.96
5. Any extension of a dwelling, the total floor area of which exceeds 40m^2 but does not exceed 60m^2.	150.38 (30.08) 180.46	445.31 (89.06) 534.37	714.82 (142.96) 857.78	893.53
6. Any extension of a dwelling, the total floor area of which exceeds 60m^2 but does not exceed 80m^2.	200.64 (40.13) 240.77	496.38 (99.28) 595.66	836.42 (167.28) 1,003.70	1,045.52
7. Barn conversions with a total floor area of up to 360m^2.	200.64 (40.13) 240.77	496.38 (99.28) 595.66	836.42 (167.28) 1,003.70	1,045.52
8. A loft conversion – alteration of a dwelling to provide one or more rooms in a roof space.	150.38 (30.08) 180.46	294.93 (58.99) 353.92	534.37 (106.87) 641.24	667.96
9. Conversion of a garage into habitable space.	97.19 (19.44) 116.63	150.48 (30.10) 180.58	297.20 (59.44) 356.64	371.50

Notes:

1. Where extensions exceed 80m^2 or the cost of the works exceeds £75,000, the charge will be individually determined.
2. For electrical work not covered under a Competent Persons Scheme, please refer to 'Electrical Work' within the Minimum Charges section in Schedule 3.
3. For wood burning stoves not covered under a Competent Persons Scheme, an additional charge of £203.00 plus VAT will be payable.
4. Unless otherwise agreed, schemes exceeding one year in duration may be subject to an additional charge.

SCHEDULE 3: CHARGES FOR ALL OTHER WORK

Figures in red are VAT at 20% (VAT is not payable on a regularisation Charge)

Figures in bold are the charges including VAT

Fixed price based on estimated cost bands	Plan Charge £	Inspection Charge £	Building Notice Charge £	Regularisation Charge £
£0-£1,000	79.00 (15.80) **94.80**	-	79.00 (15.80) **94.80**	118.50
£1,001-£2,000	131.67 (26.33) **158.00**	-	131.67 (26.33) **158.00**	197.51
£2,001-£5000	210.67 (42.13) **252.80**	-	210.67 (42.13) **252.80**	316.01
£5,001-£10,000	60.97 (12.19) **73.16**	182.91 (36.58) **219.49**	243.89 (48.78) **292.67**	365.83
£10,001-£20,000	80.98 (16.20) **97.18**	242.93 (48.59) **291.52**	323.91 (64.78) **388.69**	485.86
£20,001-£30,000	107.97 (21.59) **129.56**	323.91 (64.78) **388.69**	518.25 (103.65) **621.90**	647.82
£30,001-£40,000	133.37 (26.67) **160.04**	400.11 (80.02) **480.13**	640.18 (128.04) **768.22**	800.22
£40,001-£50,000	158.77 (31.75) **190.52**	476.32 (95.26) **571.58**	762.11 (152.14) **914.53**	952.63
£50,001-£60,000	184.17 (36.83) **221.00**	552.52 (110.50) **663.02**	884.03 (76.81) **1,060.84**	1,105.04
£60,001-£70,000	210.67 (42.13) **252.80**	628.72 (125.74) **754.46**	1,007.28 (201.46) **1,208.74**	1,259.09
£70,001-£80,000	234.98 (47.00) **281.98**	704.93 (140.99) **845.92**	1,127.89 (225.58) **1,353.47**	1,409.86
£80,001-£90,000	260.38 (52.08) **312.46**	781.13 (156.23) **937.36**	1,249.81 (249.96) **1,499.77**	1,562.26
£90,001-£100,000	285.78 (57.16) **342.94**	857.34 (171.47) **1,028.81**	1,371.74 (274.35) **1,646.09**	1,714.67
£100,001-£125,000	312.40 (62.48) **374.88**	937.21 (187.44) **1,124.65**	1,499.52 (299.90) **1,799.42**	1,874.40
£125,001-£150,000	340.25 (68.05) **408.30**	1,020.73 (204.15) **1,224.88**	1,633.17 (326.63) **1,959.80**	2,041.46
£150,001-£175,000	368.08 (73.62) **441.70**	1,104.26 (220.85) **1,325.11**	1,766.81 (353.36) **2,120.17**	2,208.52
£175,001-£200,000	395.93 (79.19) **475.12**	1,187.78 (237.56) **1,435.24**	1,900.46 (380.09) **2,280.55**	2,375.57
£200,001-£225,000	423.77 (84.75) **508.52**	1,271.32 (254.26) **1,525.58**	2,034.10 (406.82) **2,440.92**	2,542.63
£225,001-£250,000	451.53 (90.31) **541.84**	1,354.84 (270.97) **1,625.81**	2,167.64 (433.53) **2,601.17**	2,709.55

Notes:

1. The charge is individually determined for domestic schemes exceeding £75,000 and commercial schemes exceeding £250,000.
2. Unless otherwise agreed, schemes exceeding one year in duration may be subject to an additional charge.

Minimum Charges

Figures in red are VAT at 20% (VAT is not payable on a regularisation Charge)

Figures in bold are the charges including VAT

Type of Work	Standard Charge £	Regularisation Charge £
Replacement Windows (Domestic): The minimum charge for a scheme of windows and/or door replacements in dwellings, not installed under a Competent Persons Scheme..	81.37 (16.27) **97.64**	122.06
Replacement Windows (Non-Domestic): The charge shall be based on 20% of the estimated cost of the work (see Schedule 3 'charges for all other work' table above), subject to a minimum charge of:	81.37 (16.27) **97.64**	122.06
Oil/Non-mains gas fuel storage systems	131.67 (26.33) **158.00**	197.51
Chimney lining	81.37 (16.27) **97.64**	122.06
Electrical Work: Where electrical works are to be carried out to a dwelling and the work is under the control of the Council the following charge will apply:	217.00 (43.40) **260.40**	325.49
Unvented hot water system	81.37 (16.27) **97.64**	122.06
Replacement Roof Covering (Domestic): The minimum charge for a replacement roof covering where work applies to 50% or more of the total surface area.	81.37 (16.27) **97.64**	122.06
Replacement Roof Covering (Non-Domestic): The charge shall be based on 20% of the estimated cost of the work (see Schedule 3 'charges for all other work' table above), subject to a minimum charge of:	81.37 (16.27) **97.64**	122.06
Renovation of a thermal element (Domestic): The minimum charge for renovation of ground floors and external walls where work applies to 50% or more of the total surface area of that element throughout the dwelling.	81.37 (16.27) **97.64**	122.06
Renovation of a thermal element (Non-Domestic): The charge shall be based on 20% of the estimated cost of the work (see Schedule 3 'charges for all other work' table above), subject to a minimum charge of:	81.37 (16.27) **97.64**	122.06
Installation of cavity wall insulation	81.37 (16.27) **97.64**	122.06
Wind Turbines	81.37 (16.27) **97.64**	122.06
Solar Panels	81.37 (16.27) **97.64**	122.06
Wood burning stoves	203.00 (40.60) **243.60**	304.50
Wet system solid fuel installation/boiler	203.00 (40.60) **243.60**	304.50
Boilers/Heating Installations: The charge for boilers/heating installations with an output of over 50KW will be subject to a charge of:	216.99 (43.40) **260.39**	325.49
Replacement Waste Treatment Plant (e.g. septic tanks)	216.99 (43.40) **260.39**	325.49

DEVELOPMENT CONTROL

2014/15 BASE BUDGET INCOME	**333,720**
PROPOSED 2015/16 BASE BUDGET INCOME	**333,720**

PROPOSED FEES & CHARGES 2015/16 (STATUTORY SET FEES)	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
Discharge of Planning Conditions: Residential domestic Properties	25.00	25.00
Discharge of Planning Conditions: All Other Properties	85.00	85.00
Schedule of Fees for Planning Applications (as amended 26 February 2010)	see attached	
Application for non-material amendment following a grant of planning permission;		
a) if the appliction is a householder application	25.00	25.00
b) in any other case	170.00	170.00

HOMELESSNESS

2014/15 BASE BUDGET INCOME	**4,288**
PROPOSED 2015/16 BASE BUDGET INCOME	**4,288**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
Homelessness		
Emergency accommodation - All Room Sizes (per night)	At cost	At Cost
Temporary Accommodation - Rent per week	At cost	At Cost
Temporary Accommodation - Management Fee per week	35.00	35.00

ALLOTMENTS

2014/15 BASE BUDGET INCOME	**2,112**
PROPOSED 2015/16 BASE BUDGET INCOME	**4,000**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
Full Plot	34.00	34.00
Half Plot	17.00	17.00
Concession of half price for OAP and unemployed		

CREMATORIUM

2014/15 BASE BUDGET INCOME	**768,980**
PROPOSED 2015/16 BASE BUDGET INCOME	**768,980**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
Still born or Child up to 1 month *	0.00	0.00
Amendment (Regulation) 2000	120.00	120.00
Child 1 month to 16 years	211.00	211.00
Person over 16 years (resident)	700.00	700.00
Person over 16 years (non resident)	822.00	822.00
Medical Referee/examiners fee (at cost)	At Cost	
Environmental levy	50.52	52.00
OPTIONAL FEES		
Certificate of cremation	34.00	34.00
Postage of remains UK only	53.00	53.00
Strewing of remains (from other crematoria & by appointment)	53.00	53.00
Strewing of remains (those returned)	27.00	27.00
Use of Vestry (24 hour or part)	100.00	100.00
Use of Chapel to extend Service (45 mins)		100.00
URNS AND CASKETS (all including VAT)		
Metal Urn	20.00	20.00
Wooden Casket	40.00	40.00
Plastic Urn	7.00/6.00	7.00/6.00
Biodegradable Urn	8.00/7.00	8.00/7.00
BOOK OF REMEMBRANCE - INSCRIPTION CHARGES (all including VAT)		
BOR 2 line entry	73.00	73.00
BOR 5 line entry	107.00	107.00
BOR 8 line entry	153.00	153.00
Min Books 2 line entry	77.00	77.00
Min Books 5 line entry	88.00	88.00
Min Books 8 line entry	105.00	105.00
Cards - Coloured - 2 line entry	38.00	38.00
Cards - Coloured - 5 line entry	49.00	49.00
Cards - Coloured - 8 line entry	64.00	64.00
Cards - White - 2 line entry	34.00	34.00
Cards - White - 5 line entry	40.00	40.00
Cards - White - 8 line entry	56.00	56.00
Additional Charges		
Floral emblem	76.00	76.00
Badges etc	116.00	116.00
Memorials		
Memorial plaque (15yrs)	278.00	278.00
15 year extension	82.00	82.00
Bench	1193.00	1193.00
Bench Plaque	124.00	124.00
Tree	100.00	100.00

CEMETERIES

2014/15 BASE BUDGET INCOME	**141,561**
PROPOSED 2015/16 BASE BUDGET INCOME	**144,000**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
INTERNMENT FEES		
Still born Child up to 1 month	50.00	50.00
Child 1 month to 16 years	269.00	270.00
Person 16 years and over	795.00	800.00
Cremated Remains	215.00	220.00
Strewing of cremated remains	63.00	70.00
Additional Charge Non-Resident of Copeland	325.00	330.00
EXCLUSIVE RIGHT OF BURIAL		
All graves	691.00	700.00
Cremated remains	215.00	220.00
MEMORIAL & INSCRIPTIONS (all including VAT)		
Flat stone not exceeding 600mm x 600 mm	77.00	80.00
Flat stone between 600 mm x 600 mm and 1m x 1m	95.00	100.00
Flat stone exceeding 1m x 1 m	151.00	160.00
Headstone not exceeding 1.5m in height	174.00	180.00
Vase not exceeding 600mm in height	45.00	50.00
Additional inscription	57.00	60.00
Other memorials as Crematorium		
MISCELLANEOUS FEES		
Exhumation (plus labour)	1,123.00	Price on application
Transfer of Exclusive Rights	62.00	70.00
Certified copy of register entry	62.00	70.00
Family tree search fee - Single enquiry to 30 minutes	20.00	20.00
Family tree search fee - Multiple enquiry over 30 minutes	150.00	150.00
TRINITY GARDENS		
Strewing of cremated remains	63.00	70.00
Charge per plaque	63.00	70.00
Inscription - charge per letter of number	9.00	10.00

MARKETS

2014/15 BASE BUDGET INCOME	**38,961**
PROPOSED 2015/16 BASE BUDGET INCOME	**28,000**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
WHITEHAVEN		
Regular (Standard 3x4m pitch)	16.00	16.00
Casual (Standard 3x4 pitch)	24.00	24.00
Regular		
Non-standard stalls per metre length	4.00	4.00
Casual		
Non-standard stalls per metre length	6.00	6.00
EGREMONT		
Regular (Standard 3x4m pitch)	16.00	16.00
Casual (Standard 3x4 pitch)	24.00	24.00
Regular		
Non-standard stalls per metre	4.00	4.00
Casual		
Non-standard stalls per metre length	6.00	6.00
CLEATOR MOOR (Subject to ongoing review, rising to standard charges)		
Regular	13.00	16.00
Casual	15.00	24.00
Regular		
Non-standard stalls per metre	3.25	4.00
Casual		
Non-standard stalls per metre length	3.75	6.00

CAR PARKS

2014/15 BASE BUDGET INCOME	**416,829**
PROPOSED 2015/16 BASE BUDGET INCOME	**386,000**

PROPOSED FEES & CHARGES 2015/16 [ALL INCLUDING VAT]	**CURRENT FEES 2014/15**	**PROPOSED CHARGES 2015/16**
	£	£
SCHOOLHOUSE LANE WHITEHAVEN		
Up to 30 minutes	1.00	1.00
Up to 1 hr	1.50	1.50
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Overnight parking	4.80	4.80
SENHOUSE STREET WHITEHAVEN		
Up to 30 minutes	1.00	1.00
Up to 1 hr	1.50	1.50
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Up to 4 hrs	3.70	3.70
Overnight parking	4.80	4.80
Monthly permit		80.00
Quarterly Permit		220.00
Half Year Permit		410.00
Annual Permit		780.00
THE COPELAND CENTRE WHITEHAVEN (weekends only)		
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Up to 4 hrs	3.70	3.70
Over 4 hours	4.80	4.80
SPORTS CENTRE WHITEHAVEN		
Up to 1 hr	1.50	1.50
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Up to 4 hrs	3.70	3.70
Over 4 hrs	4.80	4.80
Overnight parking	4.80	4.80
Monthly permit	61.80	80.00
Quarterly Permit	180.00	220.00
Half Year Permit		410.00
Annual Permit	665.00	780.00
BEACON WHITEHAVEN		
Up to 1 hour	1.50	1.50
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Up to 4 hrs	3.70	3.70
Over 4 hrs	4.80	4.80
Overnight parking	4.80	4.80
Weekend stay (Fri-Mon)	15.00	15.00

PROPOSED FEES & CHARGES 2015/16 [ALL INCLUDING VAT]	CURRENT FEES 2014/15	PROPOSED CHARGES 2015/16
	£	£
NORTH SHORE, WHITEHAVEN		
Up to 1 hour	1.50	1.50
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Up to 4 hrs	3.70	3.70
Over 4 hrs	4.80	4.80
Overnight parking	4.80	4.80
Monthly car park pass (10 bays only)	61.80	80.00
Quarterly Permit		220.00
Half Year Permit		410.00
Annual Permit		780.00
WHITEHAVEN CIVIC HALL		
Monthly permits	55 for 1st 6 months then 61.80	80.00
Quarterly Permit		220.00
Half Year Permit		410.00
Annual Permit		780.00
CHAPEL STREET EGREMONT		
Up to 1 hr	1.00	1.00
Up to 2 hrs	1.30	1.30
Up to 3 hrs	1.50	1.50
Up to 4 hrs	1.80	1.80
Over 4 hrs	2.90	2.90
Monthly Car Passes (25 bays only)	41.20	48.00
BECK GREEN EGREMONT		
Up to 1 hr	1.00	1.00
Up to 2 hrs	1.30	1.30
Up to 3 hrs	1.50	1.50
Up to 4 hrs	1.80	1.80
Over 4 hours	2.90	2.90
ST BEES FORESHORE		
Up to 1 hr	1.50	1.50
Up to 2 hrs	2.10	2.10
Up to 3 hrs	2.70	2.70
Up to 4 hrs	3.30	3.30
Up to 5 hrs	4.00	4.00
Over 5 hrs	5.20	5.20
7 Day Permit	15.50	15.50

DOGS ENFORCEMENT

2014/15 BASE BUDGET INCOME	**1,038**
PROPOSED 2015/16 BASE BUDGET INCOME	**2,538**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
Dog Collection Fee	50.00	61.00
Daily Boarding Fee	10.00	13.00

FOOD SAFETY AND PRIVATE WATER SAMPLING

2014/15 BASE BUDGET INCOME	**8,000**
PROPOSED 2015/16 BASE BUDGET INCOME	**8,000**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES** **2014/15**	**BASE PROPOSAL** **2015/16**
	£	£
FOOD EXPORT CERTIFICATES	48.00	48.00
OTHER FOOD CERTIFICATES		
Condemned Food Certificates	38.00	38.00
Surrender of unsound food - at premise	46.00	46.00
FOOD SAFETY TRAINING (CIEH accredited)		
Foundation (per person)	45.00	45.00
Game Dealers Licence to sell game	Set Nationally	Set Nationally
Ship Sanitary Certification by Gross Tonnage		
Up to 1000	72.00	72.00
1011 to 3000	108.00	108.00
3011 to 10000	165.00	165.00
10001 to 20000	216.00	216.00
200001 to 30 000	273.00	273.00
Over 30 000	330.00	330.00
Private Water Supplies Regulations 2009 (Maximum Fee in brackets)		
Sample Collection (Maximum Fee £100)		
	70.00 large and commercial premises. 63.00 domestic premises	70.00 large and commercial premises. 63.00 domestic premises
Analysis Charge for Audit Monitoring (large & commercial premises) - charge out at actual laboratory cost only (Maximum fee up to £500)	67 - 500 (Plus VAT)	67-500(Plus VAT)
Analysis Charge for check monitoring - charge out at actual lab costs only (Maximum Fee £100)	48.00 - £100 plus VAT	48 - 100 plus VAT
Analysis Charge for other private water supplies (single supply domestic premises)(Maximum Fee £25)	25.00	25.00
Investigation Maximum Fee £100)		
Domestic		
	No charge for up to 1 hour on site investigation (travel time excluded). Over 1 hour £33 per hour up to a max of £100.	No charge for up to 1 hour on site investigation (travel time excluded). Over 1 hour £33 per hour up to a max of £100.
Commercial		
	£33 per hour up to a max of £100.	£33 per hour up to a max of £100.
Water supply risk assessment (Maximum Fee £500)		
Domestic	128.00	128.00
Commercial		
	£145 for first 4 hours then £30 per hour up to a max of £500.	£145 for first 4 hours then £30 per hour up to a max of £500.

HEALTH & SAFETY

2014/15 BASE BUDGET INCOME	400
PROPOSED 2015/16 BASE BUDGET INCOME	400

PROPOSED FEES & CHARGES 2015/16		CURRENT FEES 2014/15	BASE PROPOSAL 2015/16
		£	£
Training Course (per person for basic/foundation level)		45.00	45.00
Tattooing, Electrolysis, Acupuncture, Cosmetic Piercing Registration		100.00	100.00
Ear piercing only		55.00	55.00
Transfer of Registration for Tattooing, Electrolysis, Cosmetic Piercing (For Premises or Individual)		94.00	94.00
Swimming Pool Sampling	(VAT charged by external laboratory)	50.00 PLUS VAT	50.00 PLUS VAT

ENVIRONMENTAL PROTECTION

2014/15 BASE BUDGET INCOME	**12,000**
PROPOSED 2015/16 BASE BUDGET INCOME	**12,000**

PROPOSED FEES & CHARGES 2015/16	CURRENT FEES 2014/15	BASE PROPOSAL 2015/16
Application for authorisation in accordance with the Environmental Protection Act 1990, Part I, Part B processes (Statutory set fee)	£	
Application Fee - Standard Process	Statutory	Statutory
Additional fee for operating without a permit	Statutory	Statutory
Reduced Fees activities (except VRs)	Statutory	Statutory
PVR I & II	Statutory	Statutory
Vehicle Refinishers	Statutory	Statutory
Reduced Fees activities: additional fee for operating without a permit	Statutory	Statutory
Mobile screening and crushing plant	Statutory	Statutory
Mobile screening and crushing plant for 3rd to 7th application	Statutory	Statutory
Mobile screening and crushing plant for 8th and subsequent application	Statutory	Statutory
Where an application for any of the above is for a combined Part B and waste application, add £297 to the above amounts	Statutory	Statutory
Annual subsistence Charge	Statutory	Statutory
Standard Process Low	Statutory	Statutory
Standard Processes Medium	Statutory	Statutory
Standard Processes High	Statutory	Statutory
Reduced fee activities Low	Statutory	Statutory
Reduced fee activities Medium	Statutory	Statutory
Reduced fee activities High	Statutory	Statutory
PVR I & II combined	Statutory	Statutory
Vehicle refinishers - Low/Medium/High	Statutory	Statutory
Mobile screening and crushing plant for 1st and 2nd permits (Low/Medium/High)	Statutory	Statutory
Mobile screening and crushing plant for 3rd to 7th permits (Low/Medium/High)	Statutory	Statutory
Mobile screening and crushing plant for 8th and subsequent permits (L/M/H)	Statutory	Statutory
* the additional amount in brackets must be charged where a permit is for a combined Part B and waste installation		
Where a Par B installation is subject to reporting under the E-PRTR regulation add an extra £99 to the above amounts		
Transfer and Surrender		
Standard Process Transfer	Statutory	Statutory
Standard Process partial transfer	Statutory	Statutory
New operator at low risk reduced fee activity	Statutory	Statutory
Surrender: all part B activities	Statutory	Statutory
Reduced fee activities: transfer	Statutory	Statutory
Reduced fees activities : partial transfer	Statutory	Statutory
Temporary transfer to mobiles		
First Transfer	Statutory	Statutory
Repeat transfer	Statutory	Statutory
Repeat following enforcement or warning	Statutory	Statutory
Substantial Change		
Standard Process	Statutory	Statutory
Standard process where the substantial change results in new PPC activity	Statutory	Statutory
Reduced Fees activities	Statutory	Statutory
Scrap Metal		
Site licence fee	300.00	300.00
Scrap Metal Collectors licence	150.00	150.00
Mobile Homes		
Site licence - initial licence	Will be set March 2014	Will be set March 2015
Annual Fee	Will be set March 2014	Will be set March 2015
Site Licence transfer or standard variation	Will be set March 2014	Will be set March 2015
Fit and Proper Person Check	Will be set March 2014	Will be set March 2015
Site Rule Deposit	Will be set March 2014	Will be set March 2015
Enforcement	Will be set March 2014	Will be set March 2015
Animal Licensing		
Pet Shops	74.00	74.00
Dangerous Wild Animals (plus independent veterinary fees)		
Issue	170.00	170.00
Renewal	100.00	100.00
Riding Establishments (plus independent veterinary fees)		
Issue	170.00	170.00
Renewal	120.00	120.00
Animal Boarding Establishments	125.00	125.00
Home Boarding	60.00	60.00
Dog Breeding	70.00	70.00
Zoo Licence (plus independent veterinary fees)	170.00	170.00
Works in Default		
Non Compliance with works required by Statutory Notice - Arrangement Fee for Works in Default	25% of the works cost	25% of the works cost

WASTE MANAGEMENT

Commercial Waste

2014/15 BASE BUDGET INCOME	248,000
PROPOSED 2015/16 BASE BUDGET INCOME	242,000

Fees available on request

Bulky Waste

2014/15 BASE BUDGET INCOME	68,000
PROPOSED 2015/16 BASE BUDGET INCOME	50,400

PROPOSED FEES & CHARGES 2015/16	CURRENT FEES 2014/15	BASE PROPOSAL 2015/16
	£	£
Bulky Waste Collection 3 items	25.00	25.00

Green Waste Recycling

2014/15 BASE BUDGET INCOME	0
PROPOSED 2015/16 BASE BUDGET INCOME	50,000

PROPOSED FEES & CHARGES 2015/16	CURRENT FEES 2014/15	BASE PROPOSAL 2015/16
	£	£
Purchase of additional Green Waste Bin	0.00	30.00
Enhanced Service additional bin collection Green Waste cost per season per additional bin	0.00	35.00

PROPOSED FEES & CHARGES 2015/16	CURRENT FEES 2014/15	BASE PROPOSAL 2015/16
	£	£
Purchase of new or replacement Bin (any colour)	0.00	30.00
Purchase of refurbished bin (any colour) subject to availability	0.00	15.00

LAND CHARGES

2014/15 BASE BUDGET INCOME	**90,431**
PROPOSED 2015/16 BASE BUDGET INCOME	**120,431**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	£
Property Search Fees		
LLC1 only (compiled information)	30.00	30.00
LLC1 additional parcel of land (compiled information)	5.00	5.00
LLC1 only (personal search) (statutory fee)	0.00	0.00
LLC1 additional parcel of land (personal search) (statutory fee)	0.00	0.00
Standard search fee (LLC1 and CON29R enquiries including highway auhority questions) (statutory fee)	105.00	105.00
CON29R search fee (CON29R enquiries including highway authority questions but not LLC1)	85.00	85.00
CON29R additional parcel of land	10.00	10.00
CON29R and LLC1 additional parcel of land	15.00	15.00
CON29O	10.00 (Question 5)	10.00 (Question 5)
CON29O	10.00 each (Questions 4 and 6 to 21)	10.00 each (Questions 4 and 6 to 21)
CON29O	17.00 (Question 22)	17.00 (Question 22)
Extra written enquiries (not including highways questions-refer to Cumbria County Council)	20.00 each	20.00 each
Retrieval and photocopy of previous search	10.00 each	10.00 each
Copies of other documents referred to in any reply	10.00 each	10.00 each
Registration of a light obstruction notice	30.00	30.00
Filing a Lands Tribunal light obstruction certificate	15.00	15.00
Variation or cancellation of a light obstruction notice	15.00	15.00
Inspection of documents relating to a light obstruction notice	10.00	10.00

LICENSING

2014/15 BASE BUDGET INCOME	**120,442**
PROPOSED 2015/16 BASE BUDGET INCOME	**120,442**

PROPOSED FEES & CHARGES 2015/16	CURRENT FEES 2014/15	BASE PROPOSAL 2015/16
Hackney Carriage Vehicle Licence: issue fee	123.00	123.00
Hackney Carriage Vehicle Licence: plate fee	8.00	8.00
Hackney Carriage Vehicle Licence: stripes	11.00 for full set or £2.75 for one	11.00 for full set or £2.75 for one
Private Hire Licence Fee: issue fee	117.00	117.00
Private Hire Licence Fee: plate fee	8.00	8.00
Vehicle Test Fee (per test)	30.00	30.00
Trailer Test Fee	23.00	23.00
Trailer Re-test Fee	11.50	11.50
Trailer Plate Fee	8.00	8.00
Administrative Fee for processing refund or transfer	15.00	15.00
Hackney Carriage Driver Licenc: issue fee	70.00	70.00
Private Hire Carriage Driver Licenc: issue fee	70.00	70.00
Criminal Records Bureau check fee	36.00	36.00
Driver Licence: replacement badge	3.00	3.00
Private hire Operator: issue fee	180.00	180.00
Licensing Act 2003 fees	Statutory	Statutory
Gambling Act 2005 fees	As attached	As attached

Type of Premises	Conversion Fast-Track	Conversion Non Fast-Track	Non-Conversion Provisional Statement	Non-Conversion Application All other	First Annual	Seasonal First Annual	Variation Application	Provisional Statement Application	Transfer	Re-instatement
Regional Casino			£8,000	£15,000	£15,000	£15,000	£7,500	£15,000	£6,500	£6,500
Large Casino			£5,000	£10,000	£10,000	£10,000	£5,000	£10,000	£2,150	£2,150
Small Casino			£3,000	£8,000	£5,000	£5,000	£4,000	£8,000	£1,800	£1,800
Converted Casino	£300	£2,000			£3,000	£3,000	£2,000		£1,350	£1,350
Bingo	£300	£1,000	£500	£1,000	£700	£700 pro-rata min £300	£500	£1,000	£500	£500
Adult Gaming Centre	£300	£800	£500	£1,000	£700	£700 pro-rata min £300	£500	£1,000	£300	£300
Betting (Track)	£300	£1,250	£950	£2,500	£1,000	£1,000 pro-rata min £300	£1,250	£2,500	£950	£950
Family Entertainment Centre	£300	£500	£300	£500	£400	£400 pro-rata min £200	£300	£500	£300	£300
Betting (Other)	£300	£900	£500	£1,000	£500	£500 pro-rata min £200	£500	£1,000	£300	£300

All Premises:

Fee for copy of Licence - £15
Fee to accompany notification of change of circumstances - £30

Small Society Lotteries:

Grant - £40
Annual Fee - £20

COURT COSTS

2014/15 BASE BUDGET INCOME - NNDR	**13,000**
2014/15 BASE BUDGET INCOME - COUNCIL TAX	**150,400**
PROPOSED 2015/16 BASE BUDGET INCOME - NNDR	**9,000**
PROPOSED 2015/16 BASE BUDGET INCOME - COUNCIL TAX	**154,400**

PROPOSED FEES & CHARGES 2015/16	**CURRENT FEES 2014/15**	**BASE PROPOSAL 2015/16**
	£	**£**
COUNCIL TAX AND NNDR COURT COSTS		
Summons costs	65.00	65.00

APPENDIX C

BUSINESS RATES RETENTION (BRR) SCHEME

1. BACKGROUND:

1.1 The Local Government Finance Act 2012 (LGFA) introduced significant changes to the funding arrangements for Local Government, including the retention of a proportion of the Business Rates collected locally from April 2013.

