



FYLDE BOROUGH COUNCIL



Meeting Agenda

Cabinet
Town Hall, Lytham St Annes
14 March 2007, 7.00pm

**The main doors to the Town Hall will be open to the
public at 6:40pm**

This meeting will be filmed for publication on the Council web site



CABINET

MEMBERSHIP

LEADER – COUNCILLOR JOHN COOMBES

Councillor	Portfolio
TIM ASHTON	STREETSCENE
SUSAN FAZACKERLEY	CORPORATE PERFORMANCE & DEVELOPMENT
PATRICIA FIELDHOUSE	COMMUNITY & SOCIAL WELLBEING
ALBERT POUNDER	CUSTOMER RELATIONS & PARTNERSHIPS
SIMON RENWICK	CULTURE & TOURISM
PAUL RIGBY	FINANCE & EFFICIENCY
ROGER SMALL	DEVELOPMENT & REGENERATION

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CORPORATE OBJECTIVES

The Council's investment and activities are focused on achieving our five key objectives which aim to :

- Conserve, protect and enhance the quality of the Fylde natural and built environment
- Work with partners to help maintain safe communities in which individuals and businesses can thrive
- Stimulate strong economic prosperity and regeneration within a diverse and vibrant economic environment
- Improve access to good quality local housing and promote the health and wellbeing and equality of opportunity of all people in the Borough
- Ensure we are an efficient and effective council.

CORE VALUES

In striving to achieve these objectives we have adopted a number of key values which underpin everything we do :

- Provide equal access to services whether you live in town, village or countryside,
- Provide effective leadership for the community,
- Value our staff and create a 'can do' culture,
- Work effectively through partnerships,
- Strive to achieve 'more with less'.



A G E N D A

PART I - MATTERS DELEGATED

ITEM	PAGE
1. DECLARATIONS OF INTEREST: <i>If a member requires advice on Declarations of Interest he/she is advised to contact the Legal Services Executive Manager in advance of the meeting. (For the assistance of Members an extract from the pocket guide produced by the Standards Board for England is attached).</i>	4
2. CONFIRMATION OF MINUTES: <i>To confirm as a correct record the Minutes of the Cabinet meeting held on 14 February 2007 attached at the end of the agenda.</i>	4
3. SPECIAL URGENCY (RULE 16 PROCEDURE RULES) URGENT BUSINESS: <i>To consider any items of special urgency arising</i>	4
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Declaring Interests In Meetings

Say and Stay

If the issue being discussed affects you more than other people in the area, you must **say** you have a personal interest but can **stay** and take part and vote in the meeting.

This applies if the personal interest affects either:

- You
- Your partner, relative or a friend
- Your employer, or the employer of your partner, relatives or friends
- Any corporate body in which you, your partner, relatives or friends hold shares with a nominal value of more than £5,000 or of which you or they are a director
- Any firm in which you, your relatives or friends are partners

You must also declare if discussion concerns one of the following organisations in which you, relatives or friends hold a position of control or management:

- A body where you or they are a representative or nominee of the authority
- A body exercising public functions
- A company, industrial and provident society, charity or body directed to charitable purposes
- A body which seeks to influence public opinion or policy
- A trade union or professional association

All declarations should be made at the beginning of the meeting or as soon as you are aware of the issue being discussed. You should also say if anything being discussed relates to anything you are required to declare on the register of interests.

Withdrawing From Meetings

Prejudicial interest

Wash and Go

If a member of the public, who knows all the relevant facts, would view your personal interest (see above) in the issue being discussed to be so great that it is likely to prejudice your judgement of the public interest, then you must leave the meeting. You must leave the room and cannot seek to influence any decision made.

You also have a prejudicial interest, if you are a member of an overview and scrutiny committee that is considering a decision taken by another committee of which you are a member.

There are some limited exceptions to the requirement that you withdraw from meetings if you have a prejudicial interest. You should refer to the detailed provisions of the code of conduct. If in doubt speak to your Monitoring Officer.

REPORT



REPORT OF	MEETING	DATE	ITEM NO
CHIEF EXECUTIVE	CABINET	14 TH MARCH 2007	4

JOINT STRATEGIC WORKING – FYLDE COAST COUNCILS

Public Item

This item is for consideration in the public part of the meeting.

Summary

The report describes and seeks approval for proposals for joint working between Fylde, Blackpool and Wyre Borough Councils on the major strategic issues affecting Fylde communities.

Recommendations

1. That the current collaboration between Fylde, Blackpool and Wyre Borough Councils be noted and endorsed.
2. That the Cabinet / Council supports the Statement of Intent attached at Appendix A of the report.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Leader Councillor John Coombes

Report

Rationale for Collaboration

1. In previous years the three councils on the Fylde coast have commissioned and undertaken work independently across a range of policy areas such as housing, tourism, economic regeneration, transport etc. This work has provided a background of evidence which recognises that policy development and implementation in any of the component Boroughs has an impact on communities in all three council areas.
2. The advent of new spatial planning legislation and the emergence of Regional Economic, Regional Housing and Regional Spatial Strategies leads councils at a sub-regional level into considering the impact of these significant regional policy documents

Continued....

not only at the individual Borough level but also across the broader travel to work or housing market areas which exist across the Fylde coast.

3. Specifically all councils will be affected to differing degrees by the expansion proposals advanced by the operators of Blackpool International Airport and the surface access strategies which will need to accompany these expansion plans.
4. These background issues together with the evidence from studies which have been undertaken to assess the current situation in each individual district are indicative of the socio-economic inter-relationship of communities across the Fylde coast and of how policy decisions in one Borough can affect the others.

Current Situation

5. In recognition of these underlying issues the Leaders and Chief Executives of the three Boroughs met on a number of occasions during 2006 to explore the validity of this rationale for collaboration. This group considered the potential benefits of collaborative working across the three councils at both the strategic and service delivery levels.
6. The consensus view was that greater potential advantages could be gained by each Council if collaboration was focused on the strategic level at this stage rather than the operational. However, this would not rule out any moves towards service collaboration where operational imperatives presented distinct opportunities.
7. The main areas of potential for strategic collaboration were identified as housing, planning and transportation, economic development and tourism.
8. In order to take this matter further an informal meeting of cabinet members from the three councils was hosted by Blackpool Borough on 24th January. The meeting was attended by several Members from each Council who received presentations on the subject areas identified for future strategic collaboration.
9. The consensus of this meeting was that a strong case existed for pursuing this joint approach for four main reasons:
 - that this would provide a better long-term solution to addressing some of the major strategic challenges facing the councils,
 - that it would provide the foundation for exploring additional opportunities for joint working and the achievement of efficiency gains,
 - that it demonstrated a good fit with the context of the Local Government Bill in relation to enhanced two-tier working, multi area agreements and “place shaping”,
 - that it could lead to the creation a sub-regional body capable of carrying greater influence than the individual councils with regional bodies such as GONW, NWDA, NWIN.
10. At the meeting on the 24th January it was agreed that each council should seek the views of its own elected members before formally endorsing the principle of joint working. Therefore, attached at Appendix A is a draft statement of intent which the Cabinet is asked to endorse and refer to the meeting of full Council for approval.
11. Formal governance arrangements for the proposed collaboration would be the subject of further reports and consideration by the appropriate bodies.

IMPLICATIONS	
Finance	None arising directly from the report.
Legal	None arising directly from the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

REPORT AUTHOR	TEL	DATE	DOC ID
P Woodward	(01253) 658500	March 2007	H/Cabinet/March07

LIST OF BACKGROUND PAPERS		
Name of document(s)	Date	Where available for inspection
Presentations to informal joint portfolio holders meeting	24 th January 2007	Blackpool Town Hall

Attached documents

1. Appendix A - Statement of Intent

STATEMENT OF INTENT - STRATEGIC COLLABORATION

The Council's of Blackpool, Fylde and Wyre believe that a strong case exists for pursuing a joint approach to a number of common socio-economic issues affecting local communities for the following reasons:

- that a joint approach would provide visible leadership to a “community of interest” which would facilitate the development of sustainable long-term solutions to some of the major strategic challenges facing the councils,
- that a joint approach would provide the foundation for exploring additional opportunities for joint working and the achievement of efficiency gains,
- that a joint approach would provide a “good fit” within the context of the new Local Government Bill in relation to enhanced two-tier working, multi area agreements and “place shaping”,
- that a joint approach would lead to the creation a significant sub-regional body capable of carrying greater influence than the individual councils with regional bodies such as GONW, NWDA, NWIN.

The Council's of Blackpool, Fylde and Wyre propose to work together in a spirit of openness, trust, mutuality, common learning and learning transfer to secure improved outcomes for our local communities.

The initial focus of the proposed collaboration will seek to address the long-term, socio-economic factors affecting Fylde coast communities including housing, planning and transportation, economic development and tourism.

REPORT



REPORT OF	MEETING	DATE	ITEM NO
CONSUMER WELLBEING & PROTECTION UNIT	CABINET	14 TH MARCH 2007	5

PRIVATE SECTOR HOUSING POLICY

Public Item

This item is for consideration in the public part of the meeting.

Summary

At the meeting of Policy and Service Review Scrutiny Committee on 15 February 2007 the attached private sector housing policy was considered. The policy is now presented to Cabinet for approval, together with the recommendations of the Scrutiny Committee.

Recommendations

1. That the revised Private Sector Housing Policy is adopted.
2. That the Executive Manager Consumer Wellbeing & Protection, in consultation with the Portfolio Holder Community & Social Wellbeing, negotiates a package of equity loan provision jointly with Wyre Borough Council.
3. That the waiting list of applicants prior to 31 Oct 2006 be processed under the terms of the previous policy thereby retaining the £10k maximum limit, but introducing a 15 yr repayment period.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Community and Social Wellbeing

Councillor Patricia Fieldhouse

Report

1. The revised Private Sector Housing Policy sets out the Council's approach to improving private sector housing conditions in the Borough.

2. The policy was considered in detail by the Policy and Service Review Scrutiny Committee on 15 February 2007, and after discussion the Committee resolved:
 - To adopt the revised Private Sector Housing Policy as detailed in the report.
 - To authorise the Executive Manager for Consumer Wellbeing and Protection, in consultation with the Portfolio Holder for Community and Social Wellbeing to negotiate a package of equity loan provision jointly with Wyre Borough Council.
 - To process the waiting list of applicants prior to 31 Oct 2006 under the terms of the previous policy thereby retaining the £10K limit and introducing a 15 year repayment period.
3. Cabinet is requested to consider the recommendations of the Scrutiny Committee.

IMPLICATIONS	
Finance	This policy introduces the concept of equity loans as a means of reducing dependence on grant aid.
Legal	The policy will involve extended land charge provision to serve the extended period of future occupation A service level agreement will be required with the equity loan service provider, & co-lateral agreement between authorities
Community Safety	Decent housing is an important element of a thriving sustainable community where people feel safe.
Human Rights and Equalities	Assistance is targeted at the most vulnerable and deprived people of the Borough.
Sustainability	Decent housing is an important element of a thriving sustainable community. The proposals are also a move towards a more sustainable approach to public sector financing of home improvement.
Health & Safety and Risk Management	Improving the quality of life is one of the Council's core objectives. This policy will assist the Council in achieving this objective.

REPORT AUTHOR	TEL	DATE	DOC ID
Clare Platt	(01253) 658658	14 March 2007	Cabinet 14.3.07 PS Housing Policy Report.doc

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Private Sector Housing Policy	15 February 2007	Agenda Policy & Service Review Scrutiny Committee 15 February 2007. www.fylde.gov.uk

Attached documents

1. Private Sector Housing Policy - Policy and Service Review Scrutiny Committee Report 15 February 2007.



Private Sector Housing Policy

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Purpose of this Policy

- 1.1** The purpose of this Policy is to set out the principles by which Fylde Borough Council will assist owner-occupiers, tenants and landlords in the private sector with housing renewal.
- 1.2** This document sets out the background and the detail of the Council's policy framework in relation to the provision of housing assistance to homeowners (owner-occupiers and private landlords).
- 1.3** The guidance provides information about how our strategy has been developed, who we consulted, the priorities that we wish to address and the types of assistance that will be available, including where to obtain the services, eligibility, how to apply, conditions etc.
- 1.4** The Private Sector Housing Renewal Policy, contained in this document, will be effective from ? .It will be subject to regular review, with revised versions produced when significant changes occur e.g. to the type of assistance available.
- 1.5** This policy document limits itself to consideration of works of repair, improvement or adaptation rather than enabling housing provision in the first place, which will be considered through the Housing Strategy.

Summary of the New Housing Renewal Framework

- 2.1** The introduction of the Regulatory Reform Order (RRO) in July 2002 made sweeping changes to legislation governing home assistance in England and Wales. The RRO and associated Government Guidance provided local authorities with a much greater degree of flexibility in devising both a strategy for dealing with poor conditions in private sector housing and in the tools available.
- 2.2** It is the Government's stated view that it is primarily the responsibility of homeowners to maintain their own property. However, the Government wants to see an improvement in housing quality across all tenures and accepts that some homeowners, particularly the elderly and most vulnerable, do not have the necessary resources to keep their homes in good repair. Local authorities have an important role to play providing assistance in these cases.

Policy Implementation Plan

- 3.1** This Private Sector Housing Renewal Policy will be subject, as a minimum, to review through the overall Housing Strategy process.
- 3.2** Amendment will only be necessary in the case of significant change to policy. Smaller changes will be made by the Executive Manager Consumer Wellbeing & Protection, with Portfolio Holder approval.
- 3.3** The Private Sector Housing Renewal Policy will be amended to reflect changing needs of the local community and/or its homes or in the event that it is found not to be meeting its objectives. Such information will be conveyed to the Council by various means including stock condition surveys and customer satisfaction surveys.
- 3.4** It is intended that the first major review of the policy will take place when the Housing Strategy is reviewed. However, there may be external factors, which result in the need for a major review to be carried out earlier than anticipated, e.g.
- Changes to capital spending plans
 - Acute changes to local circumstances
 - National policy/legislative changes
 - Local Strategic Partnership influences
- 3.5** The methodology for assessing statutory fitness of housing is the Housing Health and Safety Rating System.
- 3.6** Performance issues within this policy domain will be reported in accordance with the corporate performance management framework, reporting performance indicators to Cabinet and Overview & Scrutiny on a regular basis.

Fundamental Principles on which the Policy is based

- 4.1** It is agreed that homeowners should be responsible for their properties. In parts of Fylde house prices and the buoyant nature of the housing market enable owners to release equity to enable property maintenance and improvement to be undertaken. However, in some cases owners are on low fixed incomes and are consequently unable to release funds in this way.
- 4.2** Fylde Borough Council believes that it owes a duty to its residents to ensure that the quality of the housing is as high as possible.
- 4.3** To this end it provides financial assistance to the most deprived and vulnerable people, to bring their homes up to a standard considered acceptable, and as a minimum, to the Decent Homes Standard. The mechanisms which the Council have historically used have been the various statutory grant regimes.
- 4.4** Implementation of this policy is the start of the process to eliminate grant dependency by targeting the worst properties where owners cannot afford to maintain or repair their homes.

Links to other Strategies and Policies

- 5.1** The Council carries out its responsibilities using various strategies, plans and policies, which have been developed to take account of national, regional and local demands and priorities. A simple illustration of this hierarchical arrangement is shown below:



- 5.4** The Council's Corporate Plan supports the long term vision outlined in the Community Plan

- 5.5** The corporate objectives are to :

- Improve, protect and enhance the street scene and the local environment
- Tackle the fear of crime and maintain safe communities
- Create a strong and diverse local economy and improved employment prospects
- Improve access to good quality affordable housing and promote the health, wellbeing and the quality of life for everyone in the community
- Deliver value for money, high quality local services

- 5.6** The Private Sector Housing Policy also has close links to, and impacts upon, the

following strategies and policies:

- Housing Strategy
- Empty Homes Strategy
- Enforcement Policy
- Homelessness Strategy

Main Priorities for Assistance

6.1 Based on the results of our Private Sector Stock Condition and Housing Needs Survey 2002, and the consultation carried out for our Housing Strategy 2004-2007, the following priorities and key policy frameworks have been identified:

6.2 Assistance for vulnerable people

We recognise that there are residents in need of support in order to deal with disrepair, ill health problems caused through the condition of their home or the need for adaptations due to a disability. We will continue to help these vulnerable households.

6.4 Theme based

Improving energy efficiency is a key priority for the Council both in terms of reducing damaging CO² emissions and tackling fuel poverty. Energy efficiency measures will in future be incorporated at every reasonable opportunity when offering housing renewal assistance.

6.5 Enforcement

As well as providing financial assistance, advice and other types of practical help, we will also use enforcement powers available to us to improve private sector housing. If necessary, we will use our legal powers to force irresponsible owners to manage and maintain their properties. The types of action we can take include serving statutory notices, the use of clearance/compulsory purchase powers or enforced sale procedures.

Resources

- 7.1** This policy recognises that there is a variety of sources of funding for private sector housing renewal. Some funding streams may be available only for specified projects or areas; others will be capable of being distributed at the local authority's discretion. Other sources of funding, such as loans, may be available from the private sector including charitable organisations and the discretion for allocation may be outside the control of the Council.
- 7.2** Local authority funding for intervention will be limited and it will not be possible to rectify all the known problems. In order to ensure that the most cost-effective use of the available finance is made, funds will be targeted to areas of work at the beginning of each financial year.
- 7.3** If circumstances require a reallocation of funds during the financial year, the Portfolio Holder for Community and Social Wellbeing will reserve the right to redistribute the remaining funds to meet the changing circumstances, in accordance with delegated powers.

Types of Assistance Available

- 8.1** We aim to provide assistance to homeowners and private landlords based on a mixture of advice and information, signposting, equity release loans and grants.

i) Facelift Schemes

- 8.2** These discretionary schemes are intended to improve the front façade of a whole block or street, the aim being to improve the visual appearance and feel of the street or block, without carrying out major works.

- 8.3** In certain situations, the Council may put together a scheme to improve the appearance of a number of properties including such works as cleaning and painting the external fabric of buildings and the rebuilding of garden walls to blocks of properties. The aim being to have a positive impact on the wider area, encourage owners to invest in their homes and help contribute to the overall stability of the neighbourhood.

- 8.4** Who is eligible for this type of assistance?

These schemes will be offered at the discretion of Fylde Borough Council. Streets or blocks of properties will be surveyed and assessed before it is decided whether they are suitable. Whilst there will be no minimum number of properties within a block that may benefit from this assistance, visual impact, the value of the block treatment, level of interest and contribution to overall strategy will be considered in deciding viability.

If owners are eligible for this type of scheme they will be contacted by the housing service.

- 8.5** If we offer an owner the opportunity to take part in a scheme, they will need to provide written consent for works.

- 8.6** What types of works might be included?

We will prepare schedules of work for such schemes after consulting with owners. The list of works will vary to take into account the condition of the properties, local environmental issues and how we can make a visual impact on the surrounding area.

Works can include:

- Some environmental improvements.
- Brick cleaning.
- External redecoration.
- Rainwater gutters and pipe work.

- Boundary wall renewal.
- Some elements of increased security and energy efficiency may also be included, such as window locks and insulation.

In some cases, these schemes may be extended to all elevations of the properties, not just the front facades. Work is normally to the outside of the property, to leave the external fabric in reasonable repair. Internal work will only usually be included to make good disturbance caused by external works.

8.7 How much assistance is available?

This will be identified according to the needs of the individual scheme.

ii) Housing Renewal Assistance

8.8 This assistance is intended to assist owner-occupiers to carry out a range of repairs to their homes.

8.9 To qualify for assistance an applicant must:

- be tenants who are long lease holders with a full repairing obligation
- be an owner occupier; and have been resident at least three years
- be first time buyers

8.10 What type of works qualifies for assistance?

Where the above criteria are met, assistance will be considered for works to:

- make the dwelling meet the Decent Homes Standard, which includes a requirement to comply with the Housing Health and Safety Rating System assessment.
- provide specified energy efficiency and home security measures.
- allow essential works to enable an elderly occupier to remain in their own home.
- There may be occasions when a maximum mandatory disabled facilities grant does not cover the cost of the required work. In these circumstances it may be appropriate to consider the use of the HRA to cover the excess costs.

8.11 How much assistance is available?

The maximum grant will be £5,000, inclusive of any fees, charges or VAT.

The grant is subject to a means test.

8.12 Conditions attached to approvals are shown at Appendix A.

iii)	Home Improve – Equity Loans for Low Income Home Owners
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8.13 'Home Improve' is an equity scheme which allows low income homeowners to release equity in their property, which can then be used to repair and improve their home. There are two key objectives:

- To lever private finance into private sector housing renewal.
- To assist vulnerable low income homeowners to improve and repair their homes.

The principle is that instead of giving grant aid, or possibly to fund additional works not covered by grant, money is paid as a loan secured by a Legal Charge against the value of the homeowners property. This is called an equity stake. No interest is paid on the equity stake, instead the loan (equity stake) is linked to the property value as a percentage. As the value of the property grows so does the equity stake and on sale of the property money is recycled into further loans.

This is exemplified as follows; if the loan is £10,000 and the house is valued at £100,000, the loan represents 10% of the value. The charge registered against the house is therefore 10% of the market value. If the house value rises to £150,000 at the point of sale, then 10% is repaid, ie. £15,000.

There is no limit on the current time the charge lasts for and the Council will only reclaim the loan at the point of sale or if the client chooses at any time to pay off the loan. This effectively means that low income clients can afford to borrow money to carry out essential improvements or repairs.

Working collaboratively with the Regenda Group, the Council will set up a loan procedure together with all necessary legal approvals and directions from the Office of Fair Trading

8.14 Who is eligible for this type of assistance?

General Criteria

- Applicants to the scheme must reside in the Borough of Fylde.
- Applicants must be over the age of 18.
- Applicants must be homeowners with equity in their property.
- The property must not have been built, or provided by conversion less than ten years ago.
- The applicant must have a prior residence and ownership qualification period of one year.
- The applicant must be the owner of the property must sign the legal charge.
- Applicants to this scheme must not be the owner of any other properties.
- The applicant must live in the property where the legal charge is to be registered or intend to live at the property as their main residence once the works requested through the Equity Release Scheme have been completed.

NB. Before a houseowner is considered for the scheme, other financial options

must be explored

Financial Criteria

The financial criteria detailed below are examples of methods to be used in assessing eligibility and levels of assistance that may be offered. **In line with recommendation 2 of the report the precise details are to be determined by the Executive Manager in consultation with the portfolio holder.**

- Applicants must be in receipt of a benefit as identified by the Government Warm Front Scheme.
- Householders can borrow (in certain cases) up to 80% of the free equity in a property. They must have at least sufficient equity to cover the cost of works plus a further 20% free equity in their property calculated on the estimated improved value.
- Applicants registered as bankrupt will be excluded from this scheme.
- Applicants are restricted to type of works defined by Local Authority policy. Essential works to the property must be addressed in order to bring the property up to the decent homes standard (DHS) before desirable works are addressed.
- Where the warm front criteria conflicts with the Association's definition of 'necessitous circumstances' eg. where the benefit is non-means tested, an assessment of the clients income and outgoings must be performed in accordance with the Regenda's low income assessment as set down in the Regenda's Lending Guidelines.
- Where benefits are partially means tested eg. Child Tax Credit and Working Tax Credit, the number of dependants must be taken into consideration. Families in receipt of tax credits with an income below £14,200 will automatically qualify. Above £14,000 income a scale will be used, based on number of financial dependants. Suggested figures:

2 children = income below £16,200

3 children = income below £18,200

4 children = income below £20,200

This figure will increase by £2,000 increments per child.