1.2 Previously Business Rates were collected by local authorities and paid over to Central Government. The Government then used this income to fund the grant payments to local authorities, with no direct link between the business rates collected and the funding received for an area. The risk of appeals and reductions in collection rates were borne by the Government, and similarly the rewards for increases in yield.

1.3 The reforms introduced saw Local Government sharing in the risks and rewards of changes to the Business Rates collected.

1.4 The Government provide local authorities with a Non Domestic Rates Baseline (NDRB) which is a forecast of what they expect the authority to collect. Any growth above this baseline will be shared between the Government and the authority. Copeland's NDRB was announced as part of the settlement at £16.510m.

1.5 Based on the NDRB and a funding assessment undertaken by the Government, a Baseline Need is also determined. The Baseline Need is the amount of funding that will actually be retained, with the difference between that and the NDRB being paid to the Government as a Tariff. Copeland's Baseline Need has been assessed at £2.289m and therefore the tariff is £14.221m.

1.6 The retained element of Business Rates i.e. the Baseline Need of £2.289m will be subject to a safety net for any reductions in Business Rates collected and authorities will be protected at 92.5% of their Baseline Need. For Copeland the safety net is therefore £2.117m capping the potential risk at £172k.

1.7 Any income generated over the Baseline Need will be shared between the Government and the local authorities by way of a levy. For Copeland this levy is 50% of any additional income generated.

1.8 Levies will not be payable until after the end of 2015/16 on the basis of the out-turn figures.

1.9 Both the NDR Baseline and the Baseline Need will be increased in line with inflation each year. It is the Government's intention that they will not 'reset' the scheme until 2020

2. CALCULATION OF BUSINESS RATES TAXBASE:

2.1. The Business Rates Retention regulations require that the NNDR1 (National Non Domestic Rates Return) is completed by authorities by 31st January 2015. This form estimates the Business Rates income split between the amounts to be retained by Copeland Borough Council (40%), Central Government (50%) and Cumbria County Council (10%).

2.2. The basic methodology for calculating the tax base is as follows:

- The rateable value of properties are obtained from the Valuation Office valuation List and multiplied by the business rate multiplier announced by the Government (2015/16 : 0.493p)
- Adjustments are made for mandatory and discretionary discounts
- Adjustments are made for bad debt provisions, based on historical and current collection rates
- Adjustments are made for estimated growth
- Adjustment is made for the estimated impact of appeals of rateable values

2.3 For Copeland Borough Council the estimated tax collectable for 2015/16 based on the above methodology is a shown below:

	NNDR1 2015/16	NNDR1 2014/15
	£	£
Gross Rates	**47,235,891**	**45,446,718**
Estimated growth	42,732	691,908
Forecast gross rates payable in 2014/15	**47,278,623**	**46,138,626**
Transitional arrangements	-	- 20,052
Less Mandatory Reliefs	- 1,632,420	- 1,627,078
Discretionary Reliefs	-	- 111
Discretionary Reliefs funded through S31 grants	- 346,843	- 351,198
Property Reliefs	- 332,392	- 319,226
Net rates payable	**44,966,968**	**43,820,961**
Less estimated losses	- 350,000	- 350,000
Estimated appeals	- 8,215,312	- 3,363,464
Rates Retention Adjustments	-	-
Net amount payable	**36,401,656**	**40,107,497**
Transitional protection payments	-	20,052
Cost of collection	- 111,659	- 112,133
Retained in respect renewable energy schemes	- 12,977	- 487
Non Domestic Rating Income	**36,277,020**	**40,014,929**
Central Government	18,138,510	20,007,464
Copeland Borough Council	14,510,808	16,005,972
Cumbria County Council	3,627,702	4,001,493
	36,277,020	**40,014,929**

2.4 The authority's share of non- domestic rating income is £14.511m. Therefore a prudent approach has been taken in setting the 2014/15 budget (i.e. assume safety net position and reduce the funding by £172k, with the general fund making up this shortfall in the budget).

3. NOTIFICATION OF TAXBASE

3.1. Copeland Borough Council must notify the Government of the Net Yield anticipated for 2015/16 by 31st January 2015, by return of the NNDR1 return, certified by the Section 151 Officer and this has been done.

3.2. For the avoidance of doubt, the completion of the NNDR1 return has in the past been delegated to the Section 151 officer.

3.3. Following the receipt of the NNDR1 return the Government will prepare a schedule of payments detailing the central share, tariff and top up payments and Safety Net payments on account.

APPENDIX D

SETTING OF COUNCIL TAX COLLECTION FUND SURPLUS / DEFICIT

1. COLLECTION FUND SURPLUS

1.1 How does a surplus or deficit occur?

The income from Council Tax less the precept payments to the County Council, Police and Crime Commissioner, Copeland Borough Council and Parishes are summarised in the Collection Fund. If the actual number of properties or the allowances for exemptions, discounts or appeals / collection rates vary from those used in the Council Tax Base (see Section 2 below) then a surplus or deficit will arise. From 2011/12 to 2014/15, a surplus has arisen and this is shared between the Major Preceptors, being Cumbria County Council, the Police and Crime Commissioner and Copeland Borough Council in proportion to the precepts for the respective year.

1.2 Calculation and Declaration of Surplus

In 2014/15 the Collection Fund is estimated to achieve a projected surplus of £615,235 which is calculated as follows:

Council Tax Surplus – Estimate at 30/1/15	£
Expenditure	31,715,251
Income	(31,773,032)
Net surplus	(57,781)
Surplus B/F from 2013/14	(557,454)
Total Estimated Surplus	**(615,235)**

The relevant share of the total of £615,235 per Major Preceptors is:

Cumbria County Council	£451,817
Police and Crime Commissioner	£81,152
Copeland Borough Council	£82,266

This represents the amount that each preceptor will take into account when calculating the Council Tax for 2015/16.

The declaration of the Surplus is currently delegated to the s151 officer and members are asked to request Council to re-affirm this delegation.

APPENDIX E

SETTING OF COUNCIL TAX BASE 2014/15

1. On an annual basis all local authorities are required to calculate a Council Tax Base which is used to set the level of Council Tax. The process is governed by the Local Authorities (Calculation of Tax Base) Regulations 1992.

2. The Tax Base is set having regard to:
    - The Valuation List
    - Current exemption, reductions and discounts
    - Discretionary discounts
    - Expected collection rates

3. The basic methodology for calculating the Tax Base is:

    - Calculations are made of the relevant amount for the year in respect of the valuation bands shown in the Council's valuation list. For each band this represents the estimated full year equivalent number of chargeable dwellings listed in the band after taking into account the impact of disabled band reductions and discounts.
    - The relevant amounts for each band are then aggregated and expressed as an equivalent number of Band D dwellings.
    - The Council then multiplies this aggregate of relevant amounts by its estimate of its collection rate for the year (98%). The resulting figure is the Council Tax Base for the year.
    - The rules for calculating the tax base for parish councils are the same, and the same estimated collection rate must be used.

4. During 2012 the Government implemented proposals for local Council Tax Support Schemes. Under the Government Regulations for the scheme, the previous 'benefit' granted to claimants became a 'discount' on the Council Tax. This in turn served to reduce the Council Tax Base. Copeland Borough Council considered and approved their local Council Tax Support Scheme at their meeting on 22nd January 2013. This scheme was reviewed in 2013/14 and approved for a further year for 2014/15, with another review to take place within 2014/15.

5. The estimate of the collection rate is at the Council's discretion and 2014/15 has been set as 2014/15 at 98%.

6. The total Tax Base calculated in accordance with the Regulations for 2015/16 at 98% collection is 19,846.39. This compares to a total of 19,581.31 in 2014/15, an increase of 1.35%. The impact of this on the projected Council Tax income is that based on a 1.95% increase in Council Tax (which increases the Band D Council Tax from £187.28 to £190.93) multiplied by the new Tax Base gives a total income of £3.789m. It should be stressed that any actual increase or decrease in the Council Tax position will be reflected in the Collection Fund surplus or deficit calculation at the year-end as set out in Appendix B.

7. The notification of the tax base must be made to the major precepting bodies within the period 1st December to 31st January. The notification was made by the S151 Officer under current delegations.

APPENDIX F

PROVISIONAL 2015-16 SPENDING POWER

Copeland

	Spending Power Components		2014-15 adjusted	2015-16
1	Council Tax Requirement excluding parish precepts	£m	3.67	3.69
2	Settlement Funding Assessment	£m	4.76	4.00
3	SFA: Adjustment to reflect Section 31 grants for business rates initiatives	£m	0.02	0.03
4	minus Council Tax Support Funding to Parishes	£m	-0.07	-0.07
	Efficiency Support Grant	£m		0.05
	Commons Registration Authorities	£m	0.00	0.00
	Inshore Fisheries Conservation Authorities	£m	0.00	0.00
	Lead Local Flood Authorities	£m	0.00	0.00
	Community Right to Challenge	£m	0.01	
	Community Right to Bid	£m	0.01	
	Fire Revenue Grant (FireLink and New Dimension elements)	£m	0.00	0.00
5	Council Tax Freeze Grant 2015-16	£m		0.04
6	New Homes Bonus	£m	0.47	0.61
	New Homes Bonus: returned funding	£m	0.01	0.01
	Council Tax Support New Burdens Funding	£m	0.07	0.02
7	Local Council Tax Support and Housing Benefit Admin Subsidy	£m	0.41	0.38
	Social Housing Fraud	£m	0.00	
	City of London Offset	£m	0.00	0.00
	GLA Transport Revenue Grant	£m	0.00	0.00
8	Department of Health Revenue grant	£m	0.00	0.00
	Public Health Grant (Ring-fenced)	£m	0.00	0.00
9	Adult Social Care New Burdens	£m	0.00	0.00
10	Better Care Fund	£m	0.00	0.00
	Provisional Revenue Spending Power including Better Care Fund	£m	9.36	8.76
	Change in Provisional Revenue Spending Power 2015-16	£m		-0.60
	Change in Provisional Revenue Spending Power 2015-16			**-6.4%**

Footnotes

1 The council tax requirement figures for 2015-16 have been estimated by assuming the historic growth rate in local authority tax bases continues and that there are no increases in Council Tax levels.

2 In line with normal practice, SFA for 2014-15 has been adjusted to reflect policy changes, to allow year-on-year comparisons. This includes for example 2014-15 Council Tax Freeze Grant, which was rolled into the settlement in 2015-16, and the move from funding Local Welfare via a DWP grant to within the settlement in 2015-16

3 Estimated value of Section 31 grants to compensate local authorities for the cost of capping the business rates multiplier in 14-15 and 2015-16 announced at Autumn Statement 2014

4 Council tax support funding for parishes, this funding is assumed to be constant at the level estimated in 2013-14

5 Indicative Freeze Grant 15-16 has been estimated by assuming historic growth rate in local authority tax bases continues and that there is 100% take up of a 1% grant.

6 These are provisional allocations, final allocations will be confirmed by the Final Settlement. In London, boroughs will pool a proportion of their 2015-16 Bonus allocation to the London Enterprise Panel, the local enterprise partnership for London. Pooled funds will be spent in borough areas in support of London Growth Deal priorities.

7 The Local Council Tax Support element of these calculations are provisional. Final figures will be confirmed at the Final Settlement. The Housing Benefit element of these calculations for 2015-16 reflects the allocations after the funding related to Single Fraud Investigation Service has been recycled. As this reduction in funding is due to a reduction in duties the 2014-15 figures have been adjusted by the same amount.

8 Department for Health Revenue grant in 2015-16 includes the Local Reform and Community Voices grant (comprising allocations for the Independent Complaints Advocacy Service, additional allocations for Deprivation of Liberty Safeguards, and additional allocations for Local Healthwatch) and the Social Care in Prisons grant. In 2014-15 the LRCV grant also included allocations for Independent Mental Health Advocacy and for veterans' Guaranteed Income Payments; these are in the Better Care Fund for 2015-16.

9 The recent reforms to Adult Social Care introduce a number of new burdens to local authorities. To be able to compare funding in 14-15 to 15-16 the cost of these new burdens has also been included in the 14-15 column. The allocations for early assessments for the cap and for deferred payment agreements have been allocated using new methodologies developed by the Review of Adult Social Care Relative Needs Formulae, as consulted on in Summer 2014.

10 The Better Care Fund is a pooled budget to help local places improve the integration of health and care services. It is designed to enable local places to integrate health and care services that are currently commissioned by the NHS and local authorities. The revenue funding of £3.46bn is from within NHS budgets and will be pooled with social care capital grants. The NHS and local authorities must agree locally through Health and Wellbeing Boards how the funding will be spent across health and care services. The minimum contribution is worth £3.8bn. Published plans show that, with additional contributions from local authorities and Clinical Commissioning Groups, the total value of locally pooled BCF funding will be £5.2bn

Calculation of Formula Grant / Start-up Funding Assessment/Settlement Funding Assessment:

	Adjusted *Start-up funding assessment 2012/13 £m	Final Settlement Funding Assessment (SFA) 2014/15 £m	Final Settlement Funding Assessment (adj to safety net posn.) 2014/15 £m	Final SFA for 2015/16 2015/16 £m	Final SFA for 2015/16 (adj to safety net posn.) 2015/16 £m
Central Allocation		4.598	4.433	3.842	3.671
Floor Damping					
Grants rolled in:					
Council Tax Freeze compensation 11/12		0.100	0.100	0.100	0.100
Council Tax Support Funding					0.000
Homelessness prevention funding		0.049	0.049	0.049	0.049
Efficiency Support for Services in Sparse Areas		0.006	0.006	0.009	0.009
Returned Funding		0.006	0.006	0	0.000
SUFA/SFA	5.786	4.759	4.594	4.000	3.829
Year on Year change		-13.71%	-16.70%	-15.95%	-16.65%
Split:					
Revenue Support Grant (Amount Guaranteed)		2.513	2.513	1.711	1.712
Baseline Need (Amount Not Guaranteed)		2.246	2.081	2.289	2.117
Total		4.759	4.594	4.000	3.829

Notes:

*To make the comparison with earlier years' figures easier, the Government have provided an adjusted figure for 2012/13.

FULL 260215
APPENDIX B
EXEC 120215
AMENDED

REVIEW OF RESERVES 2015/16

EXECUTIVE MEMBER: Cllr Gillian Troughton
LEAD OFFICER: Angela George – Interim Finance Manager (S151 Officer)
REPORT AUTHOR: David Christie -Financial Management and Treasury Accountant

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

The report is part of the suite of budget reports to enable Copeland Borough Council to set a balanced budget for 2015/16 taking account of available Reserve funds. This report details the Section 151 officer's review of Reserves currently held by the Council.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?
This is a policy recommendation to full Council for approval as part of 2015/16 Budget consideration on 26th February 2015.

[Full Council 26 February- NOTE ***: The Recommendations below are as presented to Executive on 12 Feb 2015, updated for approvals from that meeting. They are not for consideration at Full Council of 26 February, but provide background information to the Budget Proposals 2015/16 Council paper agenda item, along with all other information in this Appendix.]***

Executive are asked to recommend to Council:

(i) Retaining the General Fund Risk Based Reserve at £2m (paragraph 2.7)
(ii) The release of £5.178m from the unallocated general fund to allow the creation of a Business Rate Safety Net earmarked reserve (paragraph 3.2)
(iii) Note the proposed use of general unallocated reserves in 2015/16 (paragraph 3.5) to fund the budget deficit in 2015/16 pending the identification of further savings. The final amount required will be determined during the budget process.
(iv) Approve the movement on earmarked reserves set out in paragraph 4.8
(v) Approve the use of earmarked reserves totalling £384k (£376k Revenue; £8k Capital) as set out in paragraph 4.9.

1. INTRODUCTION

1.1 Revenue reserves play a key role in the management of the Council's budget. They are used as a contingency against risk, to fund new policy initiatives and to support the Council's revenue and capital budgets when needed.

1.2 This report deals with the review of Reserves which is carried out annually. The Section151 officer is responsible for advising on the adequacy of reserve levels. In assessing this adequacy, account is taken of professional guidance, together with the strategic, operational and financial risks facing the authority. Account is also taken of the key financial assumptions underpinning the budget and financial strategy within the context of the authority's broader financial management arrangements. It should be noted that there is no specified percentage or limit set by the Government or any other body on the appropriate level of reserves to be held. It is for each authority to set guidelines for its own limits as advised by the Section151 officer.

1.3 Recommendations on changes to the level of earmarked reserves held or changes to the annual utilisation of those reserves must be submitted to the Executive for approval. The approval for the use of the General Fund or changes to amounts to be taken from the General Fund must be approved by Council.

1.4 General Fund Reserves is an accumulation of surpluses / deficits on overall revenue spending. The level of reserves held is linked to a risk assessment of the financial position of the authority. Reserves may not be overcommitted. If potential calls on a reserve exceed its available balance then this must be addressed through the budget monitoring process.

2 THE GENERAL FUND RISK-BASED RESERVE

2.1 The use of a risk-based approach determines the appropriate level of reserves in relation to risks and specific circumstances facing the Council. Therefore, the risk led element of the General Fund balance provides cover for material risks and uncertainties that arise that cannot be covered by the approved budget or existing reserves, and for emergencies. It does not provide funds for additional investment, rather it is there to ensure the approved budget can be delivered if specific material risks materialise.

2.2 The s151 officer recommends a level for the risk-based element of the General Fund as part of the budget setting process each year. Budgets will be produced on the basis that the General Fund balance will be maintained at least at the recommended level throughout the period covered by the Medium-term Financial Strategy and can be sustained at this level in the longer-term.

2.3 If the balance on the General Fund is projected to fall below the recommended risk-based level, then priority will be placed on restoring the balance in subsequent budget and out-turn recommendations. Temporary dips below the target may be acceptable provided that there is a robust plan to restore reserve balances to the target level.

2.4 Risk Management is a strategic tool and is an essential part of effective and efficient management and planning. Risk can be classified as either strategic risks that impact on the medium to long term objectives of the Council or operational risks that are associated with the day – to day activities of the Council. The Council has a duty to have in place arrangements for managing risks. Risk Management covers the whole spectrum of risks and not just those associated with finance, health & safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, reputation, compliance with legislation and environment.

2.5 Risk Management strengthens the ability of the Council to achieve its corporate objectives and priorities and enhance the value of services provided. It provides a strategic tool in planning and decision making. The council recognizes the increasing importance of managing risk given the changing external environment and the Risk Management Strategy and Strategic Risk Register is updated regularly and considered by the Audit and Governance Committee on a quarterly basis.

2.6 The main high level risks set out in the strategic risk register are:

- Securing Financial Viability,
- Lack of capacity, resources and capability to deliver the change programme
- Inability to make necessary decisions in a timely way
- Meeting statutory responsibilities during a time of budgetary change
- NNDR & the Growth Strategy
- Maintaining robustness and integrity of business systems

The assessment of risk is dependent on the Councils appetite to risk and the preference that it has for dealing with the individual risk. The 4 T's of risk management that the council uses are Treat; Tolerate; Terminate or Transfer.

2.7 With increasing uncertainty on our funding and resource levels the identification and management of our strategic risks is vital for the council. The General Fund Risk Based Balance was set at £2m as part of the budget setting process in February 2014, and was based on a number of risks that the Council at that time were either experiencing or anticipating. Given the continuing changing environment the s151 officer has reviewed and reassessed the level that the general fund risk based reserve level and determined the level is to be maintained at £2m given the increasing uncertainty over future funding levels.

2.8 An assessment of the financial implications of the Risk Based Reserves is set out in **Appendix 1**

2.9 The movement on the General Fund Risk Based Reserve is set out in **Appendix 2**

3 THE GENERAL FUND UNALLOCATED BALANCE

3.1 General Fund Reserves is an accumulation of surpluses / deficits on overall revenue spending. The unallocated balance is the amount that is left unallocated once the Risk

Based element of £2m (see para 2) is set aside and the Earmarked Reserves (see para 4) have been set aside.

3.2 The authority received a general fund grant for Business Rates under the new localised system introduced in 2014/15. This is an amount to bring the authority back up to its baseline line assessment, which due to timing issues will not be required in year but in the future to match against loss of Business rate income. This is not the Council's funds but is paid over to the Government and so is not available to meet any of the Councils spending needs. It is therefore proposed that this funding of £5,178,072 be transferred to a specific earmarked reserve from the unallocated General Fund (also see paragraph 4.8 (v)).

3.3 An earmarked reserve (see paragraph 4.8 (ii)) details the Compensation payments for community assets (right to bid) reserve, totalling £20k that can be released back to unallocated General Fund as it is longer required.

3.4 It is proposed to allocate a sum of £100,000 from the unallocated general reserve as a contingency reserve for potential costs relating to the new mayor. The exact amount required will not be known until the election has taken place, the new governance arrangements have been set up and the Independent Remuneration Panel have met. Further consideration will need to be given to any costs that are on-going.

3.5 The impact of the above is that the General Fund unallocated balance would be forecast at £1.637m as at 31/3/15 assuming the proposals in this report are agreed (the final balance at 31/3/15 will be subject to the final outturn position for the Council. Forecast outturns are regularly reported to Executive and Council meetings.). This is the Reserve that will be utilised to fund any budget shortfall during 2015/16 whilst permanent savings are being identified. A maximum of £960k was earmarked for this purpose. However, the figure currently used in planning for 2015/16 is £237k, assuming savings for 2015/16 to the level outlined in the separate 2015/16 Revenue budget paper.

4. EARMARKED RESERVES

4.1 Earmarked reserves are established to meet specific needs that have been identified.

4.2 New reserves or changes to the use of existing reserves must be approved by the Executive either through the budget monitoring or budget setting process. Forecast calls on earmarked reserves will be adjusted against the appropriate budgets controlled by the named budget holder provided that they fall within approved parameters.

4.3 Reserves may not be over-committed. If potential calls on an earmarked reserve exceed its available balance, then this must be addressed through the budget monitoring process.

4.4 The adequacy and appropriateness of each earmarked reserve is reviewed twice yearly; once within the budget setting and review of MTFS (this report) and once reported as part of the year-end processes, which will be used to inform decisions on carry forwards. Once the purpose of an earmarked reserve has been fulfilled, or the balance is higher than is needed, the remaining balance will be returned in the first instance to the unallocated portion of the General Reserve.

4.5 Information on the purpose, use and balance, in 2014/15, on individual earmarked reserves held by the Council is provided at **Appendix 3** to this report.

4.6 Table 1 set out below shows the reserves that were released into the current year (2014/15) budget:

Table 1 – Earmarked Reserves Released into 2014/15 Budget

Reserve	**2014/15 Release to Revenue Budget £**
Carry forwards:	
Transformation Fund	65,036
Tangier Street	1,368
Copeland Apprenticeship (WNF)	7,988
Beacon (refurbishment)	43,014
In year:	
Transformation Fund	225,000
Asset Management Enabling	5,500
PFI	7,000
Housing Strategy	10,000
Local Development Framework	10,000
Cremation sinking fund	10,000
Proceeds for TMaC	25,000
Recycling	10,000
Bin Replacement	35,000
Catherine Street Car Park	7,000
Knotweed	7,000
Planning For Nuclear	64,243
Copeland Seaside Coastal Park	50,000
Enabling Growth Strategy	25,000
New requests this report:	
Crematorium Donations (Para 4.8 (i))	1,200
Total	**609,349**

4.8 The adequacy and level of all of the earmarked reserves has been reviewed and members are now being asked to approve the following for recommendation to Council:

(i) To the current year 2014/15 budget

Members are asked to approve the release of £1,200, in the current year, from the Crematorium Donations EMR to fund for the provision of a shelter next to the chapel entrance to protect visitors from the weather.

(ii) To the general fund unallocated reserve

Compensation payments for community assets (right to bid)

This reserve was created to meet the Authority's potential need to compensate private landowners for delayed disposal of their assets under the Localism Act (maximum call in any 1 year is £20k). Since this reserve was established 2 years ago there have been 3 applications to register community interest in assets, 1 being rejected and two being registered. As there is currently no plans for either of properties registered to be sold there is no call on this reserve and it is recommended it is released into the general fund and the risk of potential call on the general fund in the future is noted.

(iii) To the Land Management EMR

The earmarked reserve established for Howbank is now no longer required as this project is complete, however rather than releasing the £20k balance back into the general fund reserve, Members are asked to agree to transfer this balance to Land Management EMR as its anticipated that the majority of this reserve may be utilised end of this/next financial year on land to the rear of the United Utilities building, but as the timing is uncertain no release is currently being sought.

(iv) Bin Replacement

The authority currently holds a 'Bin Replacement' EMR with an estimated year-end balance of circa £60k. Whilst the Council has made a decision to charge for replacement bins in the next financial year, it is suggested that this reserve be retained until the outcome of the policy is evidenced, with a decision on whether to release some or all of this reserve back to the General Fund, being taken at the next reserve review for the purposes of setting the 2016/17 revenue budget.

(v) Request for new earmarked reserves

Following the extensive work done on review of the in- year budget and base budget requirement going forward, a number of EMR's are now requested. The holding of these EMR negates the need for a base budget each and every year, as the reserve will be accessed as and when needed, but these reserves may require top up when fully used. The new EMR's will be funded from base budget in 2014/15, receipt of external funding (localism grant), or transferred from the unallocated reserve, and therefore do not represent a new call on the General Fund. The requests for new Earmarked Reserves in 2014/15 are detailed in Table 2:

<u>Table 2 – Creation of New Earmarked Reserves</u>

Earmarked Reserve	2014/15	

	Release to Earmarked Reserve £	Notes
Localism Grant	29,503	1
Environmental Health Legal	TBC	2
Home Group Insurance	19,585	3
Housing Services	20,000	4
NNDR Safety Net payments	5,178,072	5
Cost associated with the new Mayor	100,000	6
Total	**5,347,160**	

Table 2 - Notes:

1 This is monies received in the form of a grant to deal with issues relating to the implementation of the Localism Act. There are no current plans to spend this in year so it is requested that an Earmarked Reserve is created to keep this specific funding until it is required.

2 The value of this reserve will be the unspent budget as at 31 March 2015. The need to incur legal and professional costs with Environmental Health is demand led and cannot be predicted year to year, rather than continue to provide a base budget each year any unspent budget at 31 March 2015 will be placed in a reserve to be accessed as and when needed in the future. The value to be placed in the reserve will not be known until outturn. The benefit of this approach is that it avoids fluctuations in the base budget as the reserve will only be accessed as required.

3 This is a repayment of insurance in relation to the occupancy of the Copeland Centre. This authority received the monies and will release to the Home Group as required. This money is not needed in the revenue budget and will be placed in an EMR and released when required.