- Where works are required to bring property up to the decent homes standard, no maximum will apply.
- Where property already meets the DHS then the maximum loan available will be £5,000.
- Where applicants to the scheme wish to address desirable works in addition to works required to bring up to DHS, this will be limited to £10,000 total (ie. if £6,000 is needed to bring house up to DHS, then there will be a further £4,000 available to spend on desirable works).
- Where the property already meets the DHS and the purpose of the loan is to facilitate the provision of additional bedrooms to alleviate overcrowded

conditions, then the maximum loan available will be the value of the loan required plus £5,000 to facilitate desirable works.

- The minimum loan is £2,500. (although in practical terms it is unlikely that loans of less than £5k will be approved) This will ensure that at least the fees associated with setting up the loan will be recouped within 5 years.
- Priority will be given to applicants in the following order. Where the customer requires works that fall into multiple categories, priority will be given in accordance with the highest priority requirement:

Priority 1: Works required pose a danger to health and safety (either own or third parties)

Priority 2: Property does not meet the fitness standard

Priority 3: Property does not meet the Decent Homes Standard

Priority 4: Essential repairs not covered by priorities 1, 2 and 3

Priority 5: Desirable works

8.15 Exclusions

- Property under 10 years old.
- Creation of garages/parking spaces, except where the client is disabled (or disabled person resides) and mobility is an issue.
- Creation of storage space – except where storage space is needed for medical equipment, or disabled aids.
- Extension to properties, except where existing facilities do not meet Decent Homes Standard (eg. inadequate kitchen space) or to replace existing extensions.
- Decorating, except where the requirement for redecoration has arisen as a result of other works being carried out under the loan.
- Fitted carpets (or floating floors, eg. laminate), wardrobes or other ‘furnishing’ items.
- Conservatories.
- Repairs required as a result of malicious damage, caused by the occupants.
- Any subsequent application for a loan within 10 years of original loan (from date of completion of works).

8.16 Applicant Information

The applicant is advised to have buildings insurance and to increase the cover in line with the works to be undertaken.

Any applicant providing false information or withholding information may have the loan cancelled and be liable to prosecution.

All information provided by the applicant will be checked thoroughly and may be shared with other organisations handling public funds in order to detect and prevent fraud.

iv)	Energy Efficiency and Warmth(Landlords) Assistance
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8.17 This is intended to assist landlords who are accommodating vulnerable people, to undertake works which will bring their accommodation up to the Decent Home Standard; Landlords will retain all liability for repairs any requirement to resolve hazards requiring action by inspection under the Housing Health and Safety Rating System.

8.18 This Policy is to align with Government Policy to bring at least 70% of private rented properties occupied by vulnerable people up to decent homes standard by 2010

8.19 What type of works qualifies for assistance?

Eligible works to include works to provide for adequate thermal insulation and space heating, including:

- loft insulation;
- wall insulation;
- draught proofing;
- heating systems;
- central heating system (boiler A rated);
- central heating controls;
- water heating;
- hot water insulation;
- hot water controls.
- wind turbines
- solar panels
- heat pumps
- other effective renewable energy sources

8.20 How much assistance is available?

The maximum grant is £5000 at a rate of 50% of the approved costs.

8.21 Additional conditions attached to approvals include:

- The property must comply fully with the Decent Home Standard on

completion.

- Any funding available from utility companies or government grants must be accessed initially, with funding through this scheme only considered as a last resort.

8.22 There are no conditions about future occupation or sale in respect of these grants.

v) Park Home Assistance

8.23 This scheme offers residents of mobile homes and park homes the opportunity of home energy efficiency improvements through the installation of external wall insulation.

8.24 Who is eligible for this type of assistance?

To qualify for grant assistance, an applicant must:

- be an owner occupier of a residential mobile home which is subject to a mobile homes agreement, and to have lived there for at least three years; and

8.25 What type of works qualifies for assistance?

External insulation to main walls (this does not include intricate artwork or works to the skirt or plinth), roof-works, windows and external doors and necessary repairs to the structure of the home.

8.26 How much assistance is available?

£10,000 subject to means test on application

8.27 Conditions are detailed in Appendix A.

vi) Empty Property Assistance

8.28 This grant is intended to provide funding to improve long term privately owned empty properties and return them to a habitable condition.

8.29 Who is eligible for this type of assistance?

Private sector landlords or first time owner occupiers who:

- own the property; and
- are able to meet their share of the cost of the works; and
- have consent from the mortgage company to carry out the works and let the property; and
- have obtained planning permission for the proposed works before making an application for the grant (where necessary).

8.30 Due to limited financial resources the grant will be discretionary. The purpose of the grant is to return to use vacant residential property and increase the supply of affordable housing in the borough. Eligibility will be dependant on meeting these aims.

8.31 What type of work might be included?

It is expected that in all cases, the property must be fully improved to at minimum the Decent Home Standard, including the installation of energy efficiency, security, means of escape in case of fire and heating provisions.

8.32 How much assistance is available?

Maximum of £10,000 or 50% of the cost of the works, whichever is the lesser.

8.33 Conditions:

For landlords:

- The Council will reserve tenant nomination rights for a period of fifteen years with rents restricted to those payable through housing benefit.
- Applicant to provide a fifteen year certificate of intended letting. The property to be available for letting to a person other than a member of the applicants family throughout the period following the date that the Council certifies that the grant works have been completed.

For first time owner occupiers:

As shown in Appendix A.

vii) Mandatory Disabled Facilities Grant

8.34 Disabled Facilities Grants (DFGs) are mandatory grants.

8.35 A DFG is provided to adapt the home of a disabled person to meet their needs. The need for this adaptation is determined by an Occupational Therapist from Lancashire County Council's Social Services Department. The Housing Service will only act on recommendations made by the Occupational Therapist and, providing the work is considered reasonable and practicable, administer the DFG.

8.36 The Council must carry out a means test to assess how much the applicant has to pay towards the work. This test is prescribed by legislation and the Council has no control over it. The grant covers any reasonable costs in excess of the owner's assessed contribution, subject to a mandatory grant limit of £25,000.

Priority 1 - Applications in category one will include works to enable hospital discharge, works to remove significant risk to the applicant, works to provide access to the dwelling or its facilities.

Priority 2 - Applications in category two will usually require more information or additional assessment before being considered further. Such information could include the availability of alternative means of meeting need through community facilities or additional care packages.

Priority 3 - Applications in category three will have been assessed as low Priority and will be held on a waiting list.

viii) Home Loss and Disturbance Grant

8.37 A discretionary type of Disabled Facilities Grant available as a Home Loss and Disturbance Grant.

8.38 Eligibility criteria

- Existing tenant in a registered social landlord's dwelling which has been previously adapted; where those adaptations are no longer required, and where the Council has identified another disabled person requiring those essential adaptations.
- Existing tenant has voluntarily undertaken to move to suitable alternative accommodation offered by a registered social landlord.
- The disabled person requiring the essential adaptations accepts the adapted dwelling.
- The scheme may be considered where a similar arrangement can be made in the private sector, with the primary aim of facilitating suitable accommodation for a disabled person.

8.39 How much assistance is available?

Home loss and disturbance allowance of £2,000

8.40 Conditions

Payable on tenant moving into the alternative accommodation within a specified time period set by the housing service.

ix)	Agency Service
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8.41 This service provides a full agency service to grant applicants, to assist the applicant in the complete process of making an application for assistance and the management of the works of improvement, repair or adaptation of the dwelling.

8.42 **The service may include the following:**

- Help with completion of necessary forms
- Help with obtaining financial information, photocopying of documents as required
- Help with obtaining proof of title
- Help with obtaining plans, Building Regulation or Planning Approval
- Help with obtaining estimates from, and the selection of contractors
- Help with organising the contract particulars, start and completion dates.
- Liaison with other agencies at the start or during the works
- Monitoring the progress of the works
- Help with the resolution of difficulties/disputes that may arise during the course of the works.
- Consultation with the applicant on the approval of payments to contractors.

There is a fee payable by the applicant, which is 10% of the cost of works plus value added tax at the current rate. The fee payable is an eligible expense and so will be grant aided.

The fee charged will be capped at the maximum eligible works for a disabled facilities grant of £25,000.

However in certain cases, such as when the services of an architect are used and on larger schemes, the Executive Manager Consumer Wellbeing & Protection will consult with the Portfolio Holder for Community and Social Wellbeing, to agree an appropriate agency fee.

x) Care & Repair Wyre & Fylde

8.43 A service for elderly and disabled householders in Fylde and Wyre, offering help, advice and support with repairs and adaptations to the property.

8.44 What type of work might be included?

The aim of the handyperson scheme is to keep people safe in their homes and prevent the risk of trips and falls. As such the scheme provides help with small jobs around the house such as:

- Replacing light bulbs
- Easing doors and windows
- Making safe loose carpet and flooring
- Fitting smoke alarms and batteries
- Fitting door chains and minor security measures
- Fitting grab rails and hand rails
- Installing key safes
- Making safe tripping hazards

There is also assistance available for people who are seeking a reputable contractor for repairs or adaptations to the home, information about for local authority grants, finance schemes (including social fund loans), claiming benefit entitlement, help with form filling, and insurance claims

8.45 Who is eligible?

Residents who:

- Are over 60 years or disabled

8.46 How much assistance is available?

Although the labour for the handyperson service is free, there is a charge for any materials used.

xi) Advice and Information about Improving and Repairing your Home

8.47 Access to appropriate advice and information is a keystone of our policy.

8.48 We will give advice and assistance and seek to drive up standards to improve ways in which clients are given information about our services.

8.49 All enquirers will be offered advice and information, relevant to their needs, to

assist them in resolving their property repair or maintenance problem.

- 8.50** A range of advice and information will be available in a variety of formats and through Wyre and Fylde Care and Repair Agency.
- 8.51** We will 'signpost' enquiries to a range of partners and other agencies that may be more appropriate to their specific needs. We will advise about any local schemes or initiatives operating in the area.
- 8.52** From time to time, we will arrange, with our partners, specific promotions and campaigns targeted at particular communities.

Procedures and Processes

Enquiry Process

- 9.1** Initial enquiries for assistance should be made to Fylde Borough Council, Housing Service, Fylde Borough Council, Town Hall Lytham St Anne's, Lancashire, FY8 1LW. Telephone: 01253 658658.
- 9.2** Anyone wishing to pursue an application for assistance will be required to complete a preliminary enquiry form.
- 9.3** This will enable the Council to get a reasonable indication of the enquirer's eligibility for assistance and any likely contribution they would be expected to make. It will also assist in determining a priority in which enquiries will be handled.
- 9.4** Priority will be given to enquiries where there appears to the Council to be a serious and imminent risk to the health and safety of the occupants of a dwelling.
- 9.5** The Council will list those works, which are eligible for consideration for assistance, and assistance will only be available in respect of those works. Advice may, however, be given in respect of other matters, which may be identified during the course of the inspection.

Application

- (i) A completed application form including a test of resources where required.
- (ii) Estimates from two builders for the works specified by the Council, together with details of any preliminary or ancillary fees or charges. In the case of disabled adaptations of a specialised nature one estimate may be accepted.
- (iii) Proof of the applicant's interest in the property.
- (iv) Proof of income and capital.
- (v) Proof of National Insurance number.
- (vi) Where works require building control approval, planning approval or listed

building approval, proof that this has been given.

- (vii) Plan of the proposed work (where requested).
- (viii) Written permission from the owner of the property where the application is being made by someone other than the owner.

- 9.6** Following receipt of a completed application, a decision will normally be made and the applicant will be notified in writing within 12 weeks. The notification will be in the form of an approval, a refusal or a deferral. Approvals will be phased depending on the available budget with priority being given to cases where there appears to be a serious and imminent risk to the health and safety of the applicant

Complaints or Comments about this Policy

- 10.1** We welcome any queries, complaints or suggestions, which should be addressed in the first instance to the Executive Manager Consumer Wellbeing and Protection, Town Hall, Lytham St Anne's, Lancashire, FY8 1LW., telephone 01253 658658, email consumerwellbeing@fylde.gov.uk. Any complaints will be dealt with using the corporate complaints procedure.

APPENDIX A

Housing Assistance Conditions – General Provisions

- Housing assistance means any form of financial assistance provided by the Authority for the purpose of housing renewal. This may include a grant, an improvement scheme in which people are invited to participate, a loan or any other form of financial assistance, whether provided directly or indirectly. 'Housing Assistance condition' means any condition attached to any such assistance.
- Any reference to a 'person responsible' or to 'the owner' in this section, or in relation to housing assistance conditions generally, is to be taken to mean any owner or other person who is responsible for the relevant housing assistance condition(s), either singly or jointly. This includes the original person(s) who applied for and/or received the assistance, as well as any other person who has subsequently becomes responsible for any condition as a result of acquiring the property or an interest in it.
- 'Certified Date' means the date certified by the Authority as the date on which the execution of the eligible works is completed to their satisfaction.
- 'Housing Assistance Condition Period' means the period of 15 years beginning with the certified date.
- Housing assistance conditions come into force from the date the assistance is approved, so that the Council may recover any interim payments or other costs incurred, should the grant not be completed. Where a housing assistance period is specified, this takes effect from the certified date of completion of the eligible works.
- It is a condition of payment of housing assistance that the eligible works are carried out within 12 months from the date of the approval of the application concerned. The Council may agree, in writing, an extension to this period, but this will only be done if there is an extremely good reason.
- It is a condition of payment that the eligible works are carried out in accordance with the Housing Services Specification of Renovation Works and the detailed specification issued by the Council with respect to the application concerned.
- Housing Assistance will only be paid when the Council receives a satisfactory invoice in relation to the work in question, together with any supporting documentation or information requested by the Council. Where a contractor is employed by the applicant and not directly by the Council, the invoice must be made out to the applicant or their nominated agent. No invoice will be accepted from the applicant or a member of their family.
- It is a condition of the housing assistance that the owner shall enter into a contract with the Council to repay the assistance in accordance with the Council's policy on repayments where a breach of conditions occurs.

- Unless stated otherwise, any financial assistance and related conditions will be secured as a legal charge against the property, where breach of the condition would require the repayment of all or part of the assistance. This charge will not be removed until either the conditions expire or until the grant is repaid, together with any interest or additional charges that may apply. In some cases, it may be specified that only part of the housing assistance has to be repaid if the conditions are broken and, in these cases, the charge will be removed upon payment of the specified part of the assistance.
- A charge against the property is binding on any person who is for the time being an owner of the premises concerned. Where a housing assistance condition is broken, the Council has all the usual powers and remedies in law to enforce the charge and secure payment of any amount due.
- Where any condition is in force, the Council may require the person responsible to provide any information to satisfy the Council that the condition is being complied with. The Council can require this information in writing or in any other reasonable form. It is a condition that this information be provided, in the form required and within the reasonable time period specified by the Council and as fully, accurately and honestly as reasonably possible. Failure to comply with this requirement is a breach of grant conditions in itself and the housing assistance, or part of the housing assistance where this is specified, must then be repaid to the Council.
- It is the responsibility of the person responsible for any housing assistance condition to demonstrate to the Council's satisfaction that the condition is being complied with. Failure to do so will be treated as failure to comply with the condition. The Council does not have the burden of having to prove that the condition is not being complied with.
- It is a condition of the housing assistance that the applicant shall forthwith notify the authority of his intention to make a relevant disposal of any dwelling, building or house in multiple occupation with respect to which there is in force a housing assistance condition and shall furnish to the Authority any information reasonably requested by them in connection with such notification.
- In the event of a breach of any of the conditions set out in this document the Authority may demand repayment from the applicant of a sum equal to the amount of the housing assistance paid (together with any interest which may have accrued).
- Any reference to a member of a person's family is to be taken to mean someone who is their parent, grandparent, child – including an illegitimate child, grandchild, brother, sister, uncle, aunt, nephew or niece. A relationship by marriage is treated as if it were a relationship by blood. A half-blood relationship is treated as a full blood relationship.
- Any reference to a disposal of a property means:
 - a conveyance of the freehold
 - as assignment of the lease, where the lease was used to qualify for the housing

assistance – for example, a long lease that was treated as effective ‘ownership’

- the grant of a lease, other than a mortgage term, for a term of more than 21 years otherwise than at a rack rent.

For the purposes of this definition, it will be assumed that any option to renew or extend a lease or sub-lease, whether or not forming part of a series of options, is exercised and that any option to terminate a lease or sub-lease is not exercised. Also, the granting of an option enabling a person to call for a disposal shall be treated as such a disposal made to that person.

- In some situations, the disposal of a property is classed as an ‘exempt disposal’, which means there is no requirement to repay the grant as a result. However, all the housing assistance conditions do then continue to apply and are binding upon the person or persons to whom the disposal is made for the remainder of the housing assistance condition period. A disposal is classed as exempt where the person, or each of the persons, to whom it is made is:
 - the person, or one of the persons, by whom the disposal is made
 - a member of the family of that person, or one of those persons
 - the spouse or former spouse of that person, or one of those persons
 - in the case of a company, an associated company of the company by whom the disposal is made
- Housing Assistance conditions will be enforced in all cases.
- No retrospective application or request for financial assistance will be considered where the relevant work has already been started or completed.
- It is a condition of housing assistance that the applicant takes reasonable steps to pursue any relevant insurance or legal claim and to repay the housing assistance, so far as appropriate, out of the proceeds of such a claim.

The claims to which this section applies are:

- a) an insurance claim, or legal claim against another person, in respect of damage to the premises to which housing assistance relates, or
- b) a legal claim for damages in which the cost of the works to premises to which housing assistance relates is part of the claim.

A claim is a relevant claim to the extent that the works to make good the damage mentioned in paragraph (a), or the cost of which is claimed as mentioned in paragraph (b), are works to which housing assistance relates.

- It is a condition of housing assistance that where the applicant has an insurable interest in the assisted property, he/she shall arrange and maintain in effect adequate insurance for the property, subject to and with the benefit of the completed

works, throughout the housing assistance condition period.

- It is a condition of housing assistance that where the applicant has a duty or power to carry out works of repair to the assisted property, he shall ensure that, to the extent that his duty or power allows, he undertakes his statutory duties with respect to repairs to the house throughout the housing assistance condition period.
- It is a condition of housing assistance that in respect of an application for Housing Assistance, the Authority may require the applicant to:
 - a) carry out an energy efficiency survey of the property, and
 - b) execute such works as the Authority considers practical, cost effective and likely to result in a significant improvement in the energy efficiency of the property.
- It is a condition of housing assistance that in the case of a landlord's application for housing assistance the Authority shall be entitled to nominate tenants to the property (or a relevant part of the property) throughout the housing assistance condition period.
- It is a condition of housing assistance that where a Disabled Facilities Grant is provided and equipment so funded and it is reasonable to do so, that such equipment is returned to Social Services when no longer required.
- The approval of housing assistance does not give or imply the Council's approval to any other consent that may be required, such as planning permission or Building Regulation consent. It is the responsibility of the applicant to obtain any such consent that is required.
- These Housing Assistance conditions may only be varied or revoked by the Council with the consent of the person provided with the assistance.

IMPORTANT

Please see the reserve side of the Approval document and the certificate of occupation for other specific housing assistance conditions relating to your housing assistance application and approval.

APPENDIX B

Policy for reducing repayment of housing assistance, reducing the priority of any registered charge or removing any charge in exceptional circumstances

Process

Any request for:

- reducing the repayment of grant element Housing Assistance,
- reducing the priority of any registered charge on the grant element or loan, or
- removing any registered charge

shall be made in writing prior to any circumstances which may result in a breach of Housing Assistance conditions. No waiver or reduction will be made for any equity release loan provided, this is public money, which is, intended to be recycled and used to assist others.

The request shall be made in writing to the Executive Manager Consumer Wellbeing and Protection, setting out any exceptional circumstances that exist.

Any person aggrieved with a decision should follow the Council's formal complaints procedure.

REPORT



REPORT OF	MEETING	DATE	ITEM NO
CONSUMER WELLBEING & PROTECTION UNIT	POLICY & SERVICE REVIEW SCUTINY COMMITTEE	15 FEBRUARY 2007	6

PRIVATE SECTOR HOUSING POLICY

Public Item

This item is for consideration in the public part of the meeting.

Summary

The revised Private Sector Housing Policy sets out the Council's approach to improving private sector housing conditions in the Borough. It introduces the use of equity loans for the first time. These will be offered as alternative funding for applicants who fail to achieve grant funding through the means test and yet are unable to access high street finance in the traditional way. Similarly it may be offered to supplement grant monies to fund other works.

The revised policy also focuses on attaining the "Decent Homes Standard" in the Private Sector with particular emphasis on its provision for "vulnerable people"

The policy was initially reported to the Policy Service Review Community Forum on 30th March 2006. Since then the policy has been put out to consultation, resulting in the version shown at Appendix 1.

Recommendations

1. That the Council adopts the revised Private Sector Housing Policy as detailed in this report.
2. That the Executive Manager Consumer Wellbeing & Protection, in consultation with the Portfolio Holder Community & Social Wellbeing, negotiates a package of equity loan provision jointly with Wyre Borough Council.
3. That the waiting list of applicants prior to 31 Oct 2006 be processed under the terms of the previous policy thereby retaining the £10k max limit and the 15 yr repayment period.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Community and Social Wellbeing

Councillor Patricia Fieldhouse

Report

1. The revised Private Sector Housing Policy sets out the Council's approach to improving private sector housing conditions in the Borough.
2. The revised policy focuses on attaining the "Decent Homes Standard" in the Private Sector with particular emphasis on its provision for "vulnerable people". It extends the period for future occupation before resale or change of ownership in order to maximise the recycling of future grant funding
3. The transitional arrangements proposed are that those people on the waiting list for housing renewal assistance before the 31st October 2006 will still be dealt with using the previous eligible expense limits, (i.e. they will still receive up to £10,000 grant and not the new £5,000 limit proposed).
4. The policy introduces the use of equity loans for the first time. These will be offered as alternative funding for applicants who fail to achieve grant funding through the means test and yet are unable to access high street finance in the traditional way. Similarly it may be offered to supplement grant monies to fund other works. Hence it is envisaged that a mixture of grant assistance and loans will be provided in the future.
5. Equity loans are provided on the basis of being repaid out of the proceeds of the property on sale, and at the same proportion. Therefore as the value of the property increases so does the amount to be repaid in real terms. However as a safeguard, a maximum of 6.5% interest would be levied if the property had increased disproportionately in value. The amount to repay would therefore be the lower of the two figures.
6. The capped rate of 6.5% was established by Regenda, one of the main local authority equity loan providers and has become a norm across the sector. It is based on the "Long term Interest Rate Function" which is set to calculate the return on government bonds. To reduce this figure would place the authority at risk of failing to recycle monies effectively, see a long term depreciation of the fund value and ultimately placing at risk the long term availability of funding.
7. Fees for equity loans are expensive compared to the usual private sector loan. This is because of the administration assistance required for the vulnerable applicant coupled with the professional services required for the preparation of the schedule of works and the supervision of those works. The Council already charges agency fees for similar technical work required in respect of grants awarded and this will continue to be the case for those grants which are awarded. It is expected that the average fee package would be approximately £2000 with around half of this attributable to the technical agency work.
8. As the cost of the fee package is high, for loans smaller than £5000 it is considered that this would not represent particularly good value for money.
9. Rather than to refuse loans below £5000 it may be better to ensure that the applicant is strongly advised against such a loan. However they may have no realistic alternative and the works though relatively low value are critical to their

quality of life or personal safety. This serves to demonstrate a continuing need for housing grant provision to a maximum level of £5000