4 Housing Services, this is similar to the Environmental reserve at point 2 above, in that the services doesn't necessarily require an on-going revenue budget each year for certain activities but needs access to funds on an as and when basis.

5 The authority received a general fund grant for NNDR to bring the authority back up to baseline line assessment, which due to timing issues will not be required in year but in the future to match against loss of income. Until this funding is required it is being transferred to an earmarked reserve.

6. There will be costs associated with the new mayoral system at Copeland Borough Council. It is requested that in the interim, an earmarked reserve be established that can be accessed if required.

4.9 The current base budget build contains funding from a number of Earmarked Reserves, some of which have already been approved for use and some that have not. Members are asked to recommend to Council the use of £184k from earmarked Reserves in support of 2015/16 revenue budget as summarised in Table 3 below. More detail is given in Appendix C.

Table 3 – Proposed use of earmarked Reserves in 2015/16 Budget

Reserve	2015/16 £ Release to Revenue Budget
Planning for Nuclear	64,000
Elections (fund local elections)	67,000
Crem Sinking Fund (upgrade sound system)	6,000
PFI	7,000
Knotweed (continue programme of treatment)	7,000
Catherine Street Car Park **(contribution to capital programme)****	8,000
Welfare Support	20,000
Members induction (training new members)	5,000
Transformation Fund	100,000
Cost associated with the new Mayor	100,000
Total	**384,000**

** As this is a contribution to the capital programme the amount of EMRs included in the 2015/16 revenue budget is £376k (£384k less £8k)

4.10 Transformation Fund

As approved from the *Delivering Differently – Programme update* paper at the Executive meeting of 12 February, £100,000 of the Transformation fund is now planned for release in 2015/16 split equally between the Commissioning Project and Working Differently Programme. This will support capacity in Legal, Procurement, Programme Management, Organisational Development and Business Analysis. It is envisaged that this reserve will be spent in the next two financial years. Members will be updated on progress and requests for release will be made as and when appropriate.

4.11 Further to the creation of the reserve for potential new mayoral costs (Table 2, Note 6 above), it is anticipated that this reserve is planned for release in 2015/16.

4.11 Corporate IT Reserve
Again whilst no request is currently being made for release into 2015/16 budget from this EMR, the IT strategy is currently being developed and this will inform spend, so again requests for release will be made as and when appropriate.

5 SUMMARY OF GENERAL FUND RESERVE BALANCES

5.1 Taking into account all the movements as detailed above the proposed position on the Councils Reserves with opening balances as at 1/4/14 and forecast balances at 31/3/15 as follows in Table 4;

Table 4 – Summary of movements in General Fund Reserves 2014/15 – 2015/16

	1/4/14 £000	Movements 2014/15 £000	31/3/15 £'000	Movement in 2015/16 £'000	31/3/16 £'000	Para
General Fund Risk-based	2,000		2,000		2,000	2
General Fund Unallocated balance	7,108	-5,471	1,637	-237	1,400	3
Earmarked Reserves – General	5,692	-61	5,631	-384	5,247	4
Sub Total – Council Funds	**14,800**	**-5,532**	**9,268**	**-621**	**8,647**	
Earmarked Reserve – Business Rates	0	5,178	5,178	0	5,178	3.2/ 4.8(v)
Total	**14,800**	**-354**	**14,446**	**-621**	**13,825**	

6 RESOURCE REQUIREMENTS

6.1 The report details the financial requirement to utilise the council's general fund reserves to support the current budget and policy framework and that of 2015/16.

7 STATUTORY OFFICER COMMENTS

7.1 The Monitoring Officer's comments are: No further comments

7.2 The Section 151 Officer's comments are: Included in the report

7.3 EIA Comments: None

7.4 Policy Framework: Within the policy framework

7.5 Other consultee comments: None

8 HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

8.1 Through the monthly budget monitoring process in which management and finance staff work together to ensure financial reports are accurate and timely to assist the decision making process of the Council as a whole. Exceptions are reported monthly through Corporate Leadership Team and to Executive on a quarterly basis. It is also good financial practice to report the year-end position on revenue reserves as a consequence of the outturn.

9 WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

9.1 The requirement to use reserves for the year and the level of general and earmarked reserves the Council will have available to support its revenue budget in future years.

List of Appendices
Appendix A - General Fund Risk Base Assessment
Appendix B – General Fund Risk and Unallocated Reserve
Appendix C – Earmarked Reserves

List of Background Documents
Quarters 1, 2 and 3 Revenue financial monitoring reports

Appendix 1 - RISK ASSESSMENT OF LEVEL OF RESERVES - 2015/16

APPENDIX A

Potential Risk	Risk Score	Weighting	Financial Exposure (£000)	Balance Required (£000)	Comment (Basis of Financial Exposure)
Base Budget Contingency for inflation or other unanticipated rise.	4	50%	100	50	Assumed at 1% of Net Revenue Budget
Underachievement of Charges Income targets and spending exceeds budgets	4	50%	232	116	Estimate of 10% Charges Income forecasts for 2014/15
Underachievement of Investment Income	4	75%	202	152	1% of exposure of average balance of £25m
Civil Emergencies	6	75%	167	125	Bellwin scheme cuts in at 0.2% of Net Budget and provides for up to 85% of eligible costs (assume £1m cost - not covered by insurance)
Insurance Excesses	2	75%	34	26	Based on 10% of insurance premia payments
Fall in Rental Income from Property	6	75%	79	59	10% of Rental Income (assumed at £0.8m for 2014/15)
partnership support to discretionary services not met	2	25%	725	181	level of support in grants material and subject to agreements
accomodation strategy and ICT technology changes	4	50%	250	125	significant moves and risks ref PFI and new acomodation for staff and ability to address the needs of
business rate - safety net	6	100%	172	172	annual funding if fall into safety net - plus cashflow costs
underachievement of council tax revenues	4	50%	360	180	Assumed at 1% of Net Revenue Budget
future pension changes and pensions deficit	6	75%	526	395	Assumed payback over 19 years and new CARE mitigates some increases - 7% average deficit if pension returns and repayment plan not sufficient
Emergency Contingency	6	100%	500	500	Emergency contingency fund - allocate £0.5m for any unforeseen emergencies eg cliffs/ shafts
TOTALS			**3,347**	**2,080**	
Maximum Risk Based Reserve Balances				**3,347**	
Minimum Risk Based Reserve Balances				**1,674**	
Recommended Level of General Risk Based Reserves (Projected as at 31/03/13, ongoing) (General Fund)				**2,000**	

RISK SCORES AND WEIGHTINGS

IMPACT	LIKELIHOOD					
	Low		Significant		High	
High	3	50%	6	75%	9	100%
Medium	2	25%	4	50%	6	75%
Low	1	25%	2	25%	3	50%

NOTES

Projected Net Revenue Budget for 2015/16 as per Revenue Report 08/01/15	10,000	

Calculation of Bellwin	Potential Cost of emergency	1,000	
	0.2% of Net Revenue Expenditure	20	a
	Applicable for Bellwin	980	b
	Up to 85% Eligible to be reclaimed	833	c
	Potential cost to Council	**167**	(a+b-c)

RESERVES - GENERAL FUND

Appendix 2

	2013/14	2014/15			2015/16			2016/17		
	Balance Carried forward	Additions in Year	Released in Year	Balance Carried forward	Additions in Year	Released in Year	Balance Carried forward	Addition s in Year	Released in Year	Balance Carried forward
	£	£	£	£	£	£	£	£	£	£
General Fund Risk Based	**-2,180,000**			-2,000,000			-2,000,000			-2,000,000
Use Pension deficit	**180,000**									
General Fund Unallocated	**-2,350,230**	**-20,000**	**313,000**	**-1,637,230**	**0**	**237,000**	**-1,400,230**	**0**		**-1,400,230**
Use Pension deficit	**420,000**									
NNDR Safety Net Receivable	**-5,178,072**		**5,178,072**	**0**						
Total General Fund	**-9,108,302**	**-20,000**	**5,491,072**	**-3,637,230**	**0**	**237,000**	**-3,400,230**	**0**	**0**	**-3,400,230**

EARMARKED RESERVES 2014/15

Appendix C

Cost Centre	Description	Purpose	Approval	2013/14	2014/15				2015/16			2016/17		
				Balance as at 31 March 2014	Contributions in year	Planned utilisation	Release to General Fund	Balance as at 31 March 2015	Contributions in year	Planned utilisation	Balance as at 31 March 2016	Contributions in year	Planned utilisation	Balance as at 31 March 2016
	CHIEF EXECUTIVE													
80305	Transformation Fund (formerly Choosing to Change)	Reserve created from £100,000 transferred from balances 2009/10, £455,000 2010/11 service reviews and the transfer of unused earmarked reserve balances totalling £1.083m in December 2010. Funds the Council's Choosing to Change programme of service reviews.	Executive 22/12/10	**-672,595**		225,000		**-447,595**		100,000	**-347,595**			**-347,595**
80024	Mayors Charity Bequest	To be used for specific purposes approved by the Mayor. Balances relate to former mayors charities and do not relate to the current mayors charity account	Transfers carried out in 2007/08 & 2008/09	**-12,967**				**-12,967**			**-12,967**			**-12,967**
80230	Members Induction	Set aside from 2007-08 outturn as a contribution to a round of member personal development plans facilitated by NWEO, scheduled for June 2008	Exec 12/08/08	**-5,000**				**-5,000**		5,000	**0**			**0**
	New Mayor	Contingency reserve for potential costs relating to the new mayor.	Exec 8/01/15		-100,000			**-100,000**		100,000	**0**			**0**
80178	Elections Fund	£10k is set aside each year to smooth the costs of district council elections.	Exec 30/07/07	**-36,240**	-20,000			**-56,240**	-20,000	67,000	**-9,240**	-20,000		**-29,240**
	TOTAL			**-726,802**	**-120,000**	**225,000**	**0**	**-621,802**	**-20,000**	**272,000**	**-369,802**	**-20,000**	**0**	**-389,802**
	RESOURCES & STRATEGIC COMMISSIONING													
80298	Budget Carry Forwards	Carry forwards approved by the Executive as part of the 2012/13 and 2013/14 out-turn.	Exec 31/5/11	**-572,233**				**-572,233**			**-572,233**			**-572,233**
80148	Revenues & Benefits Shared Service	To provide funds to address any performance issues and implementation on the Revenues and Benefits Shared Service, which are subject to ongoing negotiations with the Shared Service.	Exec 30/05/07	**-65,392**				**-65,392**			**-65,392**			**-65,392**
80326	Corporate IT Reserve	New Reserve for Corporate IT needs/Business continuity (from 80077 & 80230 above)		**-210,402**				**-210,402**			**-210,402**			**-210,402**
80196	Asset Management Enabling Fund	To fund costs of property disposal e.g marketing, ground surveys These are classed as revenue and so cannot be funded from capital receipts. When set up this was to be maintained at £75k, to be topped up from deminimis receipts (less than £10k) which are classified as revenue.	Set up prior to 31 March 2006	**-39,177**		5,500		**-33,677**			**-33,677**		3,500	**-30,177**
80332	Land Management - 50k	To provide funds for Land Management issues on a contingency basis for the Council's liabilities on its own land where subsidence occurs. This was previously held in the capital programme; however the types of expenditure are for fencing, monitoring of movement and barrier shrub planting and are not eligible for capital financing and there is currently no provision in the Revenue budget. Asking for a transfer from Howbank Reserve as the majority of this reserve will be used 14/15 15/16 UU.		**-50,000**	-20,000			**-70,000**			**-70,000**			**-70,000**
80208	PFI Non Conformance Incidents	To meet costs of minor works and contract changes for the Copeland Centre. This for changes outside the scope of the PFI contract and so additional to the budget for the unitary payment. This reserve is built up from performance deductions against the unitary payment made to London & Regional.	Additional £39.4k agreed Exec 29/06/10	**-17,586**				**-17,586**			**-17,586**			**-17,586**
80320	NCL Contract	To provide funds for repairs and maintenance 2012/13	Exec 20/12/11	**-117,514**		0		**-117,514**		0	**-117,514**		0	**-117,514**
80137	Environmental Insurance Reserve	Balance on the Environmental Insurance Reserve from GF risk-based reserve	Exec. 20/12/11	**-90,000**				**-90,000**			**-90,000**			**-90,000**
80205	Coastal Management	Created from the merger of 3 x GF risk based reserves - Sea Walls, North Shore, Environmental Warranty and part of the Environmental Insurance Reserve. Change Board 27/11/13 agreed to give up Sea Walls Reserve with future funded to come from Coastal Mgt if required	Exec. 20/12/11	**-190,649**				**-190,649**			**-190,649**			**-190,649**
80207	PFI Reserve (former Sinking Fund)	Built up from annual contributions from the revenue budget to smooth payments for the PFI scheme over 25 years. Annual contribution from the revenue budget which should be increased by inflation each year.	Reclassified following RPWG 12/04/12	**-1,767,368**	-156,392	7,000		**-1,916,760**	-156,392	7,000	**-2,066,152**	-7,000	7,000	**-2,066,152**
80204	Pheonix Court (former Sinking Fund)	Set up to smooth maintenance costs for this enterprise centre. Contributions formerly £3,000 p.a but no made since 2005/06	Reclassified following RPWG 12/04/12	**-12,609**				**-12,609**			**-12,609**			**-12,609**
80189	Sea Walls (former Sinking Fund)	Started in 2009/10 to build up a fund to pay for works to sea defences. Annual budget contribution £9,270.	Reclassified following RPWG 12/04/12	**0**				**0**			**0**			**0**
80324	Howbank	Created to meet potential costs of rehousing people at howbank following collaspe of shaft Nov 2012. Seeking approval on 8/1/15 to transfer balance of reserve to Land Management Reserve	Exec 18 Dec 2012 (unalloacted and risk based reserves)	**-20,000**		20,000		**0**			**0**			**0**
80327	MMI	Created to met Authority's potential liability from winding up of previous insurer, triggered Nov 2012	Exec 18 Dec 2012 (unalloacted and risk based reserves)	**-372,405**				**-372,405**			**-372,405**			**-372,405**
80322	Universal Credit Implications - Revs and Bens	Created to meet the Authority's liablity regarding employees redunandancy as staff cannot be TUPEd under the changes regarding the introduction of Universal Credit.	Exec 18 Dec 2012 (unalloacted and risk based reserves)	**-150,000**				**-150,000**			**-150,000**			**-150,000**
80329	Welfare Support		Exec 28 May 2013	**-30,000**	-10,604			**-40,604**		20,000	**-20,604**			**-20,604**
80346	Home Group Insurance Repay		Ask for at Exec 8/1/15	**0**	-19,585			**-19,585**			**-19,585**			**-19,585**
80362	NNDR Safety Net	Created at end of 13/14 being General Fund Grant received to bring NNDR receipt to base line.		**0**	-5,178,072			**-5,178,072**			**-5,178,072**			**-5,178,072**
	TOTAL			**-3,705,335**	**-5,384,653**	**32,500**	**0**	**-9,057,488**	**-156,392**	**27,000**	**-9,186,880**	**-7,000**	**10,500**	**-9,183,380**

EARMARKED RESERVES 2014/15

Appendix C

Cost Centre	Description	Purpose	Approval	2013/14	2014/15				2015/16			2016/17		
				Balance as at 31 March 2014	Contributions in year	Planned utilisation	Release to General Fund	Balance as at 31 March 2015	Contributions in year	Planned utilisation	Balance as at 31 March 2016	Contributions in year	Planned utilisation	Balance as at 31 March 2016
	CUSTOMER & COMMUNITY SERVICES													
80319	Housing Strategy	To fund the 5-yearly Housing Stock Condition Survey	Exec 20/12/11	**-20,000**	-10,000	10,000		**-20,000**	-10,000		**-30,000**	-10,000		**-40,000**
80308	Homelessness Repossession Fund	For activity to reduce repossessions and homelessness	Exec 29/06/10	**-22,589**				**-22,589**			**-22,589**			**-22,589**
80349	Housing Service	Created from underspend in B&B accommodation in 14/15. This reserve to be held for use of housing service for use on relevant issues i.e. increased demand in B&B, legal and professional fees encountered by the service etc	Ask for at Exec 8/1/15	**0**	-20,000			**-20,000**			**-20,000**			**-20,000**
80197	Working Neighbourhoods		Exec 12/08/08 and 22/09/09	**0**				**0**			**0**			**0**
80177	Beacon Museum Exhibits	To use (often as match funding) to purchase items for the Beacon museum collection	Precedes 2005/06	**-11,014**				**-11,014**			**-11,014**			**-11,014**
80341	Beacon Collection Conservation (CBC)			**-6,699**				**-6,699**			**-6,699**			**-6,699**
80283	Beacon (former Sinking Fund)	Set up as part of the agreements with funding partners to ensure that the Beacon is continually upgraded. The fiund has been built up from annual revenue budget surpluses generated at the Beacon	Reclassified following RPWG 12/04/12	**-87,781**				**-87,781**			**-87,781**			**-87,781**
	TOTAL			**-148,083**	**-30,000**	**10,000**	**0**	**-168,083**	**-10,000**	**0**	**-178,083**	**-10,000**	**0**	**-188,083**

EARMARKED RESERVES 2014/15

Appendix C

Cost Centre	Description	Purpose	Approval	2013/14 Balance as at 31 March 2014	2014/15 Contributions in year	2014/15 Planned utilisation	2014/15 Release to General Fund	2014/15 Balance as at 31 March 2015	2015/16 Contributions in year	2015/16 Planned utilisation	2015/16 Balance as at 31 March 2016	2016/17 Contributions in year	2016/17 Planned utilisation	2016/17 Balance as at 31 March 2016
	COPELAND SERVICES													
80046	Crematorium Donations	Donations from the public via a collection box at the Crematorium made specifically for the purpose of maintaining the crematorium and are ringfenced for that purpose.	No approval	**-4,731**		1,200		**-3,531**			**-3,531**			**-3,531**
80302	Proceeds from Tmac Levy (formally CAMEO tax)	Balance of proceeds from CAMEO tax to be used to fund replacement cremators & mercury abatement.	Exec 29/06/10	**-126,682**	-50,000	25,000		**-151,682**	-25,000		**-176,682**	-25,000	0	**-201,682**
80206	Recycling	Balance from the Recycling Sinking Fund transferred to earmarked reserves. Used for equipment purchase	Exec 20/12/11	**-36,784**		10,000		**-26,784**			**-26,784**			**-26,784**
80198	Bin Replacement Reserve (former Sinking Fund)	Set up in 2003 to fund the provision/replacement of wheelie bins. Funded from ad-hoc underspends within the revenue budget. Last revenue contribution £44,000 2007/08.	2003/04	**-96,262**		35,000		**-61,262**			**-61,262**			**-61,262**
80193	Catherine Street Car Park	Set up as part of an agreement with Cumbria CC who released the land for the Sports Centre car park. Contributions are made from the revenue budget annually (£5,150) to fund maintenance works at the car park.	Reclassified following RPWG 12/04/12	**-81,577**	-5,150	7,000		**-79,727**	-5,150	8,000	**-76,877**			**-76,877**
80342	Copeland Car Parks	To fund maintenance works for CBC car parks	Exec 21/2/13	**-20,000**	-20,000			**-40,000**	-20,000		**-60,000**			**-60,000**
80203	Crematorium Sinking Fund	Set up to fund improvements to the car park at the Crematorium. Contributions are made annually to the fund equivalent to £10 per cremation	Reclassified following RPWG 12/04/12	**-39,790**	-9,500	10,000		**-39,290**	-9,500	6,000	**-42,790**	-9,500		**-52,290**
80343	Knot Weed	Proposed this report for the treatment over 3-4 year period of knotweed on Counci land (from gf unallocated)	Exec 13/02/2014	**-20,000**		7,000		**-13,000**		7,000	**-6,000**		**6,000**	**0**
80348	Environmental Health - Legal & Prof	To fund Legal and Professional costs relating to Environmental Protection and Food Hygiene cases which may arise, instead of base budget funded as difficult to predict cost in any one year			?			**0**			**0**			**0**
	TOTAL			**-425,826**	**-84,650**	**95,200**	**0**	**-415,276**	**-59,650**	**21,000**	**-453,926**	**-34,500**	**6,000**	**-482,426**
	ECONOMIC GROWTH													
80127	Local Development Framework	To fund Local Delivery Framework. Revenue Budget report to Exec 17/02/09 App G. Further £20k carry forward from 09/10 to support LDF, planning enforcement and conservation planning advice. £120k over 3 years to fund contract with NECT.	Council 24/02/09 Exec 24/01/10 Exec 29/06/10	**-125,039**		10,000		**-115,039**			**-115,039**			**-115,039**
80314	Planning Policy- Habitat Evaluation	To meet duties to asess impact of developments on natural habitats. This is from un-ringfenced Habitat Directives grant	Exec 29/06/10	**-33,670**				**-33,670**			**-33,670**			**-33,670**
80180	Dangerous Structures	Transferred from GF risk based reserve	Exec 20/12/11	**-17,403**				**-17,403**			**-17,403**			**-17,403**
80274	Development Control - Application Support	To support costs of major planning applications, as required.	Exec 27/05/08 & 12/08/08	**-20,758**				**-20,758**			**-20,758**			**-20,758**
80294	Building Control - Charges Regulations 2010	This is the balance from £110k carried forward from 2007-08 from salaries underspend, for service improvements.	Exec 27/05/08 & 12/08/08	**-15,086**				**-15,086**			**-15,086**			**-15,086**
80273	Development Control - Enforcement	Provides funding for 2 years up to 2011-12 for an enforcement officer.	Exec 27/05/08 & 12/08/08	**-11,373**		0		**-11,373**			**-11,373**			**-11,373**
80171	Planning for Nuclear	Assist in the future funding of Nuclear activities	Executive 16/2/10 (6,262), Council 1/12/11 (19,361), Executive May	**-210,245**		64,243		**-146,002**		64,000	**-82,002**			**-82,002**
80328	Weddicar Planning	Created to defend planning decision made re windfarm in 2012	Exec 18 Dec 2012 (unallocated and risk based reserves)	**0**				**0**			**0**			**0**
80325	Compensation payments for community asset transfers	Created to meet Authority's potential need to compensate private landowners for delayed disposal of their assets under the Localism Act (needs to be retained at £20k - maximum call in any 1 year). Seeking release to General Fund on 8/1/15 only 2 applications registered in 2 years with no current plans for sale.	Exec 18 Dec 2012 (unalloacted and risk based reserves)	**-20,000**			20,000	**0**			**0**			**0**
80296	Dilapidated Buildings	From 2008-09 outturn, to address derelict and dilapidated buildings. This will provide 'seed' funding to recover costs of work in default.	Exec 30/06/09	**-37,800**				**-37,800**			**-37,800**			**-37,800**
80315	Copeland Seaside Coastal Park	For coastal regeneration programme as outlined in Copeland Regeneration report to Exec on 29/06/10.	Exec 29/06/10	**-120,927**		50,000		**-70,927**			**-70,927**			**-70,927**
80339	Enabling Growth Strategy			**-74,000**		25,000		**-49,000**			**-49,000**			**-49,000**
80347	Localism Grants		Ask for at Exec 8/1/15		-29,503			**-29,503**			**-29,503**			**-29,503**
	TOTAL			**-686,301**	**-29,503**	**149,243**	**20,000**	**-546,561**	**0**	**64,000**	**-482,561**	**0**	**0**	**-482,561**
	GRAND TOTAL			**-5,692,347**	**-5,648,806**	**511,943**	**20,000**	**-10,809,210**	**-246,042**	**384,000**	**-10,671,252**	**-71,500**	**16,500**	**-10,726,252**

CAPITAL PROGRAMME 2015/16 – 2017/18

EXECUTIVE MEMBER: Councillor Gillian Troughton
LEAD OFFICER: Angela George, Interim Finance Manager (s151 Officer)
REPORT AUTHOR: Leanne Barwise, Senior Accounting Officer

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?
This report presents the proposed Capital Programme for 2015/16-2017/18 and details how the programme will be funded. This includes details of Capital project outlines developed for inclusion in the Capital Programme 2015/16-2017/18 and the existing Capital Programme of those projects previously approved in principal, for these years.

WHY HAS THIS REPORT COME TO EXECUTIVE?
It has come to this Executive for final recommendation to Council on 26 February 2015, where the Capital Programme 2015/16-2017/18 will be formally approved.

[Full Council 26 February- NOTE ***: The Recommendations below are as presented to Executive on 12 Feb 2015, updated for approvals at that meeting. They are not for consideration at Full Council of 26 February, but provide background information to the Budget Proposals 2015/16 Council paper agenda item, along with all other information in this Appendix.]***

RECOMMENDATION:

(i) Approval of an existing Business Case Summary for Disabled Facilities Grants that was approved in principal in 2013/14 for inclusion in 2015/16 & 2016/17 capital programme and is still required as detailed in paragraph 2. An additional year of providing DFG's in 2017/18 has also been requested to be added to the Capital Programme 2017/18.

(ii) Approval of the proposed draft Capital Programme for 2015/16 to 2017/18, which can be funded from Useable Capital Receipts Reserve and assuming current forecast capital receipts are realised in the three year period, see paragraph 5.

(iii) Executive are asked to note the forecast capital receipt position as detailed in sections 5 and 6 and the risk associated with any under achievement of the forecast capital receipts.

1 INTRODUCTION

1.1 Effective asset management planning is a crucial corporate activity to ensure we meet our corporate and service aims, and deliver our core services. This is even more important in the current economic climate which the authority is operating within.

1.2 This paper details the proposed Capital Projects, for inclusion in the Capital Programme for 2015/16 and beyond, as well as the existing Capital Programme of those projects approved in principal in 2014 for future years; to give the proposed capital programme for the three years 2015/16-2017/18, and how they will be funded as set out in Appendix CA.

1.3 When considering approval of capital projects, we need to ensure:-

- we would still continue to meet our statutory duties even if a scheme was not approved
- urgent projects are given priority to meet legal obligations/avoid litigation claims
- our spending decisions are meeting our key priorities and compliant with the most recent policy framework delivering a priority outcome
- the continuity of the service delivery is not compromised
- all revenue costs/savings as well as capital costs have been considered
- we can establish that although the project may not necessarily link with corporate priorities it will provide positive results to service delivery
- we recognise potential external partnership benefits with public, private or voluntary sector
- consideration has been given to sources of funding available and we have maximised external funding on all projects (where appropriate)

1.4 The business case summaries are initially prepared by Project Managers/Sponsors and reviewed with Finance to ensure the resulting spend is of a capital nature and is therefore appropriate to be included in any considerations for the programme. However, it should be noted, that any subsequent expenditure on a project that is not of a capital nature will be need to be transferred in year to the most relevant revenue budget under that budget holder.

1.5 The business case summaries were also reviewed subject to the approved criteria and scored and distributed to the Capital Control & Working Group on 17 November 2014 for comment (with the exception of the Accommodation Strategy which was a late submission and was distributed to the group for comment separately). They were also reviewed at Corporate Leadership Team on 26 November 2014 where the scoring of some projects were changed and redistributed to the group. A summary of the results are attached at Appendix CB.

1.6 The business case summaries that have been submitted and included in this report are those that we are aware of to date. In addition to those mentioned in this report, we have recently accepted a £50k grant from the Environment Agency to commission an appraisal of coastal erosion around Whitehaven harbour and south shore area. Whilst this is not capital expenditure, the results of this study may potentially lead to capital expenditure; although we have not/are not committing to any additional works by accepting the revenue grant.

1.7 All bids presented in this report (except those for the Statutory Disabled Facilities Grants) require further approval from Executive through submission of a Project Initiation Document (PID) for each project. These reports provide additional details of the works to be completed for Members to agree that the project should still commence and it meets our core objectives. Those that have been submitted have been attached to this report at Appendix CC.

1.8 Two projects namely Whitehaven THI and Fleet Replacement are shown within Appendix CA as “Budget carry forwards from 2013/14 into specific years”. These two projects were approved in previous years however the programme of works were to be completed over a number of years after the 2013/14 financial year end. It was therefore requested within the 2013/14 Capital outturn report to Executive 27 May 2014 (paragraph 4.2) that these budgets be re-aligned in accordance with expected expenditure to form part of the capital programme 2015/16 and beyond. They are not new bids, but an allocation of carried forward budget from 2013/14 with the balance of the Whitehaven THI being fully externally funded and the fleet replacement money being a call on our useable capital receipts reserve.

2 CAPITAL PROGRAMME PROJECT OUTLINES FOR 2015/16 APPROVED IN PRINCIPAL FEBRUARY 2014

2.1 One project for Disabled Facilities Grants was approved in principal for inclusion in the Capital Programme at Council in February 2014, amounting to £600k for each for the years 2015/16 & 2016/17. A further bid of £600k has also been submitted for approval for 2017/18 see Project Outline Form in Appendix C1. The value of these bids are based on the current experience of DFG’s, however Members are asked to note that the figures are subject to change as it is impossible to predict with certainty either the number or value of referrals that may be received. From 2015, the external funding for DFG’s will be transferred from DCLG to the Department of Health and included in the Better Care Fund; which will be paid to Cumbria County Council and allocated to Local Authorities. The provisional external grant income allocated to Copeland for 2015/16 is £351k being the minimum amount of funding we have been informed we can expect to receive. Therefore, any additional income that may be received (but is not guaranteed) would further reduce the need to call upon our capital reserves (currently £249k).

2.2 It has been assumed that the mandatory duty to provide DFG’s in 2016/17 and beyond will still remain with the Council. It should be noted that this may change once the full extent of the transfer of funding to Cumbria County Council is known and any external funding may cease (although this is unlikely). Therefore, the current assumed position on DFG’s that form the basis of the figures throughout this report; are liable to change.

3 NEW PROJECT OUTLINES FOR CONSIDERATION FOR 2015/16 ONWARDS

3.1 Three new projects have been proposed for consideration as part of the Capital Programme 2015/16 and beyond, the details are shown in the project outlines attached at Appendix CC and summarised as follows:-

3.2 Castle Park: Roads & Drainage – £28k has been requested from the Councils Useable Capital Receipts Reserve (UCRR) to resurface the majority of roads within Castle Park, Whitehaven and renew the drainage system on areas prone to flooding. Further details attached within the Appendix C2 a-f.

3.3 Crematorium Auto Charger – £21.5k has been requested from the Council's UCRR to fund the purchase and installation of an automatic charger for the cremator at Distington Hall Crematorium. Further details attached within the Appendix CC3 a-c.

3.4 Pay & Display Stock – A total of £70,390 has been requested, of which £48,485 to be funded from the Councils UCRR (over a two year programme £15,405 15/16 & £33,080 16/17) to fund the replacement or upgrading of existing pay and display machines including a back office system in relation to the CBC owned off-street car parks. The remainder of the funding will come from the Councils existing revenue budget (£9.5k for software, training & annual costs) and £12,405 from revenue earmarked reserve (Sport Centre). Further details attached within Appendix CC4 a-c.

3.5 Working Differently – Accommodation Strategy – The Accommodation Strategy currently has an approved capital budget in 2014/15 of £728,798 consisting of £400k Accom Strategy, £142k Customer Access Strategy & £187k ICT budget. A further £932k has been requested in 2015/16 to complete the project (to give a total capital project of £1,660k), of which £482k is requested to be funded from the Useable Capital Receipts Reserve. The remainder will come from revenue funding of £200k as detailed in the report to Executive 25th November 2014 and external income of £250k in relation to the PFI Agreement. The Executive report also detailed a potential need to internally borrow against our own reserves if there are insufficient Capital Receipts to support this project. Further details attached within Appendix CC5 a-c.

4 FINANCING OF THE CAPITAL PROGRAMME 2015/16 – 2017/18

4.1 Table 1 shows the sources of funding for the draft Capital Programme for the three years 2015-2018. It is important that the funding of the proposed Capital Programme is fully understood and can be demonstrated.

4.2 Although the council has the ability to borrow from external sources to finance the Capital Programme, we choose not to increase our debt levels but to self-finance our capital expenditure by utilising our own capital resources derived from the sale of assets. These resources are only allowed to be utilised for a capital purpose and are held in the Useable Capital Receipts Reserve (UCRR), which is split into 3 parts:-

a) General Useable Capital Receipts

This reserve holds all the proceeds from the previous sale of the Council's assets (primarily land) ***and*** VAT Share receipts received from Home Group in accordance with our agreement. The General Useable Capital Receipts is currently used to fund all non-housing capital expenditure (only). This is the only part of the UCRR that can be replenished (from the future sale of assets).

b) Housing Capital Receipts

Historic one-off proceeds from the sale of our Housing Stock to be used solely on Housing expenditure. This will not be replenished once spent.

c) **Land Management Reserve**

This reserve formed in 2014/15 has been earmarked to fund the proactive safety management for the council's land by allocating some receipts from the General Useable Capital Receipts. This reserve will not be replenished once spent.

4.3 The fact we self-finance our capital programme means we are **very heavily reliant on the sale of assets** and the VAT Share receipts to be able to spend on the capital projects identified within the capital programme. If the slow property market continues and asset sales do not complete when expected or complete at less than anticipated value, there is a real risk that there will be insufficient capital receipts to finance either the current or future programmes.

4.4 The proposed 2015/16-2017/18 capital programme expenditure would be financed as follows:

Table 1: Financing of the proposed 2015/16 – 2017/18 Capital Programme

2014/15 £	Copeland Borough Council Capital Programme	2015/16 £	2016/17 £	2017/18 £
600,000	DFG's	600,000	600,000	600,000
0	Castle Park – Roads & Drainage	28,000	0	0
0	Crematorium Auto Charger	21,500	0	0
0	Pay & Display Stock	37,310	33,080	0
0	Fleet Replacement**	4,600	4,600	4,600
650,000	Whitehaven THI***	350,000	250,000	38,849
728,798	Working Differently – Accommodation Strategy	932,000	0	0
1,978,798	**TOTAL CBC CAPITAL PROGRAMME 2015/16**	**1,973,410**	**887,680**	**643,449**

£	Funded By:	£	£	£
978,798	CBC General Useable Capital Receipts	551,505	37,680	68,431
249,000	CBC Housing Capital Receipts	249,000	249,000	185,169
0	CBC Revenue	209,500	0	0
400,000	Other External funding: re Whitehaven THI***	350,000	250,000	38,849
351,000	Other External Funding: re DFG's *	351,000	351,000	351,000
0	Other External Funding: re Pay & Display Earmarked Reserve	12,405	0	0
0	Other External Funding: re Accomm Strategy	250,000	0	0
1,978,798	**TOTAL FUNDING OF CBC CAPITAL PROGRAMME 2015/16**	**1,973,410**	**887,680**	**643,449**

*DFG programme has been submitted at £600k per annum – It has been assumed that the funding levels will be comparative to 2015/16 for the purposes of this report, until further information is known. Should the external funding differ from this amount, the use of our own resources will need to reduce/increase accordingly.

**Fleet Replacement – total £21.2k approved as carry forward budget from 13/14 from UCRR. Budget realigned in accordance with expected spend (£4.6k per year 14/15-17/18 + £2.8k 2018/19 – latter year not in this table)

*** Whitehaven THI – total £638,849 approved as carry forward from 13/14. Budget was realigned in accordance with expected spend (£350k 15/16, £250k 16/17 & £38,849 17/18). Remaining budget fully externally funded.

5 CAPITAL RESOURCES

5.1 Table 2 overleaf shows the forecast position of the movement (i.e. use and new capital receipts) on usable capital receipts for 2015/16 (table 3 shows 2016/17 and table 4 shows 2017/18) which will be used to fund the capital programme.

5.2 We have included VAT Share figures that have been confirmed by Home Group as the latest best estimate as at January 2015. Any future changes to these estimated figures would impact the closing balance position on the capital receipts each year.

5.3 Members are asked to note that the **opening balance figures** in Table 2 (and so consequently Tables 3 and 4) have been revised to demonstrate the position on capital receipts if full budget was spent in 2014/15 ***and*** in the unexpected event that no further capital receipts were realised in 2014/15 except for those already received at January i.e. worst case scenario.

5.4 The capital receipts figures mentioned throughout this document were those that were available at the start of January when the report was prepared and are shown here as an indication. There is another report elsewhere on this agenda detailing a new property disposals programme for consideration. This report and any subsequent outcomes will affect the position of the capital receipts detailed in the tables throughout this report.

5.5 Additionally, the tables show the estimated drawdown on the Housing Capital receipts for 2015/16 for DFG's at £249k. As stated in paragraph 2.2, the provisional external grant income allocated to Copeland for 2015/16 is £351k being the minimum amount of funding we have been informed we can expect to receive. Therefore, any additional income that may be received (but is not guaranteed) would further reduce the need to call upon our capital reserves.

Table 2: Impact of the forecast capital programme spend and receipts for 2015/16 on the Useable Capital Receipts Reserve

USEABLE CAPITAL RECEIPTS	General Capital Receipts (incl VAT Share) £	Housing Capital Receipts (Previously PRTB & RRTB) £	Land Management Reserve £	TOTAL £
Forecast **Opening balance** at 1st April 2015	**(707,926)**	**(683,169)**	**(200,000)**	**(1,591,095)**
Forecast draw down to fund draft 15/16 capital programme	551,505	249,000	0	**800,505**
Forecast Capital Receipts from sale of assets in year	(400,000)	0	**0**	**(400,000)**
Forecast Capital Receipts from VAT Share Agreement	(442,000)	0	**0**	**(442,000)**
Forecast useable Capital Receipts **closing balance** at 31st March 2016	**(998,421)**	**(434,169)**	**(200,000)**	**(1,632,590)**

Table 3: Impact of the forecast capital programme spend and receipts for 2016/17 on the Useable Capital Receipts Reserve

USEABLE CAPITAL RECEIPTS	General Capital Receipts (incl VAT Share) £	Housing Capital Receipts (Previously PRTB & RRTB) £	Land Management Reserve £	TOTAL £
Forecast **Opening balance** at 1st April 2016	**(998,421)**	**(434,169)**	**(200,000)**	**(1,632,590)**
Forecast draw down to fund draft 16/17 capital programme	37,680	249,000		**286,680**
Forecast Capital Receipts from sale of assets in year	(2,481,000)			**(2,481,000)**
Forecast Capital Receipts from VAT Share Agreement*	(209,000)			**(209,000)**
Forecast useable Capital Receipts **closing balance** at 31st March 2017	**(3,650,741)**	**(185,169)**	**(200,000)**	**(4,035,910)**

Table 4: Impact of the forecast capital programme spend and receipts for 2017/18 on the Useable Capital Receipts Reserve

USEABLE CAPITAL RECEIPTS	General Capital Receipts (incl VAT Share) £	Housing Capital Receipts (Previously PRTB & RRTB) £	Land Management Reserve £	TOTAL £
Forecast **Opening balance** at 1st April 2017	**(3,650,741)**	**(185,169)**	**(200,000)**	**(4,035,910)**
Forecast draw down to fund draft 17/18 capital programme**	68,431	185,169		**253,600**
Forecast Capital Receipts from sale of assets in year	(915,500)			**(915,500)**
Forecast Capital Receipts from VAT Share Agreement*	(77,000)			**(77,000)**
Forecast useable Capital Receipts **closing balance** at 31st March 2018	**(4,574,810)**	**0**	**(200,000)**	**(4,774,810)**

****Housing Reserve is depleted in 2017/18 – call on reserves in year is £249k therefore the remaining £63,831 is required from the General Capital Receipts)**

5.6 The capital programme assumes funding from the sale of assets and external (grant) contributions. There is no assumption at this stage to borrow EXTERNALLY to finance the programme, although internal borrowing may be an option.

5.7 As shown in table 4 above, the Housing Capital Receipts will be fully depleted within the 2017/18 financial year if external funding for the Disabled Facilities Grants remains at the current level. The General Capital Receipts reserve would then need to be allocated to fund the Housing programme from 2017/18 onwards. Should the level of demand remain but the external funding is reduced then this could happen earlier than anticipated.

6 RISK ASSESSMENT ON CAPITAL RECEIPTS

6.1 As stated in section 4.3 the Capital Programme is heavily reliant on the sales of assets and our VAT Share receipts. The timing of both these capital receipts are **critical** to the funding of the proposed Capital Programme 2015/16-2017/18. Members are reminded that the receipts detailed in tables 2-4 above are the best forecast prediction at the time. Any fluctuation in the timing of these forecast receipts could potentially have a negative impact on the funding of the capital programme 2015/16 and beyond.

6.2 Generation of capital receipts presents significant risks in terms of the timing and value of receipt. The sale of assets has been slower than anticipated earlier in the current year due to a lack of resources in the Property Department. However, this has now been addressed, and it is hoped that assets sales will progress as a result of extra resource in the Department. A report is presented elsewhere on this agenda detailing a property disposals programme for approval.

7 CONCLUSION

7.1 The proposed draft Capital Programme 2015/16-2017/18 can be funded from Useable Capital Receipts Reserve assuming current forecast capital receipts are realised in the three year period as outlined in paragraph 5.

8 STATUTORY OFFICER COMMENTS

8.1 The Monitoring Officer's comments are: None

8.2 The Section 151 Officer's comments are: Included in this report

8.3 EIA Comments: None – EIA is completed within each Project Initiation Document submitted and is attached throughout Appendix CC.

8.4 Policy Framework: Proposals are in accordance with policy framework.

9 RESOURCE REQUIREMENTS

9.1 It is imperative that the capital budget is monitored monthly with exceptions reported through Corporate Leadership Team and Executive so that management action can be taken to ensure the effective use of resources as planned by the Council.

List of Appendices:

Appendix CA – Draft Capital Programme 2015/16 -2017/18

Appendix CB – Capital Criteria Scoring Results
Appendix CC – Capital Business Case Summaries & PID's

CC1 Disabled Facilities Grants Summary

CC2 a) Castle Park: Roads & Drainage Summary
b) PID
c) Plan of area
d) Quote
e) Photos
f) H&S Report
g) EIA

CC3 a) Crematorium Auto Charger Summary
b) PID
c) EIA

CC4 a) Pay & Display Stock Summary
b) PID
c) Cash Office Review Extract

CC5 a) Working Differently – Accommodation Strategy Summary
b) PID
C) EIA

CAPITAL PROGRAMME BUDGET 15/16, 16/17 & 17/18

APPENDIX CA

Appendix Ref		Expenditure 2015/16				Funding 2015/16				Expenditure 2016/17			Expenditure 2017/18			
		Budget realignment carry forwards from 13/14 into specific years	Existing programme March 14 Council	Draft bids submitted Oct 14	TOTAL 15/16	CBC - Useable Capital Receipts Reserve (UCRR)	CBC - Housing Reserve	CBC Revenue	External Funding	Existing programme March 14 Council	Draft bids submitted Oct 14	TOTAL 16/17	Existing programme March 14 Council	Draft bids submitted Oct 14	TOTAL 17/18	OVERALL TOTAL 15/16-17/18
	Resources & Strategic Commissioning															
C5	Accomodation Strategy			932,000	**932,000**	482,000		200,000	250,000			-			-	**932,000**
					-							-			-	**-**
	TOTAL	**-**	**-**	**932,000**	**932,000**	**482,000**	**-**	**200,000**	**250,000**	**-**	**-**	**-**	**-**	**-**	**-**	**932,000**
	Head of Copeland Services:															
C2	Castle Park - Roads & Drainage			28,000	**28,000**	28,000						-			-	**28,000**
C3	Crematoruim Auto Charger			21,500	**21,500**	21,500						-			-	**21,500**
C4	Pay & Display Stock (approve in principal)			37,310	**37,310**	15,405		9,500	12,405		33,080	33,080			-	**70,390**
	Fleet Replacement*	4,600			**4,600**	4,600				4,600		4,600	4,600		4,600	**13,800**
	TOTAL	**4,600**	**-**	**86,810**	**91,410**	**69,505**	**-**	**9,500**	**12,405**	**4,600**	**33,080**	**37,680**	**4,600**	**-**	**4,600**	**133,690**
	Head of Customer & Community Services															
	Whitehaven THI**	350,000			**350,000**				350,000	250,000		250,000	38,849		38,849	**638,849**
C1	Disabled Facilities Grants		600,000		**600,000**		249,000		351,000	600,000		600,000		600,000	600,000	**1,800,000**
	TOTAL	**350,000**	**600,000**	**-**	**950,000**	**-**	**249,000**	**-**	**701,000**	**850,000**	**-**	**850,000**	**38,849**	**600,000**	**638,849**	**2,438,849**
	TOTAL CAPITAL PROGRAMME -	**354,600**	**600,000**	**1,018,810**	**1,973,410**	**551,505**	**249,000**	**209,500**	**963,405**	**854,600**	**33,080**	**887,680**	**43,449**	**600,000**	**643,449**	**3,504,539**

CBC Reserves total = 800,505

* Fleet Replacement - TOTAL £21,200 was approved by Executive as carry forward budget from 2013/14. The budget was re-aligned with spend expected each year (£4,600 each year 14/15 to 17/18 inclusive + £2,800 18/19 latter not shown on this table).

** Whitehaven THI - TOTAL £638,849 was approved by Executive as carry forward budget from 2013/14. The budget was re-aligned in accordance with spend expected each year (£350k 15/16, £250k 16/17 & £38,849 17/18)

CAPITAL CRITERIA & SCORING SYSTEM

APPENDIX CB

Suggested Criteria	Summary	Weight	SCORING				BIDS APPROVED IN PRINCIPAL IN 2014/15 FOR 2015/16	NEW BIDS 15/16			
			1	2	3	4	DFG'S UCRR £249k	Castle Park Roads & Drainage UCRR £28k (3 yrs)	Cremator - Auto Charger UCRR £21.5k	Pay & Display Installation UCRR £48.5k	Accommodation Strategy UCRR £482
Statutory requirement	We would fail to meet our statutory duties if the scheme was not approved	25	Does not Meet 25	Partially Meets 50	Substantially Meets 75	Fully Meets 100	100	50	100	25	75
Urgent priorities/avoidance of litigation claims	Urgency of investment required to meet legal obligations i.e. avoidance of Corporate Manslaughter and other litigation claims, Health and Safety, Disability Discrimination Act	25	N/A 25			Definate 100	100	100	100	25	25
New policy framework	A project that specifically complies with the most recent policy framework and delivers a priority outcome.	15	Does not comply 15			Fully complies 60	60	15	15	60	60
Business need/Avoiding future business interruption	The project is essential to ensure the continuity of the of the service delivery and avoid future potential business interruption	15	Not essential to continuity 15	partially essential to continuity 30	substantially essential to continuity 45	Totally essential to continuity 60	60	15	45	45	45
Invest to save	Provision of future revenue savings/additional income from completion of project include payback period	10	No savings/net income 10	upto 15% savings/income 20	15%-25% savings/income 30	Over 25% savings/income 40	10	20	10	20	40
Revenue implications	Delivery and completion of the project would result in a future net revenue cost (see invest to save for positive revenue implications)	-10	None -10	>£20k net cost -20	£21k to 50K net cost -30	Over £50k net cost -40	-10	-10	-10	-10	-10
Operational benefits	The project does not necessarily link with corporate priorities but will provide positive benefits to service delivery	10	No positive benefits 10	Limited positive benefits 20	Substantial positive benefits 30	Full positive benefits 40	40	30	30	30	40
Partnership working	External partnership benefits with public, private or voluntary sector	10	No partnership benefits 10	Limited partnership benefits 20	Substantial partnership benefits 30	Full partnership benefits 40	30	10	10	20	40
External match funding/full external funding	Project is part funded or fully funded from externally generated resources	10	None 10	Up to 33% funded 20	34% - 66% funded 30	67%-100% funded 40	30	10	10	20	30**
		max score	130	260	390	520	420 *	240	310	235	345

Weighting Criteria: (Weight x score)

	1	2	3	4
Colour range	0-130	131-260	261-390	391-520

* These bids were evaluated last year upon submission, by the capital Control and Monitoring group

** This score is based on the application for funding to the 15/18 Capital Programme and not on the full project cost as the balance is already approved for funding

CAPITAL PROJECT OUTLINE

For Inclusion in the Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: *Disabled Facilities grants*

1. Project Description

To deliver Disabled Facilities Grants (DFG's) to residents of Copeland. This is a statutory duty.

2. Key Deliverables

The provision of adaptations for disabled residents, for example, stair-lifts, shower rooms and access ramps.
DFG's prevent accidents at home that might otherwise cause acute harm or fatalities to disabled people of all ages. They enable people to maximise their independence at home and minimise their dependence on health and Social care services, particularly acute services like unplanned hospital admissions or emergency receptions into care.

3. Project Manager and Sponsor

Debbie Cochrane will manage the project, Julie Betteridge is the sponsor

4. Budget (including size of budget, who is funding it and accountable body)

There is no longer an award for Disabled facilities grants from DCLG; the funding is now pooled as part of the Better Care Fund allocated to Cumbria County Council. The figure below is provisional, CBC have been assured verbally that it will be no less than this, and is higher than that given to CBC last year by DCLG (£276.312).

Copeland Borough Council Capital	*£ 249,000*
Other External Funders	*£ 351,000 Better Care Fund*
Total Budget	***£ 600,000***

The same amount of funding will be required for 2015/16, 2016/17 & 2017/18 (£600k) but how we fund it will not be known until nearer the time, any need to call on our reserves will be from the Housing Reserves and not the General Capital Reserves.

5. Key Project dates (including start date, key milestones, expected project completion date)

The project runs from 1 April each year

6. Current status of project

The anticipated commitment based on the number of referrals and current applications is £600,000.

7. Please complete the attached on page 2 with comments against each of the criteria. Your comments will form the basis of the scoring matrix to determine whether the project will be either included or excluded from the Capital Programme 15/16 and beyond.

Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: *Disabled Facilities Grants*

Criteria	Summary	Project Manager/Sponsor Comment:
Statutory requirement	We would fail to meet our statutory duties if the scheme was not approved	The provision of DFG's is a statutory duty.
Urgent priorities/avoidance of litigation claims	Urgency of investment required to meet legal obligations i.e. avoidance of Corporate Manslaughter and other litigation claims, Health and Safety, Disability Discrimination Act	DFG's must be approved within six months of referral
Invest to save	Provision of future revenue savings/additional income from completion of project include payback period	
New policy framework	A project that specifically complies with the most recent policy framework and delivers a priority outcome.	Strategic housing is a statutory function which includes the statutory duty to provide DFG's. The policy framework "to deliver efficient and effective statutory services" can only be met if we have enough resource to meet our DFG duty.
Business need/Avoiding future business interruption	The project is essential to ensure the continuity of the of the service delivery and avoid future potential business interruption	The demand for DFG's is increasing year on year, the council works hard with partners to assess applicants to ensure eligible people in need are assisted effectively.
Revenue implications	Delivery and completion of the project would result in a future net revenue cost (see invest to save for positive revenue implications)	Our efficient DFG service relies on adequate finance to meet demand, we are working in partnership with Age Uk and have developed a Home Improvement Agency across Copeland which will support our service through the delivery of connected issues, for example a 'handyman' service
Operational benefits	The project does not necessarily link with corporate priorities but will provide positive benefits to service delivery	The project fully delivers against corporate statutory duties.
Partnership working	External partnership benefits with public, private or voluntary sector	DFG's are delivered through a partnership approach, Cumbria County Council, Registered Housing Providers, private landlords, Age UK are working together to ensure delivery turnaround and assessment are effective.
External match funding/full external funding	Project is part funded or fully funded from externally generated resources	The council tops up the grant received from DCLG. The provisional award of £351,000 from the Better care Fund has led to this bid for £249,000 to ensure the programme can be delivered.

CAPITAL BUSINESS CASE SUMMARY

For Inclusion in the Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: Castle Park- Roads resurfacing and Drainage

1. Summary Project Background

While the roads/paths in Hensingham Cemetery were resurfaced in 2010 and Whitehaven cemetery roads were resurfaced around 10 years ago the roads/paths within Castle Park have not been fully resurfaced for around 30 years. Surfaces are in need of proper repair beyond the temporary patching repairs that have been carried out in recent years using Parks revenue budgets. The surfaces are in a poor state of repair and are not included in maintenance plans.

The proposal is to resurface roads within Castle Park as per the attached plan renewing road drainage in areas particularly prone to flooding. The majority of existing surfaces across the Park are in a poor condition and breaking up causing a Health and Safety trip hazard.

The park is fully accessible by all members of the public, there is a popular children's play area, which is well used throughout the year. There are also regular organised events that take place within the Park.

The plan is to improve of the roads, significantly reducing the risk of public liability claims from trip hazards. The project will see around 85% of existing surfaces in the park overlaid with a minimum of 40mm thick tarmac The tarmac would be applied after surfaces are cleared of moss and detritus. The remaining 15% of existing surfacing that is in reasonable condition will not be tarmacked but potholes will be patched.

As the paths have not been properly resurfaced for at least 30 years attempts at cleaning are ineffective and due to the deterioration some areas easily become muddy where water stands after heavy rain. The project will significantly improve the visual appearance and access to all areas within Castle Park.

2. Business Case & Project Objectives

The cost of the work is estimated at £28,000. The project will be implemented in 3 phases during 2015-16 concentrating on the areas in worse condition in phase 1.

3. Risks – Implications of not supporting this request for Capital Funding

The present condition may deter the users of Castle Park , especially the less infirm and disabled
Area looks neglected and may encourage anti-social behaviour and misuse of the Park
There is an increased risk of public liability claims against the Council through slip and trip hazards
A substantial amount of time is currently spent "patching" paths and this will only increase as the paths deteriorate further leading to increased revenue costs for constant repairs to the surfacing

4. Key Deliverables & Project plan
Resurfacing of the roads which are regularly used by pedestrians will significantly reduce the risk of liability claims for trips hazards and also reduce the on-going repairs to repair potholes.

5. Organisation – Roles & Responsibilities
Janice Carrol –Project Sponsor *John Davis-Project Manager*

6. Overall Project Costs :	
TOTAL PROJECT COSTS	***£28,000***
Financed by the following:	
A) CAPITAL FUNDING £28,000	
B) REVENUE FUNDING *FROM EXISTING BUDGET:* *ONGOING REVENUE PRESSURE:*	
C) OTHER EXTERNAL FUNDING	***ACCOUNTABLE BODY – Y or N?***
D) *REVENUE SAVINGS IDENTIFIED* TO BE TAKEN FROM REVENUE BUDGET – If N - REASON? ………………………………………………	

7. Additional Documents to support the bid
Quotations/drawings - Yes Equality Impact Assessment - Yes Health & Safety Report - Yes Others:

7. Please complete the attached on page 2 with comments against each of the criteria. Your comments will form the basis of the scoring matrix to determine whether the project will be either included or excluded from the Capital Programme 15/16 and beyond.

Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: Castle Park-Roads resurfacing and drainage

]

Criteria	Summary	Project Manager/Sponsor Comment: John Davis
Statutory requirement	We would fail to meet our statutory duties if the scheme was not approved	As landowners of Castle Park we have a responsibility for the condition of the areas accessed by the public, we should ensure that all people who use these facilities do not suffer injury due to unsafe conditions of the road surfaces.
Urgent priorities/avoidance of litigation claims	Urgency of investment required to meet legal obligations i.e. avoidance of Corporate Manslaughter and other litigation claims, Health and Safety, Disability Discrimination Act	Potential for liability claims due to trip hazards caused by potholes and uneven surface
Invest to save	Provision of future revenue savings/additional income from completion of project include payback period	There will be revenue saving by elimination of carrying out regular temporary repairs once the project is completed.
New policy framework	A project that specifically complies with the most recent policy framework and delivers a priority outcome.	The policy framework “to deliver efficient and effective statutory services”, the resurfacing of the roads will help ensure compliance with our legal duties to have areas that are accessed by the public in a reasonable condition
Business need/Avoiding future business interruption	The project is essential to ensure the continuity of the of the service delivery and avoid future potential business interruption	If the road surfacing continues to deteriate we are liable to future claims and to bring the reputation of the council into dispute
Revenue implications	Delivery and completion of the project would result in a future net revenue cost (see invest to save for positive revenue implications)	There will be no additional revenue costs

Operational benefits	The project does not necessarily link with corporate priorities but will provide positive benefits to service delivery	The resurfacing of the roads will improve the public's perception of this area and hopefully encourage increased usage of this open space
Partnership working	External partnership benefits with public, private or voluntary sector	n/a
External match funding/full external funding	Project is part funded or fully funded from externally generated resources	No external funding sourced

CASTLE PARK ROADS RESURFACING

PROJECT INITIATION DOCUMENT

ID:	**Version:**	**1**
Author:	**John Davis**	
Date:	**9th December 2014**	

1. Background

While the roads/paths in Hensingham Cemetery were resurfaced in 2010 and Whitehaven cemetery roads were resurfaced around 10 years ago the roads/paths within Castle Park have not been fully resurfaced for around 30 years. Surfaces are in need of proper repair beyond the temporary patching repairs that have been carried out in recent years using Parks revenue budgets. The surfaces are in a poor state of repair and are not included in maintenance plans. Photo's showing the current state are appended.