10. Grant funding would also need to be continued in the case of park homes as these would never be accepted as security for an equity loan or indeed any other type of loan normally secured against the property. These structures are a depreciating asset and yet they still provide permanent accommodation to many low income people with no chance of relocating in the event that the property fails to meet housing standards. A lower repayment period of 10 yrs would also be more appropriate for these properties.
11. Grant funding would also need to be maintained to facilitate the empty homes policy, i.e., to provide an incentive to bring empty and substandard homes back into use.
12. There is currently a waiting list of approximately 18 months for financial assistance to those in housing need and meeting means tested criteria.
13. As the programme develops over time loans will mature and grant aided properties will be sold with repayment requirements. Old funding will therefore be recycled in this way. It is not possible to use commuted sums for this purpose as these are ring fenced solely for the provision of new affordable housing
14. Given that there are some existing grant commitments, and that grant funding to a lesser extent will occur in the future, it is recommended that the term requiring repayment of grant monies in the event of house sale or change of ownership be extended from the present 5 years to 15 years. This will allow for a significant return of these grant monies throughout the subsequent fifteen year period to recycle monies into further grants or capital for equity loans
15. In this way it is expected that the requirement for new funding each year will begin to reduce in the medium term (say 5 – 10 years). The need, however, to commence the equity loan scheme as soon as possible, together with funding the transitional arrangements for grants promised to those already on the waiting list will result in the need for an initial increase in expenditure. A capital growth bid has been submitted for this purpose.
16. Regionally the Government is encouraging local authorities to adopt similar policies in respect of equity loan provision and in particular amalgamate regionally to use a common service provider. This then in turn will make it easier to lever in additional finance from the private sector with a potential funding enhancement of approximately 30% being a real possibility.
17. Our recent review of service providers shows that the loans provider Regenda offers the most comprehensive and yet flexible service package and the best value, both for the authority and the applicants.
18. This policy is aligned to a large extent with that of Wyre Borough Council; however work will continue to develop a wider Fylde coast policy, working with both Blackpool and Wyre Councils.

IMPLICATIONS	
Finance	<p>Capital growth bids have been submitted to support the policy. They will be considered in the general budget setting process.</p> <p>This policy introduces the concept of equity loans as a means of reducing dependence on grant aid.</p>
Legal	<p>The policy will involve extended land charge provision to serve the extended period of future occupation</p> <p>A service level agreement will be required with the equity loan service provider, & co-lateral agreement between authorities</p>
Community Safety	Decent housing is an important element of a thriving sustainable community where people feel safe.
Human Rights and Equalities	Assistance is targeted at the most vulnerable and deprived people of the Borough.
Sustainability	<p>Decent housing is an important element of a thriving sustainable community.</p> <p>The proposals are also a move towards a more sustainable approach to public sector financing of home improvement.</p>
Health & Safety and Risk Management	No implications

Report Author	Tel	Date	Doc ID
John Cottam & Richard Wood	(01253) 658658	15 Feb 07	PSR OS 15.2.07 Report.doc

List of Background Papers		
Name of document	Date	Where available for inspection
Document name		Council office or website address

Attached documents

1. Private Sector Housing Policy – Appendix 1

REPORT



REPORT OF	MEETING	DATE	ITEM NO
COMMUNITY AND CULTURAL SERVICES	CABINET	14 TH MARCH 2007	6

PROPOSED CENTRALISED COMPLAINTS SYSTEM

Public Item

This item is for consideration in the public part of the meeting.

Summary

The development of a centralised complaints procedure and regular reporting of the number and nature of complaints to the council have been identified as key actions within Statement of Internal Control.

At their meeting held on 4th January Members of the Audit sub committee identified a centralised complaints procedure as a priority action and requested that the matter is discussed at the Performance Improvement Scrutiny Committee. The PISC made its recommendations at its meeting on 25th January. The Committee asked that it receives performance data at each future meeting.

The Community and Cultural Services Executive Manager is in the process of investigating the viability of a centralised system and has encountered a number of challenges which may reduce the effectiveness of any system and the reliability of the performance data. The proposed procedure also requires Customer Services staff to enter information into two different systems. At a time when Customer Services has been identified by the council as a key priority Members should be aware that the additional workload, without additional resource could have a negative impact on Customer Contact Centre performance. These issues are highlighted in the report. The proposals contained in the report are recommended as the most pragmatic approach to introducing a centralised complaints system.

Recommendation

To endorse the recommendation of the Performance Improvement Scrutiny Committee that the Executive Manager for Community and Cultural Services proceeds with the pilot scheme and present a report on the effectiveness of the system to each meeting of the Performance Improvement Scrutiny committee.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Customer Relations & Partnerships

Councillor Albert Pounder

Report

Background

1. The 2006/07 Statement of Internal Control identifies two key actions relating to the council's complaints procedure namely:
 - Maintain a central record of complaints against the authority, as defined in the Customer Care Policy, together with evidence of corrective action taken in response to such complaints
 - Report to members on a regular basis with a summary of complaints received and addressed, including an analysis of the outcomes
2. The council has an established complaints procedure which defines a complaint as follows:
 - When the Council fails to do something that we promised to do
 - When the Council has done something badly or wrong
 - When you feel you have been treated unfairly or impolitely
 - When the Council fails to respond properly to a service request or report
3. There are currently many ways in which a complaint can be communicated to the council including telephone, letter or email directly to the Mayor or Chief Executive, individual elected members or staff, through the Report It – We Sort It initiative, verbally, through the website or Flare. The issues highlighted in this communication with the council are currently addressed in an ad hoc way by the individual Business Units.
4. The 'complaint' may not be a complaint at all according to the established definition. A request for service such as a missed bin or repairing a faulty park bench only becomes a complaint if the request is not acted upon. It is incumbent on the member of staff receiving the correspondence to make a judgement whether it is a bona fide complaint or a service request.
5. It is, therefore, difficult to compile performance reports to give a true indication of the nature of complaints, the numbers received by each Business Unit and the percentage of complaints addressed within the designated time of 5 working days
6. In implementing a centralised complaints system the differing methods of communicating issues to the council need to be consolidated into one mechanism.

Similarly, issues which do not meet the established criteria of a complaint need to be filtered out to be addressed by other means.

7. Within the council's existing enquiry management system, Team Knowledge, the capacity to achieve these aims is limited. Team Knowledge, although adequate for its core purpose of answering customer enquiries at the first point of contact, is not sufficiently sophisticated to centralise the handling of complaints including follow up of resolution and provide reporting data required to manage performance. For this to be reliably achieved the council would need to purchase a full Customer Relationship Management (CRM) system the cost of which could easily exceed £100,000
8. However, within our existing resources it is possible to introduce procedures that provide a centralised complaints procedure and reporting mechanism which, although not 100% reliable, would provide enough data to report a reasonably accurate number and nature of complaints to the authority although with a risk that there is a margin of error due to complaints either not being identified as such or being excluded from the process.

The Process

9. The proposed mechanism for capturing and processing complaints requires a form to be submitted via Team Knowledge. This form would be accessible on the Intranet initially for members of staff or councillors to complete. Full completion of the form requires a 'yes' return to one of the four filtering questions to establish whether or not the issue is a bona fide complaint. If one or more of the filter questions is answered 'yes' the form can be completed. If all questions are answered 'no' the staff member/councillor is directed via a standard query form to Customer Services Team through a separate email address – listening@fylde.gov.uk.
10. Through this filter process only complaints, as defined by the Complaints procedure, would be processed. These would receive a unique log number and would be passed to the appropriate Executive Manager for action. The complaint would also be logged by the Customer Services Manager and an acknowledgement sent to the complainant. After a 5 working days a reminder would automatically be sent to the Executive Manager intended to prompt action if the issue has not yet been resolved. The Executive Manager would inform the Customer Services Manager when the complaint was rectified. The process is described fully in the dialogue attached as an appendix.
11. The data collected by the Customer Services Manager would include
 - The time, date and nature of the complaint
 - Where the complaint has been sent
 - How many, but not which, complaints had been resolved within each Business Unit

Limitations and Implications

12. This proposal is not without its limitations. It relies on a number of factors and its reliability is restricted by them. Namely:
 - All bona fide complaints communicated by the various means described in paragraph 3 being input on the system by the complaint recipient
 - The filter questions being correctly answered
 - The limitations in the Team Knowledge system which will not allow details of each complaint to be identified

13. Members should also be aware that the current Flare system remains essential to a number of business units for performance monitoring in the context of national and local performance indicators and the tracking of service requests.
14. Also, at a time when Customer Services has been identified by the council as a key priority, Members should be aware that without additional resource, the additional workload involved in implementing the proposed complaints system could have a negative impact on Customer Contact Centre performance.
15. The Performance Improvement Scrutiny Committee made its recommendations at its meeting on 25th January. The Committee asked that it receives performance data at each future meeting.

IMPLICATIONS	
Finance	There is no further budget provision to develop a full CRM system estimated to cost at least £100,000
Legal	No further implications
Community Safety	No further implications
Human Rights and Equalities	No further implications
Sustainability	Operating an additional procedure could have a negative impact on the performance of the Customer Contact Centre
Health & Safety and Risk Management	No further implications

REPORT AUTHOR	TEL	DATE	DOC ID
Paul Norris	(01253) 658440	14/01/07	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		n/a

REPORT



REPORT OF	MEETING	DATE	ITEM NO
LEGAL SERVICES	CABINET	14 TH MARCH 2007	7

LOWTHER GARDENS CHARITABLE TRUST

Public item

This item is for consideration in the public part of the meeting.

Summary

Cabinet is asked to consider scrutiny recommendations about the future administration of Lowther Gardens

Recommendations

1. Establish of a small member/officer working group to consider an appropriate management structure and constitution for the Lowther Gardens trust and report on its proposals to a future meeting.
2. Apply to the Charity Commission for a scheme to modernise the terms of the trusts under which Lowther Gardens is held.
3. Confirm that the Council will continue as the sole trustee of Lowther Gardens for the time being.

Cabinet Portfolio

The item falls within the following cabinet portfolio:

Culture and Tourism

Councillor Simon Renwick

Report

1. The Policy and Service Review Scrutiny Committee considered reports on Lowther Gardens at its meetings on 18 September and 14 December 2006. The reports are reproduced with this report and cover the background to the Lowther Gardens trust.
2. The scrutiny committee resolved as follows:
 - 1. To report to Cabinet that the eventual decision about whether the council continues as sole trustee of the Gardens would not impact significantly on rate relief or potential grant income.*
 - 2. To recommend to Cabinet the establishment of a small member/officer committee to consider an appropriate management structure and constitution for the Lowther Gardens trust and report on its proposals to a future meeting.*
3. The proposed body would have to be a working group rather than a committee since legislation does not allow officers to be members of a committee.
4. The scrutiny committee's recommendations did not expressly set out whether the council should continue as sole trustee or recommend application to the Charity Commission for a scheme to modernise the terms of the trust. Such a scheme would be subject to consultation and could not fundamentally alter the nature or purposes of the trusts on which the Gardens are held. However, it would enable the charity to be administered more efficiently.