The proposal is to resurface roads within Castle Park as per the attached plan renewing road drainage in areas particularly prone to flooding. The majority of existing surfaces across the Park are in a poor condition and breaking up causing a Health and Safety trip hazard.

The park is fully accessible by all members of the public, there is a popular children's play area, which is well used throughout the year. There are also regular organised events that take place within the Park.

The plan is to improve of the roads, significantly reducing the risk of public liability claims from trip hazards. The project will see around 85% of existing surfaces in the park overlaid with a minimum of 40mm thick tarmac The tarmac would be applied after surfaces are cleared of moss and detritus. The remaining 15% of existing surfacing that is in reasonable condition will not be tarmacked but potholes will be patched.

As the paths have not been properly resurfaced for at least 30 years attempts at cleaning are ineffective and due to the deterioration some areas easily become muddy where water stands after heavy rain. The project will significantly improve the visual appearance and access to all areas within Castle Park.

2. Business Case

The total cost of the work is estimated at £28,000. Work will be carried out in 3 phases during 2015-16, prioritised by the worst condition being done first

The cost of running repairs in recent years is estimated at £500 per year. However this ad hoc approach is no longer sufficient to maintain an acceptable state of repair.

Once the work is completed further major work will not be needed for at least 20 years.

3. Project Objectives and Scope

3.1 Project Objectives

To improve surfaces of the roads and reduce the risk of liability claims against the Council for trip hazards.

To improve the visual appearance and raise the profile of the park encouraging more frequent use of the area.

To minimise ongoing maintenance costs of patch repairs.

To prevent flooding of areas currently prone to being flooded.

3.2 Project Scope

The works would be carried out by our Termed Contractors (Ashcrofts) who have already assessed the site for works needed and provided estimates of costs for the works, there will be no additional future maintenance costs as a result of this project.

There is no dependencies on other projects for implementation of this project although there may be minimum disruption to the public during the works, where possible public access will be maintained but pedestrian access routes may need to be diverted.

The Parks Manager will undertake the role of Project Manager for this scheme,while the Parks Supervisor will assume the responsibility of works supervisor.

4. Project Deliverables

The project will be delivered by Ashcrofts, with an estimated timeframe of 2 months from order to completion of the project, there has already been a site assessment carried out by the contractors so they are fully aware of the project needs and any site issues to deliver the project.

5. Project Approach

Stage 1- Site appraisal and recommendations
Thecontractors have already carried out a site appraisal and recommended the works needed

Stage 2 –Invitation for quotes for product
Quotes already sourced from suppliers,
Estimated cost £28,000,
Stage 3- Construction work and project management
The Parks Manager will award the order to the successful supplier (Ashcrofts)),the parks Department will oversee all aspects of the project on site and complete post contract administrative duties.

6. Project Plan

Task	**Time to complete**
Site evaluation	1 week
Process of order	1 week
Execution of works	2 months
Post project administration	1 week

7. Organisation – Roles and Responsibilities

The project manager for this project will be the Parks Manager, who will be responsible for the overall delivery of the project and ensuring the project is kept within the timeframe and budget
The day to day supervision of the contractors will be the responsibility of the Parks Supervisor.

8. Communications

The Parks Manager will review progress on the project on a daily basis with a site visit and this will be supported with communicating with the Parks Supervisor by telephone and e.mail communication.
The Parks manager will provide regular updates to the Head of Copeland Services on project progress.
Clear notices and signage will be erected on site before and during the delivery of the works.

9. Resource Requirements

The Project will be managed by the Parks Manager with support from the Parks Supervisor.

The Head of Copeland Services is the Project Sponsor

10. Project Costs

Total project costs £28,000

11. Project Quality

Risk assessments and method statements will be sought from the contractors before works commence.

All documentation relating to the project will be stored on the Council network server.

. Project Controls

An exception report will be raised if the project is predicted to cost more than £28,000 and/or take 4 weeks over the project timeframe.

At least one client/contractor meeting will take place,
Progress reports will be made as part of the monthly Capital budget monitoring
Monthly update meeting with Head of Copeland Services

13. Risk Management

Describe any known risks in terms of the risk, its probability, its potential impact and explain how each risk will be managed.

The risk of work not being completed or completed to an unacceptable standard is being mitigated by using the Council's term contractor.

Risk assessments will be provided before the work begins and alternative routes through the park out in place to ensure public safety as the work is in progress.

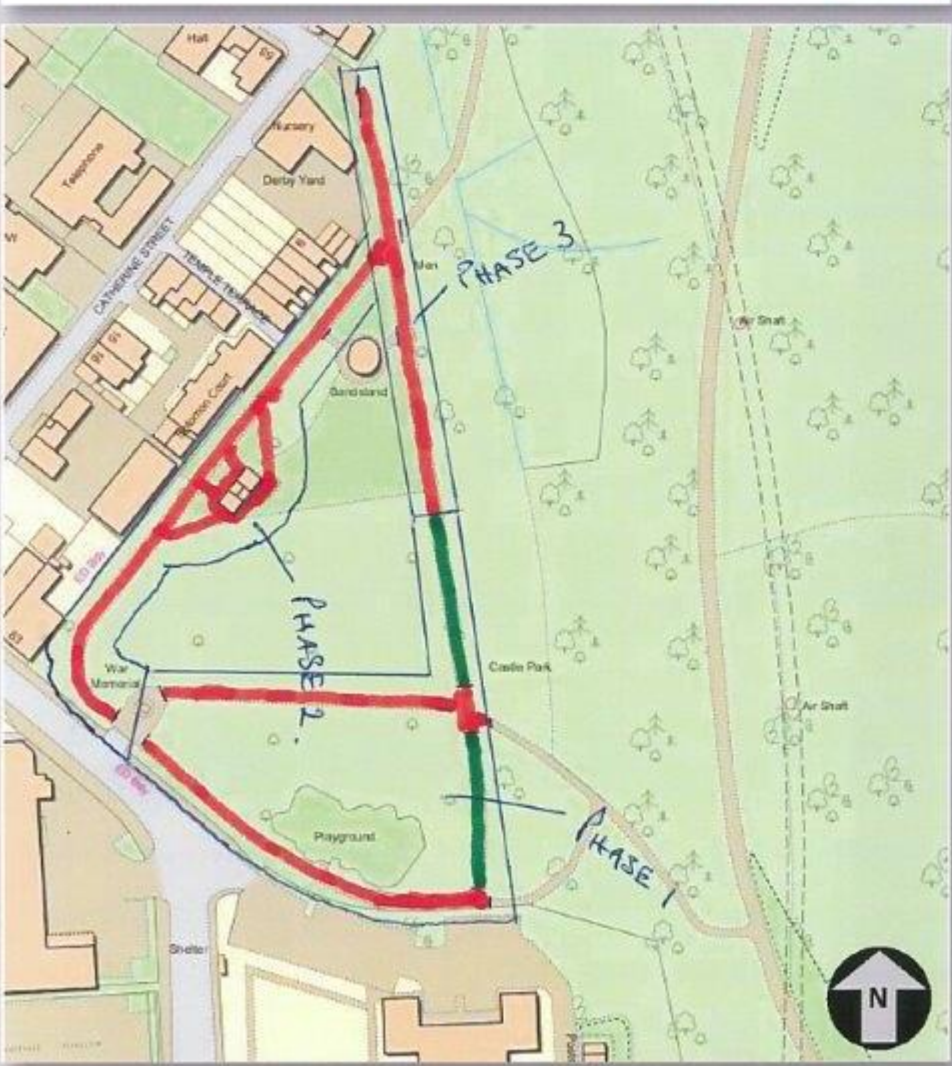
The project will be managed by the Council's Parks Manager

Map Title

Description of map

OVERLAY

PATCH ONLY



Map Center [297708.98749786,517981.57963281]

Scale 1:1250

Created 21.01.2015

0 10 20 30m

Copeland borough council

CASTLE PARK, WHITEHAVEN

1.0	**PHASE 1**			
1.1	CLEAR MOSS ETC			
1.2	SWEEP & APPLY TACK COAT			
1.3	OVERLAY MIN 40MM THICK (6 OR 10MM LIMESTONE AGGREGATE) SURFACE COURSE			
1.4	ALLOW FOR PATCHING AREAS THAT ARE NOT TO BE OVER LAYED (SAW CUT, BREAK OUT, BITUMEN JOINTS, NEW SURFACE COURSE)	15	M2	
1.5	FORMING TIE-INS AS NECESSARY			
2.0	**PHASE 2**			
2.1	CLEAR MOSS ETC			
2.2	SWEEP & APPLY TACK COAT			
2.3	OVERLAY MIN 40MM THICK (6 OR 10MM LIMESTONE AGGREGATE) SURFACE COURSE			
2.4	CUT OUT SECTIONS OF EXISTING EDGING KERB AT NEW SOAKAWAYS	4	NO	
2.5	FORM 1.0 X 1.0 X 1.0M SOAKAWAYS (SINGLE SIZE STONE & TERRAM WRAP)	4	NO	
2.6	FORMING TIE-INS AS NECESSARY			
3.0	**PHASE 3**			
3.1	CLEAR MOSS ETC			
3.2	SWEEP & APPLY TACK COAT			
3.3	OVERLAY MIN 40MM THICK (6 OR 10MM LIMESTONE AGGREGATE) SURFACE COURSE			
3.4	FORMING TIE-INS AS NECESSARY			
	INCLUDES FOR DISPOSAL OF ALL SURPLUS MATERIALS & ARISINGS			
	FILLING POT HOLES WITH SURFACE COURSE IN OVER LAYED AREAS AS NECESSARY			
	ALL WORK PRICED AT CURRENT RATES (FIXED PRICE FOR WORK COMPLETED BY END OF DECEMBER 2014)			
	INCLUDES ALL PREPARATION, SAW CUTTING, BREAKING OUT ETC. AS NECESSARY			
	SEE ACCOMPANYING MARKED UP PLAN SHOWING PHASING & EXTENT OF SURFACING			
	QUOTATION			
	PHASE 1			£9,125.00
	PHASE 2			£11,550.00
	PHASE 3			£7,220.00
	TOTAL			£27,895.00
				02/10/2014

S Graham

Corporate Health and Safety Report

Title Safety of Footpaths

Location Castle Park Whitehaven

People J Davis (Parks Manager) S Graham (H&S Advisor)

Date 30th September 2014

Summary;

The Castle Park in Whitehaven is typical of many town centre parks and provides a green space for residents, itinerant workers and visitors to the area. Space in the park is also given over to a Play Area for children, the park is used by many vulnerable people including very young, elderly and disabled people.

As owners of the Park we Copeland Borough Council have a responsibility for the condition of those areas accessed by the public; we should ensure that people who use the facility do not suffer injury due to unsafe conditions e.g. access areas. If members of the public or visitors do suffer injury we may be vulnerable to compensation claims.

The Castle Park is a popular venue for various public events;

- Summer Carnival,
- Memorial and Remembrance services,
- Maritime Festival and numerous other events

The events take place throughout the year and during all seasons i.e. January through to December and therefore during all environmental conditions.

During an inspection of the paths and walkways of the Castle Park on the 30th September 2014 it was evident that the paths have not been replaced for some time and that there was evidence of degradation in many areas.

- The top layer of Tarmac has been eroded exposed many rough and uneven surfaces.

- The edges of the paths in some areas have become obscured due to broken tarmac and or damage to edging stones.

- There was also evidence that several areas are likely to have standing water during stormy weather due to poor drainage.

Standing water will during very cold conditions result in the formation of ice and further degradation of the surfaces. Moss and Lichen will become very slippery and may result in slips and trips.

Conclusion;

It is imperative that the paths and walkways providing access around the park are regularly maintained and in some cases replaced; good drainage is vital to ensure that during rain storms excess water is cleared quickly.

A regular inspection and maintenance regime is also necessary to ensure standards and conditions are maintained and that faults and repairs are completed in a timely manner.

Susan Graham
Corporate H&S Advisor

Copeland Borough Council Initial Equality Impact Assessment-Valid from 1 November 2011

Directorate/Service Area	Copeland Services	Persons undertaking the assessment Person responsible for implementation of the policy/ function/ service or proposal		Assessment: J.Davis Lead Officer:J.Davis	
Name of policy/ function/ service or proposal to be assessed	Castle Park Roads Resurfacing	Date of assessment	10.12.14	New or Change to existing circumstances	Change

Positive Equality Duties

This initial EIA will also help you identify whether there are opportunities for promoting equality. Even if there are no adverse impacts, this part of the process is essential as it will ensure we meet our equality duties. These equality duties are set out in a number of pieces of legislation and are summarised below for reference:

The need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations between and for different groups based on:

- **Sex**
- **Gender reassignment (i.e. transgender individuals)**
- **Age**
- **Disability (mental and physical)**
- **Sexual orientation (heterosexuality, homosexuality, etc)**
- **Religion and belief (including no belief)**
- **Race**
- **Pregnancy and maternity**
- **Marriage and Civil Partnership**

1. **Briefly describe the aims, objective or purpose of the policy/service/ function or proposal being assessed. If this EIA is assessing the impact of a proposed change please describe the proposed change.**	Resurfacing of roads within Castle Park and improve drainage, existing surface is in poor condition and breaking up causing a Health and Safety trip hazard
2. **What are the required outcomes from this policy/service/function or proposal?**	**Reduce the risk of liability claims for trip hazards and raise the profile of the area for all users, especially improve the surface condition for wheelchair users.**
3. **Who will be affected by this policy/service/function or proposal?**	**All members of the public who use the Park as an Open greenspace within the town centre vand those who use the access to the childrens play area within the Park**
4. **How do these outcomes align with the Councils priorities? (Council Plan)**	**"To deliver efficient and effective statutory services",the resurfacing of the roads will help ensure compliance with our legal duties to have areas accessed by the public in a reasonable condition, this will also cover the equality of having access routes in a reasonable condition especially for the disabled and the less infirm using the area.**
5. **Are there any wider impacts associated with the policy/service/function or proposal that should be considered, e.g. the proposed impact on the effectiveness of other service areas of the Council or any assistance to implement that would be required.**	**no**

6. What factors/risks could affect the intended outcome.	Risk of the roads continuing to deteriate further which would increase the risk of liability claims and make these areas more difficult to use for all members of the public
7. Who are the main stakeholders in relation to this policy/service/function or proposal (e.g. partners, community groups etc.)?	Public and event users of the Park
8. What quantitative data have you used for this assessment (Statistics, demographics, indicators, and partner data)? Please note that data should relate to each equality group (race, disability, etc.). All evidence to be kept and recorded	
9. What qualitative data have you used for this assessment (Consultation, complaints and comments)? Please note that data should relate to each equality group (race, disability, etc.). All evidence to be kept and recorded	

Conclusion **Are there concerns that the policy/procedure/function or proposal could have specific negative impact on people from the following groups?**						
Group	Will the implementation of this policy/procedure/function or proposal have any **negative** impact on people from any of these equality groups?		If yes, can the policy/procedure/ function or proposal be amended or altered to help **mitigate the negative impact?**		If yes, have you considered any **alternative courses of action**? Within the initial EIA, this should relate to immediate alternatives.	
	Y	N	Y	N	Y	N
Gender		**N**				
Gender reassignment		**N**				
Age		**N**				
Disability		**N**				
Sexual Orientation		**N**				
Religion or Belief (inc non-belief)		**N**				
Race		**N**				
Pregnancy and maternity		**N**				
Marriage and civil partnership		**N**				

If you have recorded a possible alternative course of action, please provide a short description. If you have indicated a mitigating action, please provide a short description.	

Conclusion **Could the implementation of this policy/service/function or proposal disproportionally affect any particular neighbourhoods i.e. Localities/Parishes?**			
If yes, please describe. Indicate what alternatives have been considered or mitigating actions are planned.	**No**		
Will the implementation of this policy/procedure/ function or proposal have any positive impact on people from any of these equality groups?			
Gender	**Yes**	**No**	**Please describe**
Gender reassignment		**No**	**This project will significantly improve the surfaces for all users, but especially the less infirm and disabled using wheelchairs**
Age	**Yes**		
Disability	**Yes**		
Sexual orientation		**No**	
Religion or Belief (inc non-belief)		**No**	
Race		**No**	
Pregnancy and maternity	**Yes**		
Marriage and civil partnership		**No**	

Are you satisfied the implementation of this policy/service/function or proposal could not be challenged for unlawful discrimination or failure to meet statutory equality duties.	YES, reduction of budget will not discriminate against any groups or impact on ability to meet statutory equality duties		
Should the policy etc. proceed to a full impact assessment? (if at this stage of the process there is evidence of adverse impact on any equality groups then you must answer yes).	No	Yes	Date Full EIA Completed
	no		

Completing Officer (Name)	John Davis
Completing Officer (Signature)	
Authorising Manager (Name)	
Authorising Manager (Signature)	

CAPITAL BUSINESS CASE SUMMARY

For Inclusion in the Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: *Automatic Charger for Cremator*

1. Summary Project Background

The project involves the purchase and installation of an automatic charger for the cremator at Distington Hall Crematorium that will enable the Council to fulfil a statutory duty for the welfare of staff working at the crematorium while increasing productivity and decreasing delays.

2. Business Case & Project Objectives

Currently only one skilled employee works at the Crematorium and oversees the manual charging of coffins for Cremation. Due to Health and Safety and manual handling requirements this is a two person task therefore the officer acting as superintendent has to leave all other duties to assist the charging process for each cremation. Even with two employees charging the coffin for cremation, the risks to employee safety are significant.

As manual handling causes over a third of all workplace injuries, including work-related musculoskeletal disorders (MSDs) such as pain and injuries to arms, legs and joints, and repetitive strain injuries, removing the need for staff to carry out this manual handling task by purchasing the automatic charger lessens risk to the employee and business risk to the council.

If the automatic charger is not purchased and manual charging of the coffins continues, the associated risks will continue and the likelihood of occurrence increases, i.e. manual handling injury. These risks are only increased further as the average weight of each cremation is increasing year on year. Therefore the consequences to the health of the employees will be significantly affected. In certain circumstances, four people are needed for the charging process and staff have to be deployed from elsewhere in the service area to charge excessively heavy coffins

This project links into the objective of the Councils Plan “Deliver efficient and effective statutory service”, the installation of an Automatic Charger would allow for a more efficient service.

3. Risks – Implications of not supporting this request for Capital Funding

Delays by having to rely on the Officer covering at the crematorium being available to assist the technician with manual loading of the coffins, this could negatively impact on income.
Manual handling injuries caused by manual loading of heavy coffins which could result in both short term sickness and long term musculoskeletal disorders.
Risks of manual handling injuries continues to increase as the average weight of coffins continues to increase

4. Key Deliverables & Project plan

The project will be delivered by Faculateive technologies, with an estimated timeframe of 3 months from order to commissioning of system. A site assessment has been carried out to ensure product recommended can be commissioned in existing space and a visit by the crematorium staff to another crematorium in Warrington that use the same system as recommended.

Reducing risk to the employees in the crematorium from burns during operating by increasing the distance employees stand from the heat (average of 900 degrees)
Increased efficiencies as only one employee will be necessary for this task

5. Organisation – Roles & Responsibilities

John Davis –Project sponsor
Neighbourhoods Officer- Project Manager

6. Overall Project Costs :

TOTAL PROJECT COSTS ***£21,500***

Financed by the following:

A) CAPITAL FUNDING
Copeland Borough Council Capital *£ 21,500)*

B) REVENUE FUNDING

FROM EXISTING BUDGET: *None*

ONGOING REVENUE PRESSURE:

C) OTHER EXTERNAL FUNDING ***ACCOUNTABLE BODY – Y or N?***

D) *REVENUE SAVINGS IDENTIFIED*

TO BE TAKEN FROM REVENUE BUDGET – N Not applicable……………………………………………

7. Additional Documents to support the bid

Quotations/drawings - Yes
Equality Impact Assessment - Yes
Health & Safety Report - Yes
Others: *[Please list]*

7. Please complete the attached on page 2 with comments against each of the criteria. Your comments will form the basis of the scoring matrix to determine whether the project will be either included or excluded from the Capital Programme 15/16 and beyond.

Capital Programme 2015/16, 2016/17 & 2017/18

Project Title Automatic Charger for Cremator

Criteria	Summary	Project Manager/Sponsor Comment: John Davis
Statutory requirement	We would fail to meet our statutory duties if the scheme was not approved	The council has a *statutory duty* under the provisions of Section 46 of the Public Health (Control of Disease) Act 1984 to undertake the *disposal* of *deceased. The Council has a duty under the Health and Safety at Work Act to ensure the safety of employees. Continually exerting a pushing force equalling or above the recommended levels and suffer injury or fatigue then we may not be able to carry out this Statutory Duty.*
Urgent priorities/avoidance of litigation claims	Urgency of investment required to meet legal obligations i.e. avoidance of Corporate Manslaughter and other litigation claims, Health and Safety, Disability Discrimination Act	Equipment lessens risk from injury to employees under obligations set out in the Health and Safety at work Act and the Manual Handling Regulations
Invest to save	Provision of future revenue savings/additional income from completion of project include payback period	Potential savings from reducing the likelihood of employee sickness or injury Potential savings to energy usage as the machinery will not be using Gas and Electric when idle as idle time will be minimised through the automation of the charging.
New policy framework	A project that specifically complies with the most recent policy framework and delivers a priority outcome.	The policy framework “to deliver efficient and effective statutory services” the auto charger will allow for a more efficient cremation service
Business need/Avoiding future business interruption	The project is essential to ensure the continuity of the of the service delivery and avoid future potential business interruption	The physical demands on the employees at the crematorium increase year on year and to avoid interruptions from sickness/injury or machine malfunction the equipment is essential.
Revenue implications	Delivery and completion of the project would result in a future net revenue cost (see invest to save for positive revenue implications)	Ongoing revenue implications through maintenance cost associated with the equipment will be met by existing revenue budgets.
Operational benefits	The project does not necessarily link with corporate priorities but will provide positive benefits to service delivery	Increased efficiencies as only one employee will be necessary for the task. Operations can be completed in a timely fashion and will not be dependent on other employees who may be delayed while carrying out other equally high priority tasks.
Partnership working	External partnership benefits with public, private or voluntary sector	n/a

External match funding/full external funding	Project is part funded or fully funded from externally generated resources	No external funding sourced

CREMATOR AUTOMATIC CHARGER

PROJECT INITIATION DOCUMENT

ID: **Version:** **1**

Author: **John Davis**

Date: **1st December 2014**

1. Background

Currently only one skilled employee works at the crematorium each day and manually charges the coffins for cremation, as this is a two person operation the technician has to rely on the officer covering as crematorium superintendant to assist with this task ,this current practice poses a significant risk of injury which continues to increase as the average weight of each cremation has increased over recent years.

The purchase and installation of an Automatic charger would eliminate the risk associated with manual charging of the coffins and allow this to be a one person operation.

2. Business Case

The installation of an automatic charger for the cremator will fulfil the statutory duty of the council for the welfare of the staff working at the crematorium involved with the loading of the cremator and eliminate the risk of manual handling injury which exists with the current manual task.

This would also increase efficiency at the crematorium by this task then being a one person operation.

3. Project Objectives and Scope

3.1 Project Objectives

The project would remove the need for any manual charging into the cremator as the charging would be fully automated,reducing risk to employees of burns and manual handling injuries and also that only one employee would be needed for this task.

The automatic charging system would be supplied by the cremator manufacturers which would be fully compatible with the cremator and any future maintenance included within the existing cremator maintenance contract.

There is only the cremator manufactuers (Faculateive) automatic charging system that would be fully compatible with the cremator and to give the back up service for breakdown and maintenance, the estimated time from order to completion of the project will be approx. 3 months.

Once the automatic charger is installed and future maintenance will be included as part of the cremator maintenance contract.

3.2 Project Scope

The cremator automatic charger will be purchased from Faculateive so that nit is fully compatible with the cremator and any future maintenance will be included as part of the existing maintenance contract on the cremator.

There is no dependancies on other projects for implementation of this project although there may be minimum disruption to normal business as part of the installation process,however we will endeavour to minimise this by encouraging works outside of service times at the crematorium.

The Parks Manager will undertake the role of Project Manager for this scheme, while the Officer covering duties of crematorium superintendent at the time will assume the responsibility of works supervisor.

The Automatic charger will be fully integrated into the existing cremator software so that all loading operations will be fully automated.

Upon completion of the project any maintenance liability for the automatic charger will be encompasses within the existing maintenance contract for the cremator at no additional cost.

4. Project Deliverables

The project will be delivered by Faculateive technologies, with an estimated timeframe of 3 months from order to commissioning of system, there has already been a site assessment carried out to ensure product recommended can be commissioned in existing space and a visit by the crematorium staff to another crematorium in Warrington that use the same system as recommended.

5. Project Approach

Stage 1- Site appraisal and product recommendations
The suppliers have already carried out a site appraisal and recommended the product that will fit in the space available

Stage 2 –Invitation for quotes for product
Quotes already sourced from suppliers,
Faculateive Technologies £21,500,including future maintenance as part of existing cremator contract.(fully compatible with existing cremator)
LEEC £19,700 + £1500 YEAR MAINTENANCE(not fully compatible with existing cremator)

Stage 3- Construction work and project management
The Parks Manager will award the order to the successful supplier (faculatieve),the parks Department will oversee all aspects of the project on site and complete post contract administrative duties.

6. Project Plan

Task	Time to complete
Site evaluation	1 week
Process of order	1 week
Execution of works	3 months
Commisioning and training	2 weeks
Post project administration	1 week

7. Organisation – Roles and Responsibilities
The project manager for this project will be the Parks Manager, who will be responsible for the overall delivery of the project and ensuring the project is kept within the timeframe and budget
The day to day supervision of the contractors will be the responsibility of the Officer covering as crematorium superintendant at the time of works.

8. Communications
The Parks Manager will review progress on the project on a daily basis with a site visit and this will be supported with communicating with the Officer covering duties at the crematorium and by telephone and e.mail communication.
The Parks manager will provide regular updates to the Head of Copeland Services on project progress.
If there is any disruption to the services provided the Funeral Directors will be notified at least 2 weeks in advance.

9. Resource Requirements

The Project will be managed by the Parks Manager with support from the Offcer covering Crematorium duties at the time.

The Head of Copeland Services is the Project Sponsor

10. Project Costs
Automatic Charger with side leaf £17,500
Installation £4,000

TOTAL £21,500 +VAT

11. Project Quality
Risk assesments and method statements will be sought from the contractors before works commence.
Crematorium technicians and staff will visit another crematorium operating this system before the final order is placed to see if there is any operational or installation issues with the supplier.
All documentation relating to the project will be stored on the Council network server.

. Project Controls
An exception report will be raised if the project is predicted to cost more than £21,500, and/or take 4 weeks over the project timeframe.

At least one client/contractor meeting will take place,
Progress reports will be made as part of the monthly Capital budget monitoring
Monthly update meeting with Head of Copeland Services

13. Risk Management

Describe any known risks in terms of the risk, its probability, its potential impact and explain how each risk will be managed.

The project aims to mitigate a number of existing risks as follows:-

Delays in the current system caused by having to rely on the Officer covering at the crematorium being available to assist the technician with manual loading of the coffins will be eliminated as this task can be carried out by the technician only

The potential for manual handling injuries caused by manual loading of heavy coffins is reduced.

The equipment is to be purchased and installed by from Facultatieve Technologies, one of the market leaders in the design, construction and maintenance of cremators and incineration equipment who supplied and now maintain existing cremation equipment.

Business continuity will be maintained as the installation will be managed around the working day.