IMPLICATIONS	
Finance	Charitable trust status does not provide a way for the council to release itself from its financial commitment to Lowther Gardens, at least in the short term. As long as the council continues as sole trustee, it will be obliged to maintain the Gardens in a suitable state for use as a park or pleasure ground. Any incoming trustee and the Charity Commission would also want to be satisfied that funding arrangements are in place to enable the trustees to perform their duty. In practice this would mean that council funding would need to continue for the time being.
Legal	There are dangers in setting up a management structure and constitution for discharging the council's responsibilities as trustee for Lowther Gardens. As trustee, the council can only act in a way consistent with the purposes of the trust. No body, however constituted, could absolve the council of its responsibilities as trustee to act in line with the terms of the trust. .
Community Safety	None
Human Rights and Equalities	None

Sustainability	None
Health & Safety and Risk Management	None

REPORT AUTHOR	TEL	DATE	DOC ID
Ian Curtis	(01253) 658506	28 February 2007	

LIST OF BACKGROUND PAPERS		
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION
None		

Attached documents

Report to P&SRSC 18 September 2006

Report to P&SRSC 14 December 2006

REPORT



REPORT OF	MEETING	DATE	ITEM NO
LEGAL SERVICES	POLICY & SERVICE REVIEW SCRUTINY	14 DEC 2006	

LOWTHER GARDENS CHARITABLE TRUST

Public item

This item is for consideration in the public part of the meeting.

Summary

The committee asked for a further report on how any decision whether the council should remain as sole trustee of Lowther Gardens may affect rates relief and potential grant income.

It appears that there would be little or no effect. Councillors will be able consider the trusteeship without concern about financial impacts from these matters.

Recommendations

1. Note the report.
2. Report to cabinet that the eventual decision about whether the council continues as sole trustee of the Gardens will not impact significantly on rate relief or potential grant income.

Cabinet portfolio

The item falls within the following cabinet portfolio:

Culture & Tourism

Councillor Simon Renwick

Report

1. On 30 August I reported to the committee about progress on registering Lowther Gardens as a charitable trust, following advice received from Counsel and discussions with the Charity Commission. The report also explored options for how Lowther Gardens might be administered following registration.
2. One item flagged up for consideration was whether the council should continue as the sole trustee or whether it should seek to appoint other trustees, either instead of or as well as the council. The previous report can be accessed at www.fylde.gov.uk/Documents/2006-08-30%20Policy%20&%20Service%20Review%20agenda.pdf.
3. The committee resolved to recommend to Cabinet that the finalisation of the registration of the trust be undertaken as soon as possible and that a further report be presented to committee in three months detailing how the various options would impact on rate relief and the ability to attract grants
4. By the date of this meeting, the council will have completed the registration formalities. The council is, for the present, the only trustee. Talks will shortly begin with the Charity Commission about how to modernise the terms of the trust.
5. Mandatory rate relief of 80% is available for occupied hereditaments where the occupier is a charity or trustees for a charity and the hereditament is used wholly or mainly for charitable purposes. For the purpose of mandatory rate relief it will not therefore matter whether the council remains a trustee, with or without others. The test for discretionary rate relief is identical. The business rates for Lowther are presently £5,651 per year.
6. A desktop study of potential sources of grant-funding shows similarly neutral results. A number of the smaller grants for projects involving community spaces or conservation projects can only be awarded to community or voluntary groups. On the other hand, most of the larger awards need to have local authority involvement, either as a partner or leading a bid. The following information is illustrative only:

Name of grant-awarding body	Range (£)	Eligible bodies
Action Earth	Up to 50	Local voluntary and community groups
Awards for All	300 to 10,000	Not-for-profit group, parish or town council, school or health body
Breathing Places	300 to 10,000	Voluntary and community organisations, parish and town councils
Heritage Grants	Up to 50,000	Constituted non-for profit groups
Landscape Partnerships	250,000 to 2 million	Formal or informal partnerships led by a not-for-profit group (usually a local authority or an Area of Outstanding Beauty delivery board)
Parks for People	250,000 to 5	Constituted non-for profit groups

	million	
Townscape Heritage Initiative	250,000 to 2 million	Formal or informal partnerships led by a not-for-profit group (usually a local authority)
Children's Play Programme	200,000 for Fylde	Only local authorities can apply

Members should note that this information does not show what funding is or may be available for the development of Lowther Gardens. It is only provided to illustrate how various grant schemes differentiate between kinds of potential recipients.

IMPLICATIONS	
Finance	Covered in the report
Legal	With Lowther registered as a trust, the council will need to administer Lowther separately and for the purposes of the trust, whether or not it remains as a trustee.
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability	No implications
Health & Safety and Risk Management	No implications

REPORT AUTHOR	TEL	DATE	DOC ID
Ian Curtis	(01253) 658506	8 November 2006	

LIST OF BACKGROUND PAPERS		
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION
None		

REPORT



REPORT OF	MEETING	DATE	ITEM NO
LEGAL SERVICES	POLICY & SERVICE REVIEW SCRUTINY COMMITTEE	18 SEP 06	

LOWTHER GARDENS CHARITABLE TRUST

Public item

This item is for consideration in the public part of the meeting.

Summary

Last year, Counsel advised that the council held Lowther Gardens on charitable trusts. The Executive Committee authorised me to register the trust as required by law. The registration application has been made, but not yet completed.

Once registered, the Council will be able to work with the Charity Commission to modify some of the terms of the trusts. This can not change the fundamental character of the trust. The Council will continue to be bound by the terms of the trust, as so revised, and charity law.

The Council will need to consider whether it wants to carry on as sole trustee, as one of a number of trustees or to relinquish its involvement. Charity Commission guidance sets out some problem areas for local authorities acting as charity trustees. Either way, the Council will need to continue to fund Lowther in the immediate future.

Recommendations

1. Note the report.
2. Make recommendations about how the Council's involvement with Lowther Gardens and Pavilion should develop after registration of the trust.

Cabinet Portfolio

The item falls within the following Cabinet Portfolio:

Culture & Tourism

Councillor Simon Renwick

Report

Background

1. The chairman has asked for a report about the registration of Lowther Gardens as a charitable trust.
2. The former Executive Committee considered a report on the future of Lowther Gardens and Pavilion at their meeting on 28 September last year. The summary of the report was as follows:

“As part of the work undertaken to establish the suitability of Lowther Pavilion as the location of the Council’s Civic Suite the Legal and Democratic Services Officer sought Counsel’s opinion to gauge the robustness of restrictive covenants over the Pavilion and Gardens. The opinion, whilst attaching significance to the covenants, also identified that Lowther Gardens was held by the council on charitable trusts, arising out of the terms of the original gift of the land to the council’s predecessor in 1905... The council now needs to register the charitable trust. It also needs to make arrangements for the future management of the Gardens (including the Pavilion) as a charitable trust. These arrangements may include appointing alternative or additional trustees to administer the trust...”

“The restrictions of the charitable trust status and the covenants effectively prevent the council from operating a civic suite on this site.”

3. After consideration of the report, the committee resolved:
 1. *To agree to the registration of Lowther Gardens (Including the Pavilion) with the Charities Commission as an urgent priority.*
 2. *To agree to the finances of Lowther Gardens and Pavilion being separated from those of the Council.*
 3. *To authorises (Sic.) the appropriate officers to explore, with the Charities Commission and interested parties, the prospect of the operation and administration of Lowther Gardens and Pavilion being transferred to a new or existing Charitable Trust.*
4. ...
4. Following the committee meeting the then chief executive, the then deputy chief executive and I met representatives of the Charity Commission (including their legal adviser) at the Commission’s offices in Liverpool. The Commission’s representatives agreed with Counsel that the Gardens were held on exclusively charitable trusts as a recreational ground.
5. The Commission’s representatives advised that the Gardens should be registered as a charitable trust, as required by law. Once the trust had been registered, the Commission could, on application, work with the trustees to agree a scheme under

the Charities Act 1993 to tidy up and modernise the trusts under which the Gardens was held. Any such scheme would be subject to a formal process and could not alter the fundamental purpose for which the Gardens were held.

6. There was specific discussion of the prohibition against “meetings for the discussion of political religious trade or social questions or other matters of controversy”. Again, the Commission’s representatives agreed with Counsel that this wording would apply to council and committee meetings, with the possible exception of the largely ceremonial annual meeting. A scheme under the Charities Act could not remove this restriction.

Present status

7. I subsequently applied to register Lowther Gardens with the Commission. That application has not yet been completed because of the need to establish a separate bank account for the charity. The Finance Executive Manager is progressing the opening of the account. The registration of the Gardens should be complete by the end of the year.

The Future

8. As a charitable trustee, the Council must manage Lowther Gardens exclusively for the purposes of the trust, which are as a public park or public gardens for the purposes of recreation, and in accordance with charity law. Additionally, it must comply with the detailed rules about record-keeping, accounts and other filing requirements that apply to charitable trustees.
9. Once the charity has been registered, the council can continue as the sole trustee of the charity, or it can seek to appoint other trustees, either instead of or as well as the council. Whoever serves as a trustee would be bound by the purposes of the trust and the restrictions of charitable trust status in the same way as the council. There are two areas in particular that will need to be considered. They are explored below.
10. The Charity Commission believes that local authorities may not always be appropriate trustees. The Commission’s guidance note on local authorities and charities includes the following:

Are there any advantages in a local authority being the trustee?

Yes. The administration of a charity by a local authority can have advantages:

as a body corporate, a local authority enjoys perpetual succession, so that it is not necessary to make individual appointments of charity trustees or to vest the charity’s property in them; and

often the local authority will be willing to subsidise the operation of the charity out of its statutory funds, either directly by way of grant aid, or indirectly, for example, by meeting the cost of maintaining the charity’s property or by providing professional services free of charge.

Are there any disadvantages in a local authority being the trustee?

5. Yes, our experience suggests that:

local authorities often fail to appreciate that they are not free to deal with the property of a charity in the same way as they can deal with their corporate property held for statutory purposes. This can result in property being treated in a way which is inconsistent with the charitable trusts. For instance, where the property in question is a recreation ground, a lease may be granted on preferential terms to a (non-charitable) sports club;

conflicts often arise between the interests of the local authorities and their council tax and rate payers on the one hand, and those of charities and their beneficiaries on the other hand (Party political interests may even play a part in decisions made);

local authorities sometimes give the administration of charities less attention than would bodies of individual trustees constituted solely for the purpose of administering them. Much of the day-to-day administration of the charity may be delegated to a committee, or even to officers in the exercise of their Local Government Act powers; and

in the event of local government reorganisation, a successor authority might not appreciate that property transferred to it from a predecessor authority is held on trust for charitable purposes, with the result that it mistakenly treats it as part of its corporate property.

Will we appoint a local authority as trustee?

[...]

When making a Scheme for some other purpose in relation to a charity which is administered by a local authority as trustee, we will consider whether other trusteeship arrangements might not be more appropriate. For example, we may suggest to the local authority that it retires in favour of a body of individual trustees, while perhaps retaining the right to appoint some of those trustees.

11. Lowther Gardens costs (presently in the region of £200,000 after taking into account income from the Pavilion). Charitable trust status is unlikely to provide a way for the council to release itself from that commitment, at least in the short term. Any incoming trustee (as well as the Commission) will want to be satisfied that funding arrangements are in place to enable the trustees to perform their duty.

IMPLICATIONS	
Finance	
Legal	There is not an issue about whether Lowther should become a trust: Counsel's Opinion and advice from the Charity Commission establish that it already is. The issues are about regularising that status by registration and how to move forward within the constraints of trust status.
Community Safety	

Human Rights and Equalities	
Sustainability	
Health & Safety and Risk Management	Failure to complete the registration of the Gardens as a charity and fully comply with the restrictions of the covenants may result in action being taken against the Council.