Copeland Borough Council Initial Equality Impact Assessment-Valid from 1 November 2011

Directorate/Service Area	Copeland Services	Persons undertaking the assessment Person responsible for implementation of the policy/ function/ service or proposal		Assessment: J.Davis Lead Officer: J.Davis	
Name of policy/ function/ service or proposal to be assessed	Crem,ator automatic charger	Date of assessment	1.12.14	New or Change to existing circumstances	Change

Positive Equality Duties

This initial EIA will also help you identify whether there are opportunities for promoting equality. Even if there are no adverse impacts, this part of the process is essential as it will ensure we meet our equality duties. These equality duties are set out in a number of pieces of legislation and are summarised below for reference:

The need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations between and for different groups based on:

- **Sex**
- **Gender reassignment (i.e. transgender individuals)**
- **Age**
- **Disability (mental and physical)**
- **Sexual orientation (heterosexuality, homosexuality, etc)**
- **Religion and belief (including no belief)**
- **Race**
- **Pregnancy and maternity**
- **Marriage and Civil Partnership**

1. **Briefly describe the aims, objective or purpose of the policy/service/ function or proposal being assessed. If this EIA is assessing the impact of a proposed change please describe the proposed change.**	To install automatic coffin charger for the cremator, currently this function is carried out manually
2. **What are the required outcomes from this policy/service/function or proposal?**	**To reduce risk of manual handling injury caused by manual loading of coffins into cremator**
3. **Who will be affected by this policy/service/function or proposal?**	**Crematorium Technicians and officers covering crematorium duties**
4. **How do these outcomes align with the Councils priorities? (Council Plan)**	**This will enable the council to deliver a more efficient and effective statutory duty**
5. **Are there any wider impacts associated with the policy/service/function or proposal that should be considered, e.g. the proposed impact on the effectiveness of other service areas of the Council or any assistance to implement that would be required.**	**No**

6. What factors/risks could affect the intended outcome.	
7. Who are the main stakeholders in relation to this policy/service/function or proposal (e.g. partners, community groups etc.)?	**Employees**
8. What quantitative data have you used for this assessment (Statistics, demographics, indicators, and partner data)? Please note that data should relate to each equality group (race, disability, etc.). All evidence to be kept and recorded	
9. What qualitative data have you used for this assessment (Consultation, complaints and comments)? Please note that data should relate to each equality group (race, disability, etc.). All evidence to be kept and recorded	**Consulted with a number of other crematorium and the majority (80%) of crematoriuims no longer manually load coffins**

Conclusion **Are there concerns that the policy/procedure/function or proposal could have specific negative impact on people from the following groups?**						
Group	Will the implementation of this policy/procedure/function or proposal have any **negative** impact on people from any of these equality groups?		If yes, can the policy/procedure/ function or proposal be amended or altered to help **mitigate the negative impact?**		If yes, have you considered any **alternative courses of action**? Within the initial EIA, this should relate to immediate alternatives.	
	Y	N	Y	N	Y	N
Gender		**N**				
Gender reassignment		**N**				
Age		**N**				
Disability		**N**				
Sexual Orientation		**N**				
Religion or Belief (inc non-belief)		**N**				
Race		**N**				
Pregnancy and maternity		**N**				
Marriage and civil partnership		**N**				

If you have recorded a possible alternative course of action, please provide a short description. If you have indicated a mitigating action, please provide a short description.	

Conclusion **Could the implementation of this policy/service/function or proposal disproportionally affect any particular neighbourhoods i.e. Localities/Parishes?**	
If yes, please describe. Indicate what alternatives have been considered or mitigating actions are planned.	**No**

Will the implementation of this policy/procedure/ function or proposal have any positive impact on people from any of these equality groups?

Gender	**Yes**	**No**	**Please describe**
Gender reassignment		**no**	**This project will enable staff of all ability, age, sexual orientation and if pregnant to carry out the operation of loading coffins into cremator without having to continually exert themselves to high degree of pushing force**
Age	**yes**		
Disability	**yes**		
Sexual orientation	**yes**		
Religion or Belief (inc non-belief)		**no**	
Race		**no**	
Pregnancy and maternity	**yes**		
Marriage and civil partnership		**no**	

<table>
<tr><td rowspan="1">Are you satisfied the implementation of this policy/service/function or proposal could not be challenged for unlawful discrimination or failure to meet statutory equality duties.</td><td colspan="3">YES, reduction of budget will not discriminate against any groups or impact on ability to meet statutory equality duties</td></tr>
<tr><td rowspan="2">Should the policy etc. proceed to a full impact assessment? (if at this stage of the process there is evidence of adverse impact on any equality groups then you must answer yes).</td><td>No</td><td>Yes</td><td>Date Full EIA Completed</td></tr>
<tr><td>no</td><td></td><td></td></tr>
</table>

Completing Officer (Name)	John Davis
Completing Officer (Signature)	
Authorising Manager (Name)	
Authorising Manager (Signature)	

CAPITAL BUSINESS CASE SUMMARY

For Inclusion in the Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: Upgrade of car parking pay and display.

1. Summary Project Background

The proposal is to replace and upgrade the Council's aging stock of pay and display machines, some of which date from 1996. The project also incorporates an associated back office software system to remotely manage the machines and monitor usage. Cash income from the machines is £6000-£8000 per week. Enforcement Officers currently spend around 14 hours per week collecting and counting cash and additional time and resource is required from the Cash Office and Copeland Direct to process the cash. All existing machines are coin operated only and do not offer the customers the option of making payment by credit/debit card. This project is to replace existing machines with new and to offer this facility, thus reducing the amount of cash handling and the costs associated with it.

The project will also replace the currently manual system of issuing permits or season tickets for the Sports Centre, Civic Hall, and North Shore car parks as with card payments permits can be obtained from the machines. As this can be done outside working hours this improves the Council's parking offer. Processing, recording and monitoring of this system represents a significant administrative workload

2. Business Case & Project Objectives

This capital bid embraces a number of key areas outlined in the corporate plan which clearly identifies a number of principles linked to the following

- Investment and making best use of available technology to allow automation of our existing process's to reduce red tape, delays and existing costs.
- working with partners, on this occasion our shared role with Cumbria County Council

<u>Options</u>

There were 3 options considered:

- ✓ **Option 1** – Do nothing
- ✓ **Option 2** – Update or replace all car parking machines but through two stages over the course of two years.
- ✓ **Option 3** – Update or replace all car parking machines as part of one operation.

The preferred option is **Option 2**, to replace car parking machines in two stages prioritising on age and income generated. It is proposed that 6 machines will be replaced in year one 2015-16, and the remaining machines in 2016-17 using the data gathered from the initial phase to support the business case.

In addition to the Council's capital funding of £15,405 in year one it is proposed that £12,405 will be contributed to the project from the Sports Centre Car park Reserve fund for three new pay and display machines at the Sports centre car park. There are only two on site currently however a third machine with a variety of payments options will offer an improved position in terms of customer service, business continuity and resilience.

It is anticipated that the choice of payment options alone will generate around £4k in additional income from existing charges from 2015/16. For 2015-16 income through pay and display and season tickets is estimated at

£356k, anticipated income could be £360k which highlights an improved position of **£4,000.**

The option to pay for car parking by credit card is expected to reduce the number of cash collections from the Council from twice per week to once per week, providing an approximate contract saving of **£2,196** per year when the project is fully implemented after year two.

The project also provides an opportunity to revisit the Council's charging policy.

As the machines can be monitored and managed remotely and charges set in this way, savings of **£500** per annum for an engineer to visit each machine on site, can be saved.

The project will secure existing income through improved reliability of machines as well as providing additional income of **£4,500** in year 1 rising to an estimated **14,805** (£12,000) from within the car parks cost centre) when fully implemented.

3. Risks – Implications of not supporting this request for Capital Funding

There has been an increasing level of demand for car parking; this has been particularly evident in Whitehaven town centre.
Income in the current financial year shows an improved position on recent years , however the ability to maintain and improve this position is affected by two main risks .

- The failure of ageing machines at some of our car parks could impact on our ability to support the future service delivery in terms of its ability to generate income and the subsequent on-going maintenance of each site associated to car parks.
- The councils aim to be a more effective and efficient business would be compromised, option 3 provides a wealth of payments options that mitigate the need for direct customer contact.

4. Key Deliverables & Project plan

Installation of new machines will

- Reduce the amount of cash handling by providing customers the option to pay by credit/debit card and therefore potentially reduce the staff resource required for collection and handling.
- Provide the opportunity to accept payment for season tickets.
- Introduce a new back office system, to support a much more efficient way of administration of season tickets and improve monitoring, recording, reporting and audit systems for car parks.
- Potential to reduce (corporate) banking from twice weekly to once per week.
- Improve reliability of machines minimising lost income.
- Improve the business continuity and resilience at one Car Park identified within the project by use of earmarked reserves.
- Improve option for on-line monitoring of machines reducing down time for maintenance issues and complaints regarding ticket/payment issues.
- Provide the council with various options to provide alternative tariffs for special events such as the annual cycle race, or to increase or decrease as and when the market demands.
- Back Office system can offer staff the ability to edit tariffs, the annual fee change currently requires an engineer to visit each machine on site at a cost of approx. £1100 per year.

5. Organisation – Roles & Responsibilities

Role	Responsibility	Name (s) & Title
Senior Responsible Officer	Ensuring the project delivers its objectives and projected benefits	Ernie Davidson – Interim Waste and Enforcement Manager.
Senior Supplier	Ensuring the product supplied meets the requirements of users	Metric.
Senior User	Ensuring the product delivered meets the needs of the business and that this is managed/monitored.	Gill McAllister – Enforcement And Support Services Team Leader
User(s)	The person(s) who will use the product	The general public, enforcement officers
Project Manager	Managing the project on a day to day basis to deliver the required product	Gill McAllister

6. Overall Project Costs :

<u>TOTAL PROJECT COSTS</u> ***£70,390***

Financed by the following:

A) <u>CAPITAL FUNDING</u>

Copeland Borough Council Capital 2015-16 £15,405

Copeland Borough council capital 2016-17 £33,080

B) <u>REVENUE FUNDING</u>

FROM EXISTING BUDGET: Item name £9,500 Cost Centre 32900 0710

ONGOING REVENUE PRESSURE: Item name

C) <u>OTHER EXTERNAL FUNDING</u> ***ACCOUNTABLE BODY – Y or N?***

Sports Centre car park earmarked reserves 2015-16 £12,405 N

D) ***<u>REVENUE SAVINGS IDENTIFIED</u>***

As a result of the improved range of options to the customer it is anticipated that an improved position in terms of revenue raised will be in the region of £4,000 from 2015-16

It is also anticipated that the move towards a cashless system will provide the council with an opportunity to reduce the current cash collecting contractors frequency at the Copeland Centre from two occasions per week down to one occasion per week, this will provide the council with an estimated saving of -£2,196.

As the machines can be monitored and managed remotely and charges set in this way, savings of £1,100 per annum for an engineer to visit each machine on site, can be saved once the whole project is complete. In 2015-16 this is estimated to save £500.

Improved revenue -£4,000 (£5,500 from year 2)
Reduced cash handling by contractor -£2,196 (Customer Services) (from year 2)
Change of tariff saving -£500 (£1,100 from year 2)

Total saving of £4,500 in year 1 rising to £8796 once the project is fully implemented.

TO BE TAKEN FROM REVENUE BUDGET – Y (the car park income budget can be increased by £4,500 from 2015-16

Cost to replace Pay & Display machines.				
Location	Current model	Required change	Cost of machine with chip & pin plus proximity readers	Notes
Phase 1				
Schoolhouse Lane 1	Cale	Replace	£4135	
Senhouse street 2	Cale	Replace	£4135	
St Bees Foreshore 2	Cale	Replace	£4135	
Back office software package			£3,000	
Sub Total			**£15,405**	CBC Capital bid
Sports Centre 1	Aura Elite	Replace	£4135	
Sports centre 2	Aura Elite	Replace	£4135	
Sports centre 3 (new)	n/a	New	£4135	
Sub Total			**£12,405**	To be funded from Sports Centre car park reserves.
Phase 1 Total			**£27,810**	
Phase 2				
Copeland Centre 1	Accent	Replace	£4135	
Copeland Centre 2	Accent	Replace	£4135	
Schoolhouse lane 2	Aura	Replace	£4135	
Senhouse Street 1	Aura	Replace	£4135	
Beacon	Accent	Replace	£4135	
North shore	Accent	Replace	£4135	
St Bees Foreshore 1	Autoslot	Replace	£4135	
Beck Green	Autoslot	Replace	£4135	
Phase 2 Total			**£33080**	
Total capital			**£60,890**	
Revenue Costs			**£9,500**	Funded from revenue budgets
Total Project Costs			**£70,390**	

Quotations/drawings - N, new machines will be located at existing points. Equality Impact Assessment - N, no E+D implications. Health & Safety Report - N, no H+S implications arise from this proposal. Others: *[Please list]*

7. Please complete the attached on page 2 with comments against each of the criteria. Your comments will form the basis of the scoring matrix to determine whether the project will be either included or excluded from the Capital Programme 15/16 and beyond.

Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: Upgrade of car parking pay and display.

Criteria	Summary	Project Manager/Sponsor Comment:
Statutory requirement	We would fail to meet our statutory duties if the scheme was not approved	Car parking is a non-statutory service.
Urgent priorities/avoidance of litigation claims	Urgency of investment required to meet legal obligations i.e. avoidance of Corporate Manslaughter and other litigation claims, Health and Safety, Disability Discrimination Act	N/A
Invest to save	Provision of future revenue savings/additional income from completion of project include payback period	Reduces staff resources currently being employed to carry out cash collection, reconciliation and issue of season tickets for off-street parking. Reduced cash volume may result in reduced collection contract for the Council Offering card payments may increase income or at least avoid people parking elsewhere when they don't have the appropriate change.
New policy framework	A project that specifically complies with the most recent policy framework and delivers a priority outcome.	Copeland Borough Council have set out in its customer services strategy agreed in 2012 and the 2013-15 corporate plan identifies the commitment to channel shift and cashless so the ability for customers to pay by credit card progresses our customer engagement as required and reduces the need for cash.
Business need/Avoiding future business interruption	The project is essential to ensure the continuity of the of the service delivery and avoid future potential business interruption	With external factors such as the opening of Albion Square and more robust management of supermarket car parks in Whitehaven there is an increased focus on off-street parking. This project will enhance the Council's offer ensuring income opportunities are maximised.
Revenue implications	Delivery and completion of the project would result in a future net revenue cost (see invest to save for positive revenue implications)	Back Office support is currently unavailable, purchase would result in improved monitoring, reporting and auditing of car park income. Annual tariff editing could be carried out by support staff, thus removing cost of engineer.
Operational benefits	The project links with corporate priorities and will provide positive benefits to service delivery	The provision of alternative payment methods will reduce the time spent by staff on cash processing. Health and safety improvement as manual handling risks are reduced.
Partnership working	External partnership benefits with public, private or voluntary sector	Various external partnership benefits will apply linked to ability to provide special tickets for events, times and strong links to key office blocks in town needing car parks able to take credit cards , new machines will generally provide a more modern approach
External match funding/full external funding	Project is part funded or fully funded from externally generated resources	It is intended to use £12,405 of the Sports Centre car park earmarked reserve to replace or upgrade the machines in the Sports Centre car park which is owned by CCC but managed by CBC and where the surplus is shared, thereby reducing the overall capital requirement.

UPGRADE OF CAR PARKING PAY AND DISPLAY.

PROJECT INITIATION DOCUMENT (PID)

1. Background

Copeland Borough Council pay and display stock consists of 14 machines some of which date from 1996 and only two have been purchased in the past 5 years. The amount of cash collected through the machines ranges between £6000-£8000 per week, Enforcement Officer time currently equates to approximately 14 hours per week, with additional time and resource required from the Cash Office and Copeland Direct. All machines are coin operated only and do not offer customers the option of making payment by credit/debit card. New machines would offer this facility, thus reducing the amount of cash to be processed and therefore officer time required which would be used to improve service delivery in other work areas.

In addition the Cash Office and to a lesser extent the Support Services team at Moresby currently operate a manual season ticket service for the Sports Centre, Civic Hall, and North Shore car parks. Processing, recording and monitoring of this system results in significant workload for the Cash Office. Implementation of the new machines could offer the option for customers to make payment for season tickets at the pay and display terminal, thus reducing the impact on the cash office. The use of proximity cards would enhance the service.

This Capital bid supports a number of recommendations from the recent Cash Office review (see Appendix 1).

This capital bid supports a number of key areas of the corporate plan linked to the following:-

- Investment and making best use of available technology to allow automation of our existing process's to reduce red tape, delays and existing costs.
- working with partners, on this occasion our shared role with Cumbria County Council

2. Business Case

Options

There were 3 options considered:

- ✓ **Option 1** – Do nothing
- ✓ **Option 2** – Update or replace all car parking machines but through two stages over the course of two years.
- ✓ **Option 3** – Update or replace all car parking machines as part of one operation.

The preferred option which the capital bid has been based on is **Option 2**, to replace car parking machines in two stages prioritising on the age of the machine and the income generated. It is proposed that 6 machines will be replaced in year one 2015-16, and the remaining machines in 2016-17 using the data gathered from the initial phase to support the business case for the capital funding for phase 2.

In addition to the Council's capital funding of £15,405 in year one it is proposed that £12,405 will be contributed to the project from the Sports Centre Car park Reserve fund for three new pay and display machines at the Sports centre car park. There are only two on site currently however a third machine with a variety of payments options will offer an improved position in terms of customer service, business continuity and resilience.

Savings/benefits

It is anticipated that the wider choice of payment options will generate around £4k in additional income from existing charges from 2015/16. For 2015-16 income through pay and display and season tickets is estimated at £356k, anticipated income could be £360k which highlights an improved position of £4,000. Further additional income will be generated after Phase 2 is complete and the project is fully implemented.

The option to pay for car parking by credit card is expected to reduce the number of cash collections from the Council from twice per week to once per week, providing an approximate contract saving of £2,196 per year when the project is fully implemented after year two.

The project also provides an opportunity to revisit the Council's charging policy.

As the machines can be monitored and managed remotely and charges set in this way, savings of £1,100 per annum for an engineer to visit each machine on site, can be saved once the whole project is complete. In 2015-16 this is estimated to save £500.

The project will secure existing income through improved reliability of machines as well as providing additional income of £4,500 in year 1 rising to an estimated 14,805 (£12,000) from within the car parks cost centre) when phase 2 is completed and the project fully implemented.

3. Project Objectives and scope

Objective –

1. To implement efficient and effective pay and display machines on Council car parks ensuring customers are able to obtain the correct parking ticket including periodic permits quickly and with a choice of payment options.
2. To optimise income through car parking while at the same time reducing the amount of cash being handled by the council.
3. To gather data on car park usage to ensure appropriate charging policies are in place.

Scope – The project includes all Council pay and display car parks with the exception of Chapel Street, Egremont which is unlikely to remain in the Council's control.

4.Project Deliverables

Alongside the opportunity of increasing the numbers of permit holder parking bays throughout 2015/16, this project will enable the council to meet the demands of these changes in terms of how we operate, how we generate income and how we plan our future ways of working and strategy.

Installation of new machines will

- Reduce the amount of cash handling by providing customers the option to pay by credit/debit card and therefore potentially reduce the staff resource required for collection and handling.
- Provide the opportunity to accept payment for season tickets.

- Introduce a new back office system, to support a much more efficient way of administration of season tickets and improve monitoring, recording, reporting and audit systems for car parks.
- Potential to reduce (corporate) banking from twice weekly to once per week.
- Improve reliability of machines minimising lost income.
- Improve the business continuity and resilience at one Car Park identified within the project by use of a shared fund.
- Improve option for on-line monitoring of machines reducing down time for maintenance issues and complaints regarding ticket/payment issues.
- Provide the council with various options to provide alternative tariffs for special events such as the annual cycle race, or to increase or decrease as and when the market demands.
- Back Office system can offer staff the ability to edit tariffs, the annual fee change currently requires an engineer to visit each machine on site at a cost of approx. £1100 per year.
- Secure existing income streams from car parking of approximately £350,000 per annum.

5. Project Approach

Each of the two phases of the project will be managed in three stages, initial procurement followed by implementation/installation of machines on site. The third stage will involve monitoring data from the machines and a review of the new system after the first 6 months. Thereafter the project will become part of the day to day management of car parks.

Data gathered from Phase one of the project (2015-16) and the outcome of the review will be used to inform Phase 2 including the requirement for capital in 2016-17.

6. Project Plan

The project is broken into 2 stages:

1. Quotation process
2. Implementation and installation of new machines.

While it is not possible to provide dates at this point the delivery and installation of new machines can be completed within approximately 12 weeks from purchase order.

7. Organisation – Roles and Responsibilities

Role	Responsibility	Name (s) & Title
Senior Responsible Officer	Ensuring the project delivers its objectives and projected benefits	Ernie Davidson – Interim Waste and Enforcement Manager.
Senior Supplier	Ensuring the product supplied meets the requirements of users	Metric.

Senior User	Ensuring the product delivered meets the needs of the business and that this is managed/monitored.	Gill McAllister – Enforcement And Support Services Team Leader
User(s)	The person(s) who will use the product	The general public, enforcement officers
Project Manager	Managing the project on a day to day basis to deliver the required product	Gill McAllister

8. Communications

A separate and bespoke communications plan will be developed for the implementation of this project if approval is given.

9. Resource Requirements

Support will be needed from colleagues in Customer Services in implementing this project as well as input from Finance and Communications.

10. Project Costs

A full breakdown of project costs and how it will be funded is shown in the following table:-

Cost to replace Pay & Display machines.				
Location	Current model	Required change	Cost of machine with chip & pin plus proximity readers	Notes
Phase 1				
Schoolhouse Lane 1	Cale	Replace	£4135	
Senhouse street 2	Cale	Replace	£4135	
St Bees Foreshore 2	Cale	Replace	£4135	
Back office software package			£3,000	
Sub Total			**£15,405**	CBC Capital bid
Sports Centre 1	Aura Elite	Replace	£4135	
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North shore	Accent	Replace	£4135	
St Bees Foreshore 1	Autoslot	Replace	£4135	
Beck Green	Autoslot	Replace	£4135	
Phase 2 Total			**£33080**	
Total capital			**£60,890**	
Revenue Costs			**£9,500**	Funded from revenue budgets
Total Project Costs			**£70,390**	

11. Project Quality
The provision and installation of machines will completed by appropriate suppliers.

12. Project Controls
Risk assessments and method statements will be sought from the contractors before works commence and the project will be monitored by the Waste and Enforcement Manager and Enforcement And Support Services Team Leader.

Progress reports will be made as part of the monthly Capital budget monitoring

A Monthly update will be provided to the Head of Copeland Services.

13. Risk Management

The use of appropriate suppliers will ensure the work is carried out safely and efficiently.

Cash Office Review 2014 Report

Summary

This report sets out the key findings of the review and a set of recommendations for consideration by CLT at its meeting on 26 November 2014.

1 Scope:

a. Cash office review to include investigating the processes and IT systems within the cash office, setting out the options for the cash office service moving forward including more payments on line and setting out options on staffing requirements and location for cash office.
b. Sub review on petty cash to investigate, agree principles and required improvements to the petty cash arrangements to reduce the amount of petty cash required taking account of the previous audit outcome and business requirements.
c. Sub Review on car parking cash collections to investigate, identify the options to reduce amount of cash in car parking arrangements and how to improve the collection and counting arrangements.

2 Issues to address:

- Need to streamline existing system and processes - Cash Office arrangements are currently not resilient or the most effective use of staff time within Copeland Direct and the organisation as a whole.
- **There is still improvement needed to move to our previously stated position of no cash or more realistically minimal cash.**
- The cash office is impacted by the lack of capacity and progress of corporate channel shift activities and needs to play its part in driving channel shift.
- Pick up the issues highlighted by the internal audit on petty cash as part of the review.

3 Findings and Recommendations

3.4 Car Parking Collections

3.4.1 All of the council car parking meters can only take cash. This then requires cash collections twice a week from our car parks. This requires two enforcement staff to undertake and bring to the Copeland Centre and undertake the first cash count. Cash collection and processing is currently undertaken twice weekly and involves two Enforcement Officers and the Cashier. Enforcement Officer hours equate to approximately 14 hours per week. The amount of cash collected from Council car parks range between £6,000 and £8,000 per week.

In looking at the options set out by the business analyst for looking at putting this activity out to an external provider, the Enforcement Service have reviewed the market quotes previously received for outsourcing and identified that this option is not viable financially. The other key option considered by the review team is the option of moving our car parks to less cash through replacing meters with new machines able to take card payments for both car parks and specific tickets such as seasonal, weekend and event tickets. This will offer a number of benefits: reducing cash in the machines and amount needing to be managed within the cash office, improving collection risks and timings required, strategic fit with our commitment to move to cashless and channel shift engagement with our customers and most importantly improve the back office system information provided from the compatible WebASLAN back office system from the new machines and the ability to program special parking permits and arrangements into the machines to reduce the manual requirement to deal with these requests.

Processing, recording and administration of Season tickets is completed by cash office staff, resulting in significant workload. The system currently used to record information is a basic spread sheet. Providing a season ticket involves a lengthy process of collating personal information, accepting payment (usually card transaction), transferring details to permits which are currently produced in-house by the print team. Available spaces must then be monitored and offered for re-sale upon expiry. The ability to program and monitor a new machine with card and proximity reader will significantly reduce the staff time needed for this element of our car parking service.

To aim to deliver phase 1 changes by 1st April, 2015, recognising the lead in time for replacement implementation of 12 to 14 weeks which could result in 1st June 2015 implementation date.

3.4.2 Recommendation 13: Endorse the proposal to move to cash, credit card payments and a range of ticket types within our pay and display car parks. To note the opportunity of replacing all machines at once at the cost of £48,295 with range of benefits in terms of savings and efficiencies or support a phased approach (Phase 1 at £28,655 and phase 2 at £19,640) which will ensure our most busy car parks will be targeted for the new machines first. The list of car parks along with age and specifications proposed are set out in the paper at Appendix B. One car park will remain with cash only machine.

3.4.3 Recommendation 14: To support the capital 'invest to save' bid for replacing the phase 1 machines in 2015/16. (The Pay and Display stock consists of 14 machines, the majority of which were sourced from and are maintained by Metric. Machines range in age from 1996 to 2012, only 2 machines have been replaced within the past 5 years. All machines are coin operated only and none are able to provide season tickets.) The new machines will be more reliable, offer more service developments and link remotely to our back office systems.

3.4.4 Recommendation 15: To retain the need for cash collection of the meters by 2 Enforcement Officers twice a week during 2015/16 at phase 1 sites and once a week at phase 2 machines at other sites. To review these arrangements to assess if cash machine collections can move to once a week on all sites in 2016/17.

3.4.5 Recommendation 16: To amend the process used for cash counting once cash boxes are brought into the cash office. The first cash count to be undertaken by one Enforcement Officer, not 2, and a Customer Services Officer. A checking count to be continued by the Cashier. This releases one Enforcement Officer to focus on their core duties.

3.4.6 Recommendation 17: To agree some targets for cash reduction from phase 1 delivery. Proposal is 25% reduction in cash collection in phase 1 car parks in 2015/16 and 50% reduction in 2016/17. Meeting these targets would enable the Council to reduce costs by reducing the banking of cash from twice weekly to once weekly in 2016/17.

4 Implementation Plan

Car Parking Collections				
	Capital bid made for both phase 1 and phase 2	CBC systems Enforcement Team	G McAllister	Done
	Capital bid agreed and phase 1 replacement programme implemented	CBC Capital £ Procurement/Legal contract	E Davidson	31 Mch 2015
	Consultation with enforcement staff affected.		G McAllister	Done
	Season and specific ticket prices and arrangements set	Enforcement team in liaison with Copeland Direct	J Carrol	31 Jan 2015
	Set out the savings realised within the budget setting process	Enforcement team	E Davidson	31 Dec 2014

5 Risk Register (0 to 3)

	Risk	Likelihood	Impact	Comment/Mitigations
	Staff not engaging with improvements particularly petty cash arrangements	2	2	All officers need to engage to make this work. Put in place clear and strict rules so cannot use petty cash as currently.
	Invest to save capital investment for car parks not prioritised by CBC to deliver improvements	1	3	No savings, manual process continues using more staff time.
	ICT improvements to assist channel shift not taking place or continuing at a slow pace	3	3	Pace has been slow to date and capacity issues need to be addressed to enable more channel shift.
	Not improving the cash office function impacts on our known business continuity and resilience risks on the corporate organisation and will not deliver our commitment to move to being fully cash free	2	3	Staff resources used to manage crises, payments not reaching the council effectively and in time. Must deliver basic changes

6 Review Team:

Julie Betteridge (Corporate Lead), Carol Edgar, Sue Stamper, Anne Fearon, Jill McAllister, Angela Henderson, others attended as requested including IT, Internal Audit.