REPORT AUTHOR	TEL	DATE	DOC ID
Ian Curtis	(01253) 658506	10 August 2006	

LIST OF BACKGROUND PAPERS		
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION
Opinion of William Moffett	9 June 2005	Town Hall, St Annes
Notes of a meeting with the Charity Commission held on 22 November 2005	28 November 2005	Town Hall, St Annes
Charity Commission guidance note CC29: "Charities and Local Authorities	March 2001	www.charity-commission.gov.uk/publications/cc29.asp

REPORT



REPORT OF	MEETING	DATE	ITEM NO
POLICY & PERFORMANCE	CABINET	14 TH MARCH 2007	8

PERFORMANCE EXCEPTION REPORT

Public item

This item is for consideration in the public part of the meeting.

Summary

The report provides details of any exceptions in the performance against the key indicators. Exceptions include where performance is significantly below the target set for the current financial year as well as where performance is above target. The report outlines what is being done to address the poor performance and who is responsible for the actions.

Recommendations

1. That the Cabinet supports the actions being taken to address performance issues and identifies any ongoing concerns for Portfolio Holders to monitor through their routine briefing meetings.
2. That the Cabinet meeting scheduled for May 2007 undertake a detailed consideration of the following issues :
 - details of the 2006/07 out-turn for all Best Value and Local Performance Indictors,
 - those Best Value and Local Performance Indicators which are felt to be key indicators for the Council to consider during 2007/08.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Report

1. Under the Local Government Act 2000 the Council is required to secure continuous improvement in its services. One of the main mechanisms for monitoring this requirement is to check progress against national (BVPI) and local performance indicators.
2. In 2006/07 the Council is required to monitor against 79 national BVPIs and a further 39 local PIs have been agreed. (See Best Value Performance Plan for full details)
3. During the year a series of key indicators affecting Fylde have been agreed by the Cabinet and the Performance Improvement Overview & Scrutiny Committee. These are monitored on a monthly basis to track performance against agreed targets. This report provides details of indicators that are performing below the target agreed or where there are known factors that will have a negative impact on future performance. The report also champions where performance has been improved or is exceptional.
4. Based on the latest information that is available the following exceptions have been identified where performance is behind the target set for the current year:
 - ❑ BVPI 8 The percentage of undisputed invoices paid within 30 days of receipt
 - ❑ BVPI 78a Housing / Council Tax Benefit – Average time for processing new claims
 - ❑ BVPI 78b Housing / Council Tax Benefit – Average time for processing notifications of changes in circumstances
 - ❑ BVPI 109a The percentage of major commercial and industrial planning applications determined within 13 weeks
 - ❑ BVPI 109b The percentage minor commercial and industrial planning applications determined within 8 weeks (householder applications)
 - ❑ BVPI 109c The percentage of other planning applications determined within 8 weeks
 - ❑ BVPI 183a The average length of stay in Bed and Breakfast accommodation of households that are unintentionally homeless and in priority need
 - ❑ Local Indicator – The percentage of phone calls answered within 30 rings

All other key performance measures agreed by Members are performing to target based on the latest information available.

The Corporate Health Indicators

5. BVPI 8, the payment of undisputed invoices within 30 working days is below the target of 97% at 94.23% but above the all England average. All service managers have been instructed to ensure that invoices are dealt with promptly and to clearly label any that are disputed. The performance is monitored regularly at management team

meetings. Some disruption to the process has been caused as a result of the implementation of a new accountancy computer system.

The Benefit Indicators

6. BVPI 78a and BVPI 78b are currently behind the target for the year primarily as a result of performance earlier in the financial year. The benefits team have just completed the implemented a new major computer system that diverted resources onto implementation and training. This was followed later in the year by the implementation of a document imaging system that again redirected resources. Both of these new systems will lead to major time and efficiency savings in the long run.
7. Recent performance has improved with BVPI 78a dropping from 62.7 days at the end of June to 35 days in November and BVPI 78b falling from 12 days at the end of June to 7 days for November 2006. The latest figures published in this report are the cumulative figures for the period from April 1st 2006 to December 31st 2006. Every effort is now focusing all resources on the speed of processing in order to achieve the target by the end of the financial year. The benefits manager is confident that this will be achieved.

The Planning Indicators

8. The latest performance figures (BVPI 109a, 109b and 109c) show that the Council remains behind the annual target figures for processing applications and that the targets are not likely to be achieved by the end of the financial year.
9. Recent months have shown a significant improvement with BVPI 109c achieving 72% in January 2007. This improvement is a result of the service now having a full compliment of professional staff. It is anticipated that the performance will continue to during the remainder of the year. The reasons for the year-to-date have been well documented at earlier Cabinet and Scrutiny Committees.
10. The ongoing situation is closely monitored by the relevant Portfolio Holder and Scrutiny Committee Chairs.

The Housing Indicators

11. The purpose of BVPI 64 is to encourage the occupation or demolition of long-term empty homes. Performance to date is below target due to the resource intensive nature of intervening and difficulties of tracing absent owners in the private sector housing market. Council tax records are used to identify relevant vacant properties, the owners of which are targeted to establish the reasons for non-occupation and to encourage return to use. It is possible for the Council to initiate enforcement action in certain circumstances. The target identified at Appendix 1 relates to that contained in Lancashire Local Area Agreement and because this is a reward target, it has not been revised.
12. The purpose of indicator BVPI 183a is to measure the Council's success in implementing its duty to reduce the use of temporary accommodation for unintentionally homeless households in priority need. As a consequence of a lettings policy change by local housing providers in August 2006 the council has been unable to implement this duty to any such households. Consequently it is not possible to calculate the BVPI figure

and hence the 'not applicable' entry. The Council has made representations to housing partners to review this situation.

Local Indicator - Call Handling

13. The percentage of calls answered within 30 seconds is currently below target at 57%. The Performance Improvement Overview & Scrutiny Committee has carried out a comprehensive review of the service and a series of recommendations are being implemented that will address this issue. It is expected that the target of 65% may not be achieved by the end of this financial year despite recent performance showing month on month improvement.

Other Performance

14. Although there has been an increase in sickness levels during January 2007 (BVPI 12) the annual target of 10.5 days is still achievable. The current figure of 8.24 days per employee to date is less than the same period last year.
15. The web site experienced the highest number of unique visitors to date in January with over 10,400. Almost 80,000 unique visitors have been to the since April 1st 2006 which is already over 30,000 more than the whole of 2005/06. Similarly, more and more customers are using online services with 7233 to date that have used the web rather than telephone, write or call in person.
16. The cleanliness of the streets (BVPI 199a) is only 1% above the target of 8% but still well in the top quartile for all English Councils.
17. The Audit Commission has identified a number of performance indicators as key measures of improvement for local district authorities. These indicators are listed in Appendix 2. The Audit Commission has stated that future 'direction of travel' assessments (which look at the level of improvement as well as where improvement is taking place across the local authority) for district councils will take into account performance against the indicators listed in Appendix 2.
18. It is suggested that these key indicators should form the basis of the Cabinet's future performance monitoring activity.
19. Members should note that at the Performance Improvement Overview & Scrutiny Committee it was reported that the quartile performance data from December 9th 2006 would be used for all reports. On February 8th 2007 a further update on the performance indicator quartiles for all English councils was published and the council will now be using the updated figures to place performance in context with the national outcomes. Appendices 1 and 2 include the quartile figures from the February 8th update.

IMPLICATIONS	
Finance	Performance of the planning services is likely to have an influence on future levels of Planning Delivery Grant although it is unclear how this may be calculated in future.

Legal	There are no direct legal implications arising from this report.
Community Safety	There are no direct community safety implications arising from this report.
Human Rights and Equalities	There are no direct human rights and equalities implications arising from this report.
Sustainability	There are no direct sustainability implications arising from this report.
Health & Safety and Risk Management	There are no direct health & safety and/or risk management implications arising from this report.

REPORT AUTHOR	TEL	DATE	DOC ID
ALLAN OLDFIELD	(01253) 658576	FEB 15 TH 2006	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Audit commission bvpi definitions	January 2006	http://www.audit-commission.gov.uk/performance/
Audit commission bvpi out turns	January 2006	www.audit-commission.gov.uk/performance/dataprovision.asp

List of appendices

Appendix 1: Key Performance Indicator Progress Report 2006/07.

Appendix 2: Key Performance Indicators for District Councils - 2007/08

Appendix 1: Key Indicators Progress Report 2006/07

Key Performance Indicator		All England Top	All England Average	All England Bottom	Fylde Actual 2005/06	Progress to Jan 31 st 2007	Target 2006/07
BVPI 8	Percentage of undisputed invoices that were paid within 30 days of receipt or within agreed payment terms.	96.71%	92.04%	89.24%	92.29%	94.23%	97%
BVPI 9	The percentage of Council Tax collected by the Authority in the year.	98.40%	97.15%	96.39%	97.46%	95.52%	98.1%
BVPI 10	The percentage of Non-Domestic Rates collected by the Authority in the year.	99.26%	98.56%	98.10%	97.33%	96.07%	98.4%
BVPI 12	Number of working days/shifts lost to the Authority due to sickness absence (per FTE)	8.34 days	9.6 days	10.94 days	11.67 days	8.24 days	10.5 days
BVPI 64	The number of private sector vacant dwellings returned into occupation or demolished during the financial year as a direct result of action by authority.	76.50	74.43	7	8	6	20
BVPI 183a	The average length of stay in bed and breakfast accommodation of households that are unintentionally homeless and in priority need.	1 week	2.98 weeks	4.25 weeks	5 weeks	4 weeks	4 weeks
BVPI 78 a)	Housing/Council Tax Benefit - Average time for processing new claim (calendar days)	26.4 days	34.5 days	39.1 days	43.1 days	47.88 days*	35 days
BVPI 78 b)	Housing/Council Tax Benefit - Average time for processing notifications of changes in circumstances (calendar days)	9.1 days	15.2 days	18.8 days	7.9 days	12.88 days*	7 days
BVPI 82ai)	The percentage of household waste arisings which have been sent by the Authority for recycling	20.87%	17.61%	14.25%	15.93%	17.43%	18%
BVPI 82bi)	The percentage of household waste arisings which have been sent by the Authority for composting or treatment by anaerobic digestion .	13.05%	8.95%	3.55%	20.46%	23.02%	22%

Key Performance Indicator		All England Top	All England Average	All England Bottom	Fylde Actual 2005/06	Progress to Jan 31 st 2007	Target 2006/07
BVPI 84a)	Kilogrammes of household waste collected per head of authority population.	394kg	438.6kg	480kg	426.1kg	352.64kg	418kg
BVPI 199a)	The proportion of relevant land and highways (%) that is assessed as having combined deposits of litter and detritus that fall below an acceptable level.	8.8%	15.3%	21%	8.1%	9%*	8%
BVPI 109a)	The percentage of major commercial and industrial planning applications determined within 13 weeks	74.9%	64.92%	57.08%	43.1%	37.50%	65%
BVPI 109b)	The percentage of minor commercial and industrial planning applications determined within 8 weeks	81.07%	74.23%	69%	72.00%	39.86%	75%
BVPI 109c)	The percentage of other planning applications determined within 8 weeks	91.39%	86.49%	83.37%	83.27%	59.25%	90%
BVPI 126	The number of domestic burglaries per 1000 households	6.4	10.8	13.7	7.38	3.97	No Targets set by police
BVPI 127a	Violent crime per 1000 population	12.5	19.2	22.9	11.48	9.13	
BVPI 127b	Robberies per 1000 population	0.3	1.3	1.3	0.33	0.21*	
BVPI 128	Vehicle crimes per 1000 population	7.3	11.5	14.6	4.67	4	