Appendix B Pay and Display Review

Off-Street Parking

Capital programme – Upgrade of Pay and Display stock

Introduction/Background Information

A review of the Cash Office was undertaken in June 2014 from which a number of recommendations resulted. Car Park cash collection and the processing of Season tickets for car parks were identified as areas to be improved.

Car Park cash collection and processing

Cash collection and processing is currently undertaken twice weekly and involves two Enforcement Officers and the Cashier. Enforcement Officer hours equate to approximately 14 hours per week.

The amount of cash collected from Council car parks range between £6000 and £8000 per week. The annual service charge for the 11 Metric machines is £5200, whilst the annual service charge for the remaining 3 Cale Briparc machines is £1760. The cost of repairs not covered by the service agreement amounted to £400 In 2013/14.

The Pay and Display stock consists of 14 machines, the majority of which were sourced from and are maintained by Metric. Machines range in age from 1996 to 2012, only 2 machines have been replaced within the past 5 years. All machines are coin operated only and none are able to provide season tickets.

Season tickets (Parking Permits)

Processing, recording and administration of Season tickets is completed by cash office staff, resulting in significant workload. The system currently used to record information is a basic spread sheet.

Providing a season ticket involves a lengthy process of collating personal information, accepting payment (usually card transaction), transferring details to permits which are currently produced in-house by the print team. Available spaces must then be monitored and offered for re-sale upon expiry.

Current specification and proposed upgrade of Pay & Display stock.

Pay & Display upgrade proposal								
				Proposed specification				
Location	**Machine type**	**Age**	**Current spec**	**Coin**	**card**	**Proximity Reader**	**Schedule**	**Required change**
Copeland Centre 1	Accent	2005	Coin	x	x	x		Replace
Copeland Centre 2	Accent	2005	Coin	x	x	x		Replace
Sports Centre 1	Aura Elite	2012	Coin	x	x	x		Upgrade
Sports Centre 2	Aura Elite	2012	Coin	x	x	x		Upgrade
North Shore	Accent	2004	Coin	x	x	x	Phase 1	Replace
Senhouse 1	Aura	2009	Coin	x	x			Replace
Senhouse 2	Cale	2007	Coin	x	x			Replace
School House Lane 1	Aura	2009	coin	x	x			Replace
School House Lane 2	Cale	2007	coin	x	x			Replace
Beacon	Accent	2004	Coin	x	x			Replace
St Bees Foreshore 1	Autoslot	2003	Coin	x	x			Replace
St Bees Foreshore 2	Cale	2007	Coin	x	x			Replace
Beck Green	Autoslot	1996	Coin	x	coin only minimal income		Phase 2	Replace
~~Chapel Street~~	~~Autoslot~~	~~1996~~	~~Coin~~	~~N/A~~	~~N/A~~	~~N/A~~	Car park to be sold	

Capital cost of replacement/upgrade

Capital Costs							
Location	**Machine type**	**Required change**	**Machine**	**Chip & Pin Terminal (cards)**	**Sim Card p/a**	**Proximity Reader (permits)**	**Cost per machine**
Copeland Centre 1	Accent	Replace	£ 3,000	£ 1,100	£ 60	£ 275	£ 4,435
Copeland Centre 2	Accent	Replace	£ 3,000	£ 1,100	£ 60	£ 275	£ 4,435
Sports Centre 1	Aura Elite	Upgrade		£ 1,100	£ 60	£ 275	£ 1,435
Sports Centre 2	Aura Elite	Upgrade		£ 1,100	£ 60	£ 275	£ 1,435
North Shore	Accent	Replace	£ 3,000	£ 1,100	£ 60	£ 275	£ 4,435
School House Lane 2	Cale	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
Senhouse 2	Cale	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
St Bees Foreshore 2	Cale	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
							£ -
SubTotal Phase 1							**£ 28,655**
Senhouse 1	Aura	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
School House Lane 1	Aura	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
Beacon	Accent	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
St Bees Foreshore 1	Autoslot	Replace	£ 3,000	£ 1,100	£ 60		£ 4,160
Beck Green	Autoslot	Replace	£ 3,000				£ 3,000
Sub Total Phase 2							**£ 19,640**
Total Costs							**£ 48,295**

Additional costs

Season Tickets – Desktop reader £500, Cards £1.50 each with minimum order of 1000, Back office system and training approximately £3000 (tbc – dependent on complexity of season ticket requirement).

Installation – Metric are currently quoting £560 per single unit, however this would reduce to £460 if more than one machine can be installed per visit (max 4).

Benefit of upgrading existing Pay & Display Stock

- Ability to offer alternative payment methods thus reducing the amount of cash handling required by both Enforcement and the Cash Office.
- Ability to accept payment for season tickets at Pay and Display machines thus resulting in fewer transactions via Copeland Direct.
- Introduction of compatible WebASLAN Back Office system to support the issue of season tickets. Improved monitoring recording and reporting systems.
- Potential to reduce costs further by reducing the banking service from twice weekly to once weekly.
- Reliability of machines.
- On-line monitoring of Pay and Display machines via WebASLAN Back Office system, will reduce downtime as the system will allow administrators to take machines off-line as required.

Additional savings

- If machines are replaced, maintenance would be covered by the 13 month warranty, realising a potential saving of approx. £7000, as this is already included within the car park budget the saving could potentially be offset against installation costs.

NB – All costs will need to be confirmed with Metric once a required specification and schedule has been agreed.

Appendix C

Cheques processed 13/10/14 - 20/10/14

Department	*Trans*	*Amount*	*Percentage*
Planning	6	£ 3,941.00	8.189%
Waste	3	£ 81.00	0.168%
Benefit Overpayment	2	£ 75.26	0.156%
Invoices	46	£ 8,255.01	17.152%
Non-Domestic rates	14	£ 8,939.42	18.574%
Building Control	5	£ 1,119.92	2.327%
Council tax	72	£ 18,922.71	39.317%
Land Charges	18	£ 1,645.00	3.418%
Licensing	16	£ 2,299.00	4.777%
Miscellaneous	1	£ 317.47	0.660%
Notice Fines	0	£ -	0.000%
Attachment of Earnings	33	£ 2,532.24	5.261%
Total	216	£ 48,128.03	100.000%

Council Tax Payments Analysis 1.4.14 to 28.10.14

Method of Payment	**Number on Civica**	**Transactions**	**Amount**
Cash	1	11	£166.87
Cheque	2	22	£568.50
BACS	4	3027	£325,024.70
Allpay	20	38131	£3,150,158.78
Web (staff)	80 & 81	2133	£345,015.32
Web (public)	82 & 83	5357	£746,340.80
ATP	84 & 85	4675	£693,628.40

Direct Debit Payments via Academy (do not go through cash receipting)

		129899	£15,704,037.53

CAPITAL BUSINESS CASE SUMMARY

For Inclusion in the Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: Working Differently – Accommodation Strategy

1. Summary Project Background

As part of the annual budget setting process for the 2014/15 Revenue Budget and Capital Plan, full Council agreed a savings target of £500,000 to be achieved through a review of the Council's office accommodation. The agreed proposals stated this review had the potential to deliver revenue savings and additional income opportunities in the region of £500,000.

At its meeting on 27 May 2014, the Executive approved a number of recommendations to progress the Council's Working Differently – Accommodation Strategy. On 25 November 2014, the Executive agreed a number of authorisations and decisions to take the programme forward. This is in line with the previously agreed Medium Term Financial Strategy and 2015/16 budget proposals, which state this programme has potential revenue savings / additional income opportunities in the region of £500,000. In order to ensure the revenue savings target can be achieved, it is important that capital investment is available to progress the physical changes that are required.

2. Business Case & Project Objectives

The Working Differently Programme has identified a number of opportunities for the Council to improve the way it operates by doing things differently, and whilst they relate to different aspects of how the Council operates, these all come together to offer a package of changes that can bring sustainable financial savings, improvements in operational efficiency and customer service benefits.

By vacating unused and un-needed office space the Council can operate more efficiently, reduce property costs and secure income from third parties to set against its costs. New ways of working can be introduced to complement new working environments which will enable services to be delivered in more efficient ways and allow customers to take advantage of new delivery channels.

The Programme is linked to the Council's Priority 1, delivering efficient and effective statutory services, and will make significant financial savings for the Council as well providing operational improvements.

It is projected that the timely delivery of the Programme could secure savings of £500,000 in the 2015/2016 financial year.

3. Risks – Implications of not supporting this request for Capital Funding

If the Programme is not implemented the window of opportunity to achieve the projected savings will be lost and the Council may be obliged to continue to operate in a manner that is less than optimally efficient. Alternative means will need to be identified to achieve the target savings.

4. Key Deliverables & Project plan

A projected financial saving of £500,000 in the 2015/2016 financial year.

The Programme anticipates that the major internal moves for the Council will occur between April and August/September 2015, with subsequent third party moves occurring in the following months.

5. Organisation – Roles & Responsibilities

Senior Responsible Officer is Paul Walker, Chief Executive.

Project Sponsor (day to day) is Fiona Rooney, Interim Director of Resources and Strategic Commissioning.

Project Management is provided with a mix of in house and external support.

6. Overall Project Costs :

TOTAL PROJECT COSTS

£ 1,660k Financed by the following:

A) CAPITAL FUNDING

Copeland Borough Council Capital	*£ 482k*	*(this bid)*
CBC Capital – Accom Strategy	*£ 400k*	*(previous Bid already approved)*
CBC Capital – Customer Service Strategy	*£ 142k*	*(previous Bid already approved)*
CBC Capital – ICT Budget	*£ 186k*	*(previous Bid already approved)*

B) REVENUE FUNDING

FROM EXISTING BUDGET: *£ 200k* *Accommodation Strategy Reserve*

ONGOING REVENUE PRESSURE:

C) OTHER EXTERNAL FUNDING ***ACCOUNTABLE BODY – Y or N?***

PFI Replacement *£ 250k* *N*

D) REVENUE SAVINGS IDENTIFIED

£500,000 estimated potential savings/additional revenue in 2015/16

TO BE TAKEN FROM REVENUE BUDGET – Y or N? If N - REASON? ……………………………………………

This Table is an extract from the Part II Executive Report on 25 November 2014. This part of the report no longer needs to be exempt. The figures are indicative and may move between the buildings dependent on final proposals for location of staff:

Buildings	2014/15 & 2015/16 £'000s	
Copeland Centre	950	
Moresby Parks	100	
Market Hall	410	
Programme Costs	100	
Contingency	100	
Total Capital Expenditure	**1,660**	
Funded by:		
- Existing Capital Plan 2014/15 Accommodation Strategy	400	a
- Existing Capital Plan 2014/15 Customer Access	142	b
- Existing Capital Plan 2014/15 ICT Strategy and Agile Working (original budget but some spent)	186	c
- 2014/15 Accommodation Strategy Reserve – Revenue Funding	200	d
- PFI Replacement – Furniture, Fittings & Equipment – External Funding	250	e
- Use of existing capital receipts – Capital Programme 2015/16 & beyond	482	f
Total Funding	**1,660**	

The 2014/15 budget already has approval for £728,000 (see a + b + c) so this bid is requesting approval for the balance of £482,000 from Capital receipts (see f above) – funded by the Useable Capital Receipts Reserve, £200k from Accommodation Strategy Revenue Funding (d above) which was approved by Exec 8th January 2015 and £250k from PFI Replacement External Funding (e above).

Until the timetable for delivery is finalised and some negotiations are concluded, the exact timing of some spend is unknown. The plans are based on a realistic timescale that maximises spend in 2014/15 in line with current approvals from full Council as part of the 2014/15 budget setting process.

Internal borrowing may be considered if there are insufficient capital receipts received to support this capital project and only after all other grant options have been fully explored. This would not be new borrowing, but draws on the existing resources that are already funded as part of the Treasury Management Strategy and 2014/15 revenue budget.

7. Additional Documents to support the bid
Quotations/drawings - N Equality Impact Assessment - Y Health & Safety Report - N Others:

7. Please complete the attached on page 2 with comments against <u>each</u> of the criteria. Your comments will form the basis of the scoring matrix to determine whether the project will be either included or excluded from the Capital Programme 15/16 and beyond.

Capital Programme 2015/16, 2016/17 & 2017/18

Project Title: Working Differently – Accommodation Strategy

Criteria	Summary	Project Manager/Sponsor Comment:
Statutory requirement	We would fail to meet our statutory duties if the scheme was not approved	Requirement to achieve balanced budget for 2015/16.
Urgent priorities/avoidance of litigation claims	Urgency of investment required to meet legal obligations i.e. avoidance of Corporate Manslaughter and other litigation claims, Health and Safety, Disability Discrimination Act	Requirement to achieve £500,000 sustainable savings. Capital investment part of need to enable savings to be made.
Invest to save	Provision of future revenue savings/additional income from completion of project include payback period	As above.
New policy framework	A project that specifically complies with the most recent policy framework and delivers a priority outcome.	Government policy on floor space for office based
Business need/Avoiding future business interruption	The project is essential to ensure the continuity of the of the service delivery and avoid future potential business interruption	Customer focussed solution to deliver against corporate plan priorities.
Revenue implications	Delivery and completion of the project would result in a future net revenue cost (see invest to save for positive revenue implications)	£500,000 sustainable revenue saving
Operational benefits	The project does not necessarily link with corporate priorities but will provide positive benefits to service delivery	Significantly reduced property use/costs; Secured significant contributions to property costs; Improved staff efficiency; Implemented new and more appropriate employment practices and processes; and Reviewed and improved service delivery arrangements.
Partnership working	External partnership benefits with public, private or voluntary sector	Working with private sector partners and voluntary / community sector to occupy Council buildings to maximum potential.
External match funding/full external funding	Project is part funded or fully funded from externally generated resources	£250,000 from PFI Contract built in to replace furniture. Grant opportunities will be explored to minimise the use of the existing borrowing.

Copeland borough council

Proud of our past. Energised for our future.

WORKING DIFFERENTLY PROGRAMME

PROJECT INITIATION DOCUMENT

Version: Final

Author: Fiona Rooney

Date: November 2014

1. Background

At its meeting on 27 May 2014, the Executive approved a number of recommendations to progress the Council's Working Differently – Accommodation Strategy. This forms part of the wider Delivering Differently Programme. Under this initiative the Council is reviewing the way in which it works, how it uses its resources and how it delivers services to residents.

This work sought to identify opportunities for the Council to make the best and most economic use of its assets and resources, and to deliver services to residents in an efficient and effective manner, and at the highest levels of quality.

The Working Differently review has identified a number of opportunities, and whilst they relate to different aspects of how the Council operates, these all come together to offer a package of changes that can bring financial savings, improvements in operating efficiency and customer service benefits.

These separate initiatives each require their own programmes of development and implementation and will be the subject of specific governance arrangements, however given the significant level of interaction and interdependencies between them, these initiatives must be coordinated and brought together under an overarching governance and delivery programme.

This Programme represents that programme of overall coordination and delivery.

The Workstreams that form part of the Programme are:

(i) Property and Enabling Works

(ii) Agile Working

(iii) PFI Review and Property Income Generation

(iv) Archive Rationalisation and Document Management

(v) Customer Services Strategy

Each Workstream will be the subject of its own Project Initiation Document and associated governance materials.

2. Business Case

The Programme will deliver financial savings and operational efficiencies that will contribute to the Councils' Priority 1 of delivering efficient and effective statutory services, and offer improvements in engagement with residents and in the ability of the Council to extend, adapt or improve the delivery of its services in the future to meet changes in demand.

This will be achieved by making better and more efficient use of the Councils property assets, by rationalising direct use, reducing costs and generating income, and improving and delivering efficiencies to working practices and service delivery channels.

The initial projections are that a full and successful implementation of the Programme is capable of delivering savings to the Council of £500,000 in the 2015-2016 financial year. There are also potential operational efficiencies and changes that can deliver soft benefits to the Council and to residents.

Elements of the Project will continue the Council's policy of working in cooperation and partnership with other key local stakeholders for the benefit of Copeland.

The Workstreams have been identified as those packages of activity that are critical to the delivery of the overall efficiency targets for the Programme, and the specific contributions that each Workstream can make to these objectives are identified in their respective Workstream Documents. In some cases these are programmes that are already in existence which will be affected by, or can make a contribution to, the overall aims of the Programme.

Some Workstreams are necessary to enable others, and others are a consequence of activity being undertaken elsewhere. It is considered that in some cases the potential for benefits may not be fully exploited as a direct consequence of the implementation of the Programme, and in this case the relevant Workstreams can and should have a life beyond the immediate objectives of this Programme and should continue independently as appropriate.

Equality Impact Assessments will be undertaken as relevant to each Workstream.

3. Objectives and Scope

3.1 Objectives

The Programme must result in a rationalisation of the property usage by the Council and its services with no adverse impact on the standards of service delivery. This should enable income to be generated which can be applied to the Council's savings/income targets, and will require more flexible ways of working and service delivery to be enabled and adopted. These changes in turn bring with them a need for these changes to be supported and managed and these support processes will represent an important contributing factor to the ultimate success of the Project.

The proposals for relocation and income generation have specific timetables associated with them which must be achieved to enable anticipated income targets to be achieved. Time slippage will defer any benefits being secured. Specific time considerations are identified in the Workstream Documentation.

Once the Programme is complete the Council will have:

- Significantly reduced its property use/costs;
- Secured significant contributions to its property costs;
- Improved its staff efficiency;
- Implemented new and more appropriate employment practices and processes; and
- Reviewed and improved its service delivery arrangements.

3.2 Scope

The Workstreams will identify any interdependencies and limitations applicable to them for the purposes of this Programme.

The Programme requires resources both from within the Council and externally to support its delivery. The resource requirements for each Workstream are identified in the Workstream Documentation.

4. Deliverables

The key objective of the Programme is the achievement of financial savings/income of not less than £500,000 for the financial year ending 31 March 2016. The contribution made by each Workstream to facilitating this objective is set out in the Workstream Documentation.

5. Approach

The Programme will be overseen by a central Programme Group which will ensure consistency of approach and coordination of progress and efforts between the Workstreams.

Each Workstream will be managed within this structure and an accountable Workstream Lead will report to the Programme Group on a regular basis.

6. Programme Plan

The initial investigation, evaluations and enquiries necessary to inform the strategy of the Programme have been concluded and these led to the formulation of this Project and the Workstreams.

There are a number of external influences that may impact upon the timing of different elements of the Programme, subject to any delays arising beyond our control, the current expectation is that the substantive Copeland Staff and Members moves will be concluded in Summer 2015, with income generating moves occurring in the following months.

The overall Programme has indicative milestones as follows:

Stage 1:	Consultation	August-November 2014
Stage 2:	Planning and Development	December 2014-January 2015
Stage 3:	Implementation	August/September 2015

7. Organisation – Roles and Responsibilities

The Senior Responsible Officer for the Programme is Paul Walker, Chief Executive.

The Project Team will support the delivery of the Project and will consist of:

Fiona Rooney	Interim Director of Resources and Strategic Commissioning
Martyn Morton	Property Programmes Manager
Martin Stroud	MIS Manager
Catherine McNicholas	Delivering Differently Programme Manager
Susan Blair	Performance and Transformation Officer

The Workstreams will each carry their own governance arrangements as detailed in the Workstream Documentation and will be allocated to Senior Responsible Officers as follows:

Workstream	Project Managers
Property and Enabling Works	Martyn Morton

Agile Working	Martin Stroud/Catherine McNicholas
PFI Review and Property Income Generation	Fiona Rooney
Archive rationalisation and Document Management	Susan Blair
Customer Services Strategy	Julie Betteridge

8. Communications

Given the nature of the Programme there are some significant internal and external sensitivities that must be addressed.

Consultation has already been undertaken in relation to some elements of the Programme.

It is essential that decisions and steps taken within the Programme are properly and appropriately communicated within the Council, to members, staff and to the community.

The Programme Team will be responsible for managing and authorising the communication of all matters relating to the Programme both internally and externally, and will be responsible for the coordination of any communications with members, external parties and with staff. This will ensure that any communication is made on a basis that is accurate, timely and in context, and properly takes account of any areas of sensitivity.

9. Resource Requirements

It is anticipated that Workstream Managers will be required to allocate at least 2-3 days per week to the management of the Workstream programmes. There will in addition to this be a requirement in some instances for 'hands on' involvement of varying degrees but given the pressing timescales and volume of activity required in some areas a further 1 day per week should be allowed for. Specific capacity requirements and pressures are set out in the Workstream Documentation.

External support has been secured for the Council to support the scoping and design of the project and the Workstreams, and where practicable this will be applied to making the best use of Council officers' time and external specialisms and establishing a mix of internal and external resource that delivers best value.

10. Project Costs

Total Programme costs of £1.66m were approved for inclusion in the 2015/2016 Capital Programme. This figure included an amount of £728,000 that had been previously approved from the 2014/2015 Capital Programme for elements within the Working Differently Programme.

The figures below are indicative and may move between the buildings dependent on final proposals for location of staff:

Buildings 2014/15 & 2015/16	**£'000s**
Copeland Centre	950
Moresby Parks	100

Market Hall	410
Programme Costs	100
Contingency	100
Total Capital Expenditure	**1,660**
Funded by:	
* Existing Capital Plan 2014/15	
Accommodation Strategy	400 (a)
* Existing Capital Plan 2014/15	
Customer Access	142 (b)
* Existing Capital Plan 2014/15	
ICT Strategy and Agile Working	
(original budget but some spent)	186 (c)
* 2014/15 Accommodation Strategy	
Reserve – Revenue Funding	200
* PFI Replacement – Furniture, Fittings	
& Equipment – External Funding	250
* Use of existing capital receipts –	
Capital Programme 2015/16 & beyond	482 (d)
Total Funding	**1,660**

Until the timetable for delivery is finalised and some negotiations are concluded, the exact timing of some spend is unknown. The plans are based on a realistic timescale that maximises spend in 2014/15 in line with current approvals from full Council as part of the 2014/15 budget setting process.

The 2014/15 budget already has approval for £728,000 (see a + b + c).

Capital funding for the balance of £482,000 (d) is subject to approval of the 2015/2018 Capital Programme.

11. Project Quality

The Workstream programmes will operate within their own governance structures and the Programme Board will coordinate oversee and supervise activities within the Workstreams. The Programme Board will report on overall progress to the Delivering Differently Board on a monthly basis.

12. Project Controls

Monthly Programme Highlight Reports will be provided to the Business Theme Board.

13. Risk Management

An overall risk register for the Programme will be developed and maintained throughout the life of the Programme and the Workstream activities.

Copeland Borough Council Initial Equality Impact Assessment-Valid from 1 November 2011

Directorate/Service Area	Chief Executive's Office	Persons undertaking the assessment Person responsible for implementation of the policy/ function/ service or proposal		Assessment: Catherine McNicholas Lead Officer: Fiona Rooney	
Name of policy/ function/ service or proposal to be assessed	Working Differently Programme	Date of assessment	November 2014	New or Change to existing circumstances	Change

Positive Equality Duties

This initial EIA will also help you identify whether there are opportunities for promoting equality. Even if there are no adverse impacts, this part of the process is essential as it will ensure we meet our equality duties. These equality duties are set out in a number of pieces of legislation and are summarised below for reference:

The need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations between and for different groups based on:

- **Gender**
- **Gender reassignment (i.e. transgender individuals)**
- **Age**
- **Disability (mental and physical)**
- **Sexual orientation (heterosexuality, homosexuality, etc)**
- **Religion and belief (including no belief)**
- **Race**
- **Pregnancy and maternity**
- **Marriage and Civil Partnerships**

- **There is a further protected characteristic of marriage and civil partnerships where the duty is to eliminate unlawful discrimination.**

1. Briefly describe the aims, objective or purpose of the policy/service/ function or proposal being assessed. If this EIA is assessing the impact of a proposed change please describe the proposed change.	The Working Differently Programme is intended to identify and implement ways for the Council to improve the efficiency of its property utilisation, the operating procedures and working practices of its staff and the delivery channels used in providing services to residents. The programme is made up of a number of different initiatives each of which will be considered in this assessment and in individual programme specific EIAs.
2. What are the required outcomes from this policy/service/function or proposal?	Once the Project is complete the Council will have: significantly reduced its property use/costs; secured significant contributions to its property costs; improved its staff efficiency; implemented new and more appropriate employment practices and processes; and reviewed and improved its service delivery arrangements.
3. Who will be affected by this policy/service/function or proposal?	The proposed changes will affect staff, members, members of the public and residents in receipt of Council services. It may also have impact on the activities of local stakeholders such as Copeland Homes, Whitehaven Community Trust, and Sellafield Limited and Council partners in the region.
4. How do these outcomes align with the Councils priorities? (Council Plan)	The outcomes align with Priority 1 from the 2013-2015 Council Plan, the delivery of efficient and effective statutory services, and will contribute to the Council's financial targets for the 2015-2016 financial year.
5. Are there any wider impacts associated with the policy/service/function or proposal that should be considered, e.g. the proposed impact on the effectiveness	There are risks of impact on business and service delivery continuity as a result of some of the changes proposed. These are identifiable and will be managed and any impact mitigated through the delivery of the programme.

of other service areas of the Council or any assistance to implement that would be required.	

6. What factors/risks could affect the intended outcome.	There are risks of impact on business and service delivery continuity as a result of some of the changes proposed. These are identifiable and will be managed and any impact mitigated through the delivery of the programme.
7. Who are the main stakeholders in relation to this policy/service/function or proposal (e.g. partners, community groups etc.)?	The proposed changes will affect staff, members, members of the public and residents in receipt of Council services. It may also have impact on the activities of local stakeholders such as Copeland Homes, Whitehaven Community Trust, and Sellafield Limited and Council partners in the region.
8. What quantitative data have you used for this assessment (Statistics, demographics, indicators, and partner data)? Please note that data should relate to each equality group (race, disability, etc.). **All evidence to be kept and recorded**	
9. What qualitative data have you used for this assessment (Consultation, complaints	Consultation has taken place and is continuing with members and staff. The ongoing review of the Council's customer service strategy will further inform the programme as it evolves. It is proposed

and comments)? Please note that data should relate to each equality group (race, disability, etc.). **All evidence to be kept and recorded**	that formal engagement with the Council's Equality Partners including Copeland Disability Forum is undertaken to consider aspects of the proposal that could impact on staff, residents and or visitors to the premises with disabilities in particular in relation to access to the Market Hall and in relation to the proposed arrangements for access to the first floor.

Conclusion

Are there concerns that the policy/procedure/function or proposal could have specific negative impact on people from the following groups?

Group	Will the implementation of this policy/procedure/function or proposal have any **negative** impact on people from any of these equality groups?		If yes, can the policy/procedure/ function or proposal be amended or altered to help **mitigate the negative impact?**		If yes, have you considered any **alternative courses of action**? Within the initial EIA, this should relate to immediate alternatives.	
	Y	N	Y	N	Y	N
Gender		**x**				
Gender reassignment		**x**				
Age		**x**				
Disability	**x**		**x**			
Sexual Orientation		**x**				
Religion or Belief (inc non-belief)		**x**				
Race		**x**				

Pregnancy and maternity		**x**				
Marriage and civil partnership		**x**				

If you have recorded a possible alternative course of action, please provide a short description. If you have indicated a mitigating action, please provide a short description.	There may be an as yet unknown issue relating to the ability of disabled residents to park near to the point of service delivery for some Council services. It is intended that any plans for relocation include the provision of suitable parking arrangements and that these will address any impact of this nature on this group. Access for persons with a disability to the first floor of the Market Hall (which is proposed should be required by Council employees only) is currently facilitated by a seated stair lift from the entrance presently used by Whitehaven Community Trust. It is proposed that in the immediate solution to ensure disabled access is to upgrade the existing stair lift facility to allow use by wheelchair users. It is also possible that works necessary to enable a post-move installation of a full lift should be undertaken so that if it were concluded that a different form of access were required this could be installed without undue disruption or delay. This proposal will be specifically consulted upon. Ground floor ~~You may want to consider parents~~access to Market Hall for wheelchair users, parents with pushchairs and visitors with ambulant difficulties will be addressed through the provision of appropriate ramping and hand rails as necessary and appropriate. ~~with pushchairs re access to customer main buildings etc.~~
Conclusion **Could the implementation of this policy/service/function or proposal disproportionally affect any particular neighbourhoods i.e. Localities/Parishes?**	
If yes, please describe. Indicate what alternatives have been considered or mitigating actions are	~~No- Have you considered the rural nature of Copeland and how the changes to access to services will affect those communities.~~ ~~Where there is increased demand on the public to access services on-line, have you consider the older population and the number of older people who don't' have access and or skills to use technology etc? &~~

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planned.	~~How does the council intend to minimise the impact. There is a potential cost implication for all vulnerable people who are on low incomes, who are in the future expected to access services using different technology. Assumptions should not be made that all groups have access to technology~~Increases in the level of on-line or other remote access to services may be a facility that older residents or those who may be unfamiliar with, or who may be unable to access services through these means, are less able to take advantage of. This will not affect the ability of residents who currently access services by other means and who wish to continue to do so. It is not the intention of the Council to use increased online access to its services as a means of reducing or restricting customer access to those services, but as a means of improving ease of access for those who choose to use a different route. The Council will develop appropriate information distribution for residents who may wish to consider accessing services in a different way, but will not discontinue any services currently provided by direct means whilst there remains a need or demand for those services by any residents. Any facilities provided by the Council within its buildings that allow customers to access Council services online will be capable of access by persons with different access needs so far as technology permits, and with customer support where necessary.

Will the implementation of this policy/procedure/ function or proposal have any positive impact on people from any of these equality groups?

Gender	**Yes**	**No**	**Please describe**
Gender reassignment			The Council's ambition is to enable access to a range of its customer services through new delivery channels that will reduce the need for residents to visit Council premises. These changes should make access to services easier for those residents who may currently have more difficulty in attending Council offices.
Age	**x**		
Disability	**x**		
Sexual orientation			
Religion or Belief (inc non-belief)			
Race			
Pregnancy and maternity			
Marriage and civil partnership			

Are you satisfied the implementation of this policy/service/function or proposal could not be challenged for unlawful discrimination or failure to meet statutory equality duties.	**YES, reduction of budget will not discriminate against any groups or impact on ability to meet statutory equality duties. Need to consider rurality and ageing population in this eia-**		
Should the policy etc. proceed to a full impact assessment? (if at this stage of the process there is evidence of adverse impact on any equality groups then you must answer yes).	**No**	**Yes**	**Date Full EIA Completed**
		x	

Completing Officer (Name)	
Completing Officer (Signature)	
Authorising Manager (Name)	
Authorising Manager (Signature)	

TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS), MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2015/16

EXECUTIVE MEMBER: Cllr Gillian Troughton
LEAD OFFICER: Angela George, Interim Finance Manager (s151 Officer)
REPORT AUTHOR: Leanne Barwise, Senior Accounting Officer

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Council has a legislative duty to manage its resources effectively and deliver statutory services for the benefit of the Borough. Treasury Management is an important part of this function and is regulated by an approved Treasury Management Strategy Statement (this document) written in accordance with the CIPFA Code of Practice on Treasury Management and forms part of the budget and policy framework.

WHY HAS THIS REPORT COME TO EXECUTIVE?

This report has been scrutinised by the Audit and Governance Committee on 29 January 2015 and was presented to Executive on 12 February 2015, it has now come to Executive for approval.

The financial projections contained within this report are draft and will be finalised once the Capital Programme for 2015/16, Revenue Budget for 2015/16 and Review of Reserves have been determined.

[Full Council 26 February- NOTE ***: The Recommendations below are as presented to Executive on 12 Feb 2015, updated for approvals at that meeting. They are not for consideration at Full Council of 26 February, but provide background information to the Budget Proposals 2015/16 Council paper agenda item, along with all other information in this Appendix.]***

RECOMMENDATION:

i) It is asked that Executive approve the Treasury Management Strategy Statement, the Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2015/16 contained at Appendix 1 within this report, giving due regard to the following changes from the 2014/15

1. INTRODUCTION

This report sets out the Council's Treasury Management Strategy Statement for 2015/16, in accordance with the CIPFA Code of Practice on Treasury Management. The Annual Investment Strategy and the Minimum Revenue Provision (MRP) Strategy for 2015/16 are also incorporated as part of the Statement. So too are the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The Council will receive each year the following reports: Annual strategy and plan in advance of the year (this report), a mid-year review and an annual report after its close. Adequate scrutiny is required of all the above reports prior to recommendation to Council. This was completed by Audit & Governance Committee on 29 January 2015.

2. TREASURY MANAGEMENT STRATEGY STATEMENT

2.1 As required under the Code, the Treasury Management Strategy Statement for 2015/16, which also incorporates both the Investment Strategy for that year and the Minimum Revenue Provision Policy Statement, is set out in **Appendix DA**.

2.2 Also included within **Appendix DA** are the Prudential Indicators that must be determined under the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities.

2.3 **Appendices 1-4** are also attached:

Appendix 1 - details the latest interest rate forecast as provided by our Treasury Management Consultants, Capita Treasury Services, **Appendix 2** – Shows the approved Countries that the Council can place investments with (however, we currently restrict to those only within the UK), **Appendix 3** – the scheme of delegation detailing which Committees are responsible for certain aspects of Treasury Management, and finally at **Appendix 4 –** The role of the S151 Officer.

3. CONCLUSIONS

3.1 The Treasury Management Strategy Statement for 2015/16, which incorporates the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement has been scrutinised by Audit and Governance Committee on 29 January 2015 and is presented to Executive on 12 February 2015 for approval.

4. STATUTORY OFFICER COMMENTS

4.1 The Monitoring Officer's comments are: None

4.2 The Section 151 Officer's comments are: Included within the report.

4.3 EIA comments: None

4.4 Policy Framework: Within Policy Framework

4.5 Other Consultee Comments, if any: None

5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

5.1 The Treasury Management fuction is monitoried quarterly in addition to the annual, mid-year and outturn reports required by the CIPFA Code of Practice. These additonal reports are presented at Executive detailing the quarterly position on the Councils investments to ensure they are in accordance with the limits deatiled within this report.

6. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

6.1 To ensure the Council's investments are in line with the appropriate policies including the Treasury Management Strategy Statement.

List of Background Documents:

Treasury Management Strategy Statement 2014/15, Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2014/15

List of Appendices:

Appendix DA – Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2015/16

Contained within the TMSS at Appendix A are the following Appendices:

Appendix 1 – Interest Rate Forecast
Appendix 2 – Approved Countries for Investment
Appendix 3 – Treasury Management Scheme of Delegation
Appendix 4 – The Treasury Management Role of the s151 Officer

APPENDIX DA

COPELAND BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS), MINIMUM REVENUE PROVISION POLICY STATEMENT & ANNUAL INVESTMENT STRATEGY 2015/16

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1. INTRODUCTION

1.1 Background

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

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

1.2 Copeland's Portfolio and Investment Strategy

Copeland Borough Council holds an average investment portfolio of £20-25m. The majority of this money is held in reserves and capital receipts and is earmarked for spend on various projects. However, the range of funds can be much higher at the start of the financial year depending on cash flow movements and receipt of an advance payment of a full year Business Rates payment from the Council's largest ratepayer (approximately £30m). This large cash balance at the start of the year does not belong to Copeland Borough Council. It is invested in a range of maturities to facilitate the requirement to pay over regular amounts of the advance funding to the Government and County Council in accordance with the agreed schedule of payments.

We receive Council Tax receipts monthly with council tax payers having the option to pay over 10 or 12 months. Again this is not the Council's funds to keep, some must be repaid to our main preceptors, Cumbria County Council and the Police and Crime Commissioner, with the Council retaining only its share of circa £3.5m.

The main principal governing the Council's investment criteria is the security and liquidity of its investments, with yield (or return) also being considered. Our counterparty list is derived from the minimum credit ratings that are set in conjunction with our Treasury Management Advisors, Capita Asset Services. This list limits the Council to use the counterparties for investment that are at or above the minimum criteria approved. Should the criteria be set too low then the Authority would be open to risk; if set too high it could make it difficult to place our funds. The TMSS sets out the overall policy parameters, with officers using their judgement within the parameters set as required.

Wherever possible we maximise interest on fixed term investments with the part-nationalised banks by securing investments for up to a year and up to the maximum limits (up to £10m each) set out in the strategy. As noted above, at peak cash inflow times the Council has c £55m to invest. The Council aims for diversification through the use of other counterparties who meet our minimum criteria and through the use of pooled investment vehicles, Money Market Funds (see paragraph 4.1). These are highly secure, liquid institutions with the yield being generally lower (currently yielding around 0.4%) because of the flexibility of instant access to funds. This, in turn reduces our average investment interest rate achieved. We continue to achieve a rate above the 7 Day LIBID (London Interbank Bid Rate – the rate in which banks bid to borrow) as a benchmark.

Members should note that the limits that are presented throughout this report have been discussed with our Treasury Management Advisors, Capita Asset Services, and are deemed acceptable for the Authorities risk appetite.

1.3 Treasury Management Policy Statement

The Chartered Institute of Public Finance and Accountancy (CIPFA) produce the Code of Practice on Treasury Management activities and defines treasury management as:

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

1.4 Reporting requirements

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

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

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

A mid year treasury management report – This annual report was presented to Executive on 25 November 2014 updating members with the progress of the capital position, amending prudential indicators as necessary and whether any policies require revision. In addition, this Council will receive quarterly update reports.

An annual treasury report – This report (also known as the Treasury management Outturn Report) provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

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

1.5 Treasury Management Strategy for 2015/16

The strategy for 2015/16 covers two main areas:

Capital issues

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

Treasury management issues

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

- policy on use of external service providers.

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

1.6 Training

The CIPFA Code requires the responsible officer (the S151 Officer) to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsibe for scrutiny. Treasury Management training was provided prior to the Audit and Governance Committee meeting on 30 January 2014 and further training has been arranged to co-inside with Audit and Governance Committee on 29 January 2015.

The training needs of treasury management officers are reviewed periodically.

1.7 Treasury management Advisors

The Council uses Capita Asset Services, Treasury Solutions as its external treasury management advisors. However the Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

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

2. THE CAPITAL PRUDENTIAL INDICATORS 2015/16 – 2017/18

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

2.1 Capital expenditure

This prudential indicator is a summary of the Council's draft capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts, the full details of which are elsewhere on the Executive agenda for consideration. The following table summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall in these resources would result in a borrowing need:

Capital expenditure £000's	2013/14 Actual	2014/15 Estimate*	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Total	782	2,644	1,973	888	644

Financed by:					
Capital receipts	335	1,625	801	287	254
Capital grants	447	1,019	964	601	390
Revenue	0	0	210	0	0
Net financing need for the year	**0**	**0**	**0**	**0**	**0**

*estimate based on position at Q3 December 2014

The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

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

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure which has not immediately been paid for will increase the CFR. Copeland currently finances all its capital expenditure immediately through capital receipts/grants and as a consequence the CFR is not increasing.

The CFR is required to be paid off over time. This charge is called the minimum revenue provision (MRP) and is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). The main element of the Council's CFR is the PFI scheme. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The Council is asked to approve the following CFR projections:

£000's	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Financing Requirement					
Total CFR	7,925	7,393	6,976	6,969	6,592
Movement in CFR	(554)	(532)	(417)	(6)	(377)

Movement in CFR represented by					
Net financing need for the year (above)	-	-	-	-	-
Less MRP and other financing movements	(554)	(532)	(417)	(6)	(377)
Movement in CFR	(554)	(532)	(417)	(6)	(377)

2.3 Minimum Revenue Provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary revenue payments (VRP) if required but this Council currently does not.

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

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

- **Existing practice** - MRP will follow the existing practice outlined in former Government regulations (option 1)*;*

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3); ***and***
- **Depreciation method** – MRP will follow standard depreciation accounting procedures (option 4);

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

Repayments of PFI or Finance Leases are allowable to use as a proxy for the above methods. The reduction in the CFR in 2.2 above is as a result of the PFI and finance lease MRP.

2.4 Core funds

The application of resources (capital receipts, reserves etc) to either finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource.

Year End Resources £000's	**2013/14 Actual**	**2014/15 Estimate**	**2015/16 Estimate**	**2016/17 Estimate**	**2017/18 Estimate**
Fund balances / reserves	9,108	4,312	4,112	4,112	4,112
Capital receipts	3,623	1,591	1,600	4,037	4,776
Earmarked Reserves	5,818	9,725	9,452	9,485	9,484
Provisions	9,178	9,178	9,178	9,178	9,178
Total core funds	**27,727**	**24,806**	**24,342**	**26,812**	**27,550**
Working capital cbc	-5,508	-1,000	-1,000	-1,000	-1,000
Under/over borrowing	3,455	3,477	3,592	4,004	3,633
Expected investments	**25,674**	**27,283**	**26,934**	**29,815**	**30,182**

*Working capital balances shown are estimated year-end; these may be higher mid-year

2.5 Affordability prudential indicators

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

2.6 Ratio of financing costs to net revenue stream

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

%	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Ratio	7.73	6.95	6.43	5.80	5.43

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

2.7 Incremental impact of capital investment decisions on council tax

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

Revenue costs include depreciation charges (or substitued MRP payments), additional maintenance and running costs (above the current level already within revenue budgets), reduced running costs or costs which can be offset against income generated. The current capital programme doesn't include any additional costs over the current net budget provision as can be shown in the next table:

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

£	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Council tax - band D	0	0	0	0	0

3. BORROWING

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

3.1 Current portfolio position

The Council's debt portfolio contains one remaining Market Loan of £5 million which will mature on 1st February 2042. The rate is fixed at 7.55% and we make interest payments that total £377,500 a year. We continually assess the position of this loan with our Treasury Consultants, Capita Asset Services, to see whether we are securing the best terms for the Council. At the current time, the advice is to leave this loan in its present form, as the penalty for repaying early would be prohibitive as it is currently estimated at £3m (on top of the £5m debt repayment).
Although, at this time it is not anticipated any further borrowing will be necessary, in the unlikely event of a need to borrow the Section 151 Officer under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time.

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

The Council's treasury portfolio position at 31 March 2014 (detailed above) is summarised below with forward projections. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting an over borrowed position.

£000's	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
External Debt					
Debt at 1 April	5,000	5,000	5,000	5,000	5,000
Expected change in Debt	0	0	0	0	0
Other long-term liabilities (OLTL)	6,934	6,402	5,985	5,979	5,602
Expected change in OLTL	(554)	(532)	(417)	(6)	(377)
Actual gross debt at 31 March	**11,380**	**10,870**	**10,568**	**10,973**	**10,225**
The Capital Financing Requirement	**7,925**	**7,393**	**6,976**	**6,969**	**6,592**
Under / (over) borrowing	**3,455**	**3,477**	**3,592**	**4,004**	**3,633**

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Council's current indebtedness covers both the PFI and external debt, which, as shown above, exceeds the CFR and is an historical position arising from the Council's Large Scale Voluntary Transfer of the housing stock. As the Council's cannot currently repay the £5m loan economically, this position is allowed by the prudential indicator above and will be corrected at the earliest time.

3.2 Treasury Indicators: limits to borrowing activity

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

Operational boundary £000's	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	5,000	5,000	5,000	5,000
Other long term liabilities	7,000	7,000	7,000	7,000
Total	**12,000**	**12,000**	**12,000**	**12,000**

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

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit (no change from current year):

Authorised limit £000's	**2014/15 Estimate**	**2015/16 Estimate**	**2016/17 Estimate**	**2017/18 Estimate**
Debt	9,000	9,000	9,000	9,000
Other long term liabilities	8,000	8,000	8,000	8,000
Total expected	**17,000**	**17,000**	**17,000**	**17,000**

Treasury management limits on activity

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

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

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

£000's	**2015/16**	**2016/17**	**2017/18**
Interest rate exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	5,100	5,100	5,100
Limits on variable interest rates based on net debt	5,100	5,100	5,100
Limits on fixed interest rates:			
• ***Gross debt only***	*5,100*	*5,100*	*5,100*
• ***Gross investments only***	*54,000*	*54,000*	*54,000*
Limits on variable interest rates			
• ***Gross debt only***	*5,100*	*5,100*	*5,100*
• ***Gross investments only***	*54,000*	*54,000*	*54,000*
Maturity structure of fixed interest rate borrowing 2015/16			
		Lower	**Upper**
Under 12 months		0%	100%
12 months to 2 years		0%	100%
2 years to 5 years		0%	100%
5 years to 10 years		0%	100%
10 years to 20 years		0%	100%
20 years to 30 years		0%	100%
30 years to 40 years		0%	100%
40 years to 50 years		0%	100%

3.3 Policy on borrowing in advance of need

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

3.4 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, at this moment the cost of repaying our £5m debt is prohibitive.

The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

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

All rescheduling decision made by the Section 151 Officer and will be reported to Council, at the earliest meeting following its action.

3.5 Prospects for Interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view on bank base rate forecast which drives investment returns and borrowing rate forecasts.

	NOW	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
BANK RATE	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.75	1.75	2.00
3 month LIBID	0.50	0.50	0.50	0.60	0.80	0.90	1.10	1.10	1.30	1.40	1.50	1.80	1.90	2.10
6 month LIBID	0.65	0.70	0.70	0.80	1.00	1.10	1.20	1.30	1.50	1.60	1.70	2.00	2.10	2.30
12 month LIBID	0.93	0.90	1.00	1.10	1.30	1.40	1.50	1.60	1.80	1.90	2.00	2.30	2.40	2.60
5 yr PWLB	2.00	2.20	2.20	2.30	2.50	2.60	2.80	2.90	3.00	3.20	3.30	3.40	3.50	3.60
10 yr PWLB	2.60	2.80	2.80	3.00	3.20	3.30	3.50	3.60	3.70	3.80	3.90	4.00	4.10	4.20
25 yr PWLB	3.30	3.40	3.50	3.70	3.80	4.00	4.20	4.30	4.40	4.50	4.60	4.70	4.70	4.80
50 yr PWLB	3.30	3.40	3.50	3.70	3.80	4.00	4.20	4.30	4.40	4.50	4.60	4.70	4.70	4.80

THE UK ECONOMY

Strong UK growth so far this year, 0.7% in Q1, 0.9% in Q2 and a third estimate of 0.7% in Q3 (annual rate 2.6% in Q3). Although strong growth by UK standards this is not as strong as previously forecast. Indications are that growth will continue through 2014 & 2015. However, for the recovery to become more balanced and sustainable, it needs to move away from dependence on consumer expenditure and the housing market to manufacturing and exports.

Consumer Price Inflation (CPI) reached 0.5% in December; the lowest 12 month rate on record. This has fallen mainly due to low fuel costs, falling food prices and December 2013 gas and electric price increases falling out of the calculation.

The Bank rate remains at the historically low level of 0.50%. The Monetary Policy Committee (MPC) minutes showed a distinct move towards caution in raising rates too soon in order to protect UK growth. Financial markets have reacted to this by shifting their first increase in rates back to Q4 2015.

Geopolitical concerns, over amongst other things, global growth, Ukraine, the Middle East and the Eurozone, have seen Gilt prices fall and along with it PWLB rates. However long term expectations are for a rise in rates.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

The overall trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK and of bond issuance in other major western countries. However, the outlook is difficult to judge. Increasing investor confidence in an eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities. This may be counterbalanced by the introduction of QE by the European Central Bank pushing EU interest rates lower.

The overall balance of risks to economic recovery in the UK is currently weighted to the downside. Only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in Table 3 are based on an initial assumption that there will not be a major resurgence of the Eurozone (EZ) debt crisis, or a break-up of the EZ, but rather that there will be a managed resolution of the debt crisis. Under the assumed scenario, growth within the EZ will be weak at best for the next couple of years. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

4 ANNUAL INVESTMENT STRATEGY

Introduction: changes to credit rating methodology

The Council has a pool of counterparties (Banks/Institutions etc.) that are considered high quality which may be used to place investments; this is called the counterparty list. The criteria that form the basis of our counterparty list was reported within the Treasury Management Strategy 2014/15 in February 2014 and approved by Council.

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support (i.e. in the UK that Lloyds remains a part nationalised bank). More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may commence during 2014/15 and/or 2015/16. The actual timing of the changes is still subject to discussion, but immediate changes to the credit methodology were required as it would be a change to our criteria and subsequently our Counterparty list. Approval was therefore sought to make these changes to the Treasury Management Strategy 2014/15 within the Mid-Year Treasury Management Review Report to Council on 4th December 2014.

It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied Government support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.

Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no benefit from monitoring both Long Term and these "standalone" ratings.

Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a ***possibility*** of external support, but it ***cannot be relied upon.***"

With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.

As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution (where previously we included the potentially redundant Financial Strength/Viability & Support in addition to these). Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that we have always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, we will continue to utilise CDS prices as an overlay to ratings in our new methodology.

4.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services

Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

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

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

In recent times our risks have increased, even though our counterparty criteria and limits remain relatively unchanged. The 2008 banking crisis highlighted risks within the banking industry, which regulatory authorities are seeking to address. Money Market Funds, highly rated investment vehicles, will need to change the way in which they operate in order to meet the new requirements whilst also meeting client expectations. Funds which currently operate on a Stable Net Asset Value (SNAV -their objective is to ensure that £1 invested will be returned), may find it advantageous to move to a Variable Net Asset Value in the future (VNAV - whereby the principal amount invested can potentially vary higher or lower than the amount invested), whilst maintaining the same operational criteria. This option should allow similar security and better returns in the future than would otherwise be available. Money Market Funds remain one of the safest counterparties and our credit base criteria remains unchanged, albeit it will now allow the use of variable Net Asset Value Funds. For the funds being used risk is expected to remain unchanged, but Members should be aware of this change that is out of the control of the Authority. As this area develops and more is known about the impact of the regulatory changes Members will be informed through the regular treasury reports.

Investment instruments identified for use in the financial year are either **'Specified'** Investments (**i.e. investments with maturities of upto a maximum of one year meeting the high quality criteria**) or **'Non-Specified'** investment categories (**i.e. all other investments that do not meet the Specified criteria**). Counterparty limits will be as set through the Council's treasury management practices schedules.

4.2 Creditworthiness policy

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

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Section 151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

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

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

- **Banks 1 -** good credit quality – the Council will only use banks which:
  i. are UK banks; or
  ii. are non-UK and domiciled in a country which has a minimum sovereign long term rating of AAA

  and have, as a minimum, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated):
  i. Short term – F1
  ii. Long term – A-

- **Banks 2 –** Part nationalised UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.

- **Banks 3 –** The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.

- Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Money market funds – AAA
- Enhanced money market funds (EMMFs)*
- UK Government (including gilts and the DMADF)
- Local authorities, parish councils etc
- Supranational institutions
- Property Funds**

* Enhanced MMF's are similar to the current MMF's and should allow marginally higher returns. These funds invest slightly longer than the current liquid MMF's and access to monies is usually over a 1 or 2 day notice period, rather than immediately. Officers will consult with our advisers over their introduction.

**Property Funds are longer term investments and although are not currently used by the authority the option may be used in future financial years. Officers will consult with our advisers over their introduction and are subject to an additional report.

A limit of 50% of the whole portfolio will be applied to the use of non-specified investments.

This Council also applies the creditworthiness service provided by Capita Asset Services. This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments and the use of this method exceeds the approach suggested by CIPFA.

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

- no more than 50% of the whole portfolio will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

Country Limits - The Council has determined that it will only use approved counterparties from countries (excluding the UK) with a minimum sovereign credit rating of *AAA* from Fitch. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

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

Institution Limits	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 higher quality	*AA-*	£5m	3yrs
Banks 1 medium quality	*A-*	£5m	100 days
Banks 2 – part nationalised	-	£10m	1yr
Limit 3 category – Council's banker (not meeting Banks 1)	-	£10k	1 day
Other institutions limit	-	£2m	1yr
DMADF	AA+	unlimited	6 months
Local authorities	N/A	£5m	1yr
Money market funds (SNAV and VNAV)	AAA	£5m	liquid
Enhanced money market funds	AAA	5 / 10%	liquid

In an exceptional circumstance the monetary limit in the part nationalised banks (Banks 2) in the table above was temporarily breached for 2 days (one working day and a Bank Holiday). The strategy breach was related to a substantial receipt being received on 31st December 2014 from the DCLG as the Council Offices were closed for Christmas holidays. The receipt was unable to be transferred out of our current account as the money market had closed early prior to the Bank Holiday on New Years Day. We had previously contacted the DCLG to request another payment date however they were unable to accommodate our request as the payment formed part of an automated BACS run. This subsequently resulted in an overnight breach of our self-imposed monetary limits for investments with a part nationalised bank which is resticted within the Treasury Management Strategy Statement to £10m. The funds were invested when the money markets opened for normal trading on 2nd January 2015.

4.3 Investment strategy

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

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2015/16 0.60%
- 2016/17 1.00%
- 2017/18 1.50%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

Capita's suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

2015/16	0.70%
2016/17	1.10%
2017/18	1.60%
2018/19	1.90%

It should be noted however the above rates are probably unachievable for us as an Authority over the whole portfolio. The average rate we achieved at quarter 2 was below this at 0.40%. This is because we need to use AAA Money Market Funds for the majority of our portfolio as they are highly secure institutions but the yield is lower than base rate (ranging from 0.32% to 0.45%), which in turn reduces our average rate achieved. We maximise interest on fixed term investments with our part-nationalised bank upto the limits set out in this strategy and have secured two 1 year deals at 0.95%. However, the other enhanced rates which could be secured with the part nationalised banks are unable to be achieved as we operate up to our limits with Lloyds and RBS have drastically reduced their rates to as little as 0.40% on some accounts. We do continue to be above the 7 Day LIBID rate as a benchmark.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits in order to benefit from the compounding of interest.

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

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

Maximum principal sums invested > 364 days	
Principal sums invested > 364 days	£12m

4.4 Investment risk benchmarking

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

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

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

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

- Liquid short term deposits of at least £1m available with a week's notice.
- Weighted average life benchmark is expected to be 0.3 years, with a maximum of 1.0 years.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate

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

	1 year	2 years	3 years
Maximum	0.09%	0.24%	0.43%

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

4.5 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report which is presented at the same time as the Outturn reports.

APPENDIX 1: Interest Rate Forecasts as at 5th January 2015

	NOW	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
BANK RATE	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.75	1.75	2.00
3 month LIBID	0.50	0.50	0.50	0.60	0.80	0.90	1.10	1.10	1.30	1.40	1.50	1.80	1.90	2.10
6 month LIBID	0.65	0.70	0.70	0.80	1.00	1.10	1.20	1.30	1.50	1.60	1.70	2.00	2.10	2.30
12 month LIBID	0.93	0.90	1.00	1.10	1.30	1.40	1.50	1.60	1.80	1.90	2.00	2.30	2.40	2.60
5 yr PWLB	2.00	2.20	2.20	2.30	2.50	2.60	2.80	2.90	3.00	3.20	3.30	3.40	3.50	3.60
10 yr PWLB	2.60	2.80	2.80	3.00	3.20	3.30	3.50	3.60	3.70	3.80	3.90	4.00	4.10	4.20
25 yr PWLB	3.30	3.40	3.50	3.70	3.80	4.00	4.20	4.30	4.40	4.50	4.60	4.70	4.70	4.80
50 yr PWLB	3.30	3.40	3.50	3.70	3.80	4.00	4.20	4.30	4.40	4.50	4.60	4.70	4.70	4.80

APPENDIX 2: Approved countries for investments

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium
- Saudi Arabia

APPENDIX 3: Treasury management scheme of delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

APPENDIX 4: The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- Arranging adequate training