* Figures reported are from April 1st 2006 to December 31st 2006

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Local Indicator (Various)	Actual 2005/06	Progress to January 31st 2007	Target 2006/07
The percentage of phone calls answered within 30 seconds	50%	57%	65%
The percentage of phone calls to 01253 658658 answered during working hours	77%	82%	80%
The percentage satisfaction with the service delivered by the customer service team	96%	100%	98%
The percentage of people satisfied with the length of time they had to wait when contacting the council	95%	97%	96%
The percentage of people who felt that the level of comfort and facilities in the one stop shops were 'good' or 'very good'	96%	100%	98%
The total number of online transactions with the Council	No data	7233	5000
The total number of unique visitors to the web site www.fylde.gov.uk	49080	79872	62000
The number of days sickness and absence per employee that is not long term sickness	5.16 days	3.06 days	4 days
The number of missed bins per 100,000 collections	30	31	<50

Appendix 2: Key CPA Measures Audit Commission (Direction of Travel Assessment)

	National BVPI Indicator to be reported on a quarterly basis	All England Top	All England Average	All England Bottom
OMB	Total complaints received	No data currently available		
OMB	Decisions with findings of maladministration	No data currently available		
OMB	Average number of days to respond to complaints	No data currently available		
BVPI 2a)	The equality standard for local government in England.	No data currently available		
BVPI 2b)	The duty to promote race equality.	79%	63%	53%
BVPI 8	Percentage of undisputed invoices that were paid within 30 days of receipt or within agreed payment terms.	96.71%	92.04%	89.24%
BVPI 9	Percentage of Council Tax collected.	98.40%	97.15%	96.39%
BVPI 10	The percentage of Non-Domestic Rates collected by the Authority in the year.	99.26%	98.56%	98.10%
BVPI 11a)	Ratio of percentage of top 5% of earners who are women to percentage of women in the population.	42.45	31.80	22.22
BVPI 11b)	Ratio of percentage of top 5% of earners from BME communities.	4.33	3.32	0.00
BVPI 11c)	Ratio of percentage of top 5% of earners with disabilities.	4.83	3.00	0.00
BVPI 16a)	Percentage of disabled employees	3.89	3.2	1.86
BVPI 17a)	Percentage of black and ethnic minority employees	4.8	4.9	0.9
BVPI 157	Percentage of interactions with public which are capable of electronic service delivery.	97.34	100.00	96.99
BVPI 76a)	Number of Housing Benefit and Council Tax claimants visited per 1,000 caseload	No data currently available		
BVPI 76c)	Number of Housing Benefit and Council Tax fraud investigations per 1,000 caseload	No data currently available		
BVPI 78a)	Housing/Council Tax Benefit - Average time for processing new claim (calendar days)	26.4 days	34.5 days	39.1 days
BVPI 78b)	Housing/Council Tax Benefit - Average time for processing notifications of changes in circumstances (calendar days)	9.1 days	15.2 days	18.8 days
BVPI 79a)	Percentage of cases within a random sample for which the calculation of benefit due was correct.	99%	97.48%	96.60%
BVPI 79bi)	The amount of Housing Benefit overpayments recovered during the period being reported on as a % of HB deemed recoverable overpayments during that period.	79.39%	69.53%	58.98%
BVPI 79bii)	Housing Benefit overpayments recovered as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year.	33.66	39.69	27.35
BVPI 79biii)	Housing Benefit overpayments written off as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified	No data currently available		

	National BVPI Indicator to be reported on a quarterly basis	All England Top	All England Average	All England Bottom
	during the year.			
BVPI 82 ai)	The percentage of household waste arisings which have been sent by the Authority for recycling	20.87%	17.61%	14.25%
BVPI 82 bi)	The percentage of household waste arisings which have been sent by the Authority for composting or treatment by anaerobic digestion.	13.05%	8.95%	3.55%
BVPI 84a)	Kilogrammes of household waste collected per head of authority population.	394.0kg	438.6kg	480.0kg
BVPI 91a)	Percentage of households served by a kerbside collection of recyclables.	100.00	94.6	93.50
BVPI 86	Cost of waste collection per household.	38.48	49.15	52.43
BVPI 205	The Authorities score against a 'Quality of Planning Services' checklist	100.00	90.1	83.3%
BVPI 109a)	The percentage of major commercial and industrial planning applications determined within 13 weeks.	74.9%	64.92%	57.08%
BVPI 109b)	The percentage of minor commercial and industrial planning applications determined within 8 weeks.	81.07%	74.23%	69%
BVPI 109c)	The percentage of other planning applications determined within 8 weeks.	91.39%	86.49%	83.37%
BVPI 204	Planning appeals: percentage allowed.	25.0	30.9	36.1
BVPI 205	The Authorities score against a 'Quality of Planning Services' checklist	100.00	90.1	83.3%
BVPI 183a)	The average length of stay in Bed and Breakfast accommodation of households that are unintentionally homeless and in priority need.	1 week	2.98 weeks	4.25 weeks
BVPI 183b)	Average length of stay in hostel accommodation (in weeks).	0.00	10.89	17.00
BVPI 166a)	Score against a checklist of enforcement best practice for - Environmental Health	100%	89.6%	85%
BVPI 126	The number of domestic burglaries per 1000 households	5.7	8.2	9.6
BVPI 127b)	Robberies per 1000 population	0.2	0.6	0.7
BVPI 64	The number of private sector vacant dwellings returned into occupation or demolished during the financial year as a direct result of action by authority.	76.50	74.43	7
(HIP)	Affordable housing completions or acquisitions per thousand dwellings	No data currently available		
CDRP	Theft of a motor vehicle per 1,000 persons	No data currently available		
CDRP	Theft from a motor vehicle crimes per 1,000 persons	No data currently available		
CDRP	Violence against the person per 1,000 persons	No data currently available		
CDRP	Sexual Offences per 1,000 population	No data currently available		

REPORT



REPORT OF	MEETING	DATE	ITEM NO
POLICY & PERFORMANCE	CABINET	14 TH MARCH 2007	9

THE 2007/08 CORPORATE ACTION PLAN

Public item

This item is for consideration in the public part of the meeting.

Summary

The report provides details of the 2007/08 Corporate Action Plan for Fylde that has been updated to include new actions and revised targets for medium and long term actions.

Recommendations

1. That the Cabinet approve the 2007/08 Corporate Action Plan included in Appendix 1 of the report.
2. That the Cabinet Portfolio Holders take responsibility for their respective actions in the plan and monitor progress through the briefings held with senior managers throughout the 2007/08 financial year.

Portfolio Holder

This item falls within the following Cabinet Portfolio:

Corporate Performance and Development

Councillor Sue Fazackerley

Report

1. The Council's corporate objectives have been the subject of review during 2006. The review included consultation and consideration through the overview and scrutiny process. The outcome from this review was considered by the Cabinet at its meeting in November 2006 where it was confirmed that the current five objectives would be retained. It was further resolved (inter alia) that officers and portfolio holders were to

ensure that emerging issues were monitored and addressed through an updated Corporate Action Plan.

2. Appendix 1 includes the proposed Corporate Action Plan for 2007/08 updated in light of achievements during 2006 and draft service plans for 2007/08. The Action Plan outlines the key activities that will be delivered during the coming year to support the agreed corporate objectives.
3. The Corporate Action Plan has been revised in consultation with Portfolio Holders with any new actions being introduced in response to national and corporate priorities and available resources. The actions have been developed through the service planning process that takes account of stakeholder engagement, risk assessments and the consideration of financial and other resource availability.
4. Several of the actions from the existing 2006/07 Corporate Action Plan extended beyond one year and as a result are carried forward to the 2007/08 Action Plan. Where this is the case the target outcome for the end of the financial year (2007/08) has been updated.
5. The Corporate Plan is part of the Council's Budget and Policy Framework and, as such, will need to be approved at a meeting of the full Council. Therefore, it is proposed to present this at the Council meeting scheduled for 26th March.

IMPLICATIONS	
Finance	The financial implications of proposed actions have been considered as part of the service planning process.
Legal	There are no direct legal implications arising from this report.
Community Safety	There are no direct community safety implications arising from this report.
Human Rights and Equalities	Equality and diversity has been considered as part of the service planning process.
Sustainability	There are no direct sustainability implications arising from this report.
Health & Safety and Risk Management	Risk management is applied to all the service plans.

REPORT AUTHOR	TEL	DATE	DOC ID
ALLAN OLDFIELD	(01253) 658576	FEBRUARY 16 TH 2007	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

CABINET REPORT	July 12 th 2006	www.fylde.gov.uk
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List of appendices

Appendix 1: The 2007/08 Corporate Action Plan.

The 2007/08 Corporate Action Plan

<i>CORPORATE OBJECTIVE</i>		To improve, protect and enhance the streetscene and the local environment.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
ENS05 - Work closely in partnership with the LSP to deliver the required outcomes of the Environmental Enhancement group that fall within the responsibility of the council (5 year action).	Tim Ashton	Paul Walker	Clear targets and milestones agreed for the council with the sub group partners. The council is on course to deliver the actions required by the group.
ENS06 - Work with partners to produce a comprehensive energy conservation strategy for the borough (2 year action).	Tim Ashton	Dave Jenkinson	An established corporate and community strategy that integrates assets, transport, waste minimisation and environmental sustainability.
Work closely in partnership with the LSP to deliver the environmental outcomes of the Central Ward Project (3 year action).	Tim Ashton	Dave Joy	Environmental improvement scheme designed and approved by LSP for funding. Environmental deprivation in Central ward reduced as measured by the government's Indices of Deprivation.
Work closely in partnership with Lytham In Bloom to maximise its chances of success in the 2007 Britain In Bloom finals.	Tim Ashton	Dave Joy	Successful participation by Lytham In Bloom in the 2007 Britain In Bloom finals.
Review the council's Enforcement capacity (Audit Commission Environment Inspection recommendation).	Tim Ashton	Dave Joy	Review completed with recommendations for strengthening the Council's approach to the regulation of the built and natural environment.

<i>CORPORATE OBJECTIVE</i>		To tackle the fear of crime and maintain safe communities.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
CS01 - Support the implementation of the Community Safety Strategy 2005-2008 (3 year plan).	Patricia Fieldhouse	Paul Walker	To achieve appropriate year end performance measures as agreed in the strategy
CS02 - Work closely in partnership with the LSP to deliver the 2006/07 outcomes of the Safer Communities group that fall within the responsibility of the council (5 year action).	Patricia Fieldhouse	Paul Walker	Clear targets and milestones agreed for the council with the sub group partners. The council is on course to deliver the actions required by the group.
CS03 - Establish council owned and operated rapid deployment CCTV facilities (2 year action).	Patricia Fieldhouse	Paul Walker	Successful bid for council owned rapid deployment CCTV facilities that compliment those of the Community Safety Partnership.
Work closely in partnership with the LSP to deliver the Community Safety outcomes of the Central Ward Project (3 year action).	Patricia Fieldhouse	Dave Joy	A reduction in the level of crime and the fear of crime in Central ward as measured by the government's Indices of Deprivation. .

<i>CORPORATE OBJECTIVE</i>		To create a strong and diverse local economy and improved employment prospects.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
EC01 - Formulation and completion of the 'Classic Resort' delivery Plan (6 year action)	Roger Small	Paul Walker	Development Partnership funding profile agreed and funding sought to commence the Classic Resort Delivery Plan.
EC03 - Work closely in partnership with the LSP to deliver the 2006/07 outcomes of the Economic group that fall within the responsibility of the council (4 year action).	Roger Small	Paul Walker	A clear sub group action plan in place that outlines the role and degree of responsibility for the council with milestones that the Council is working towards.
EC04 - Regeneration of St Annes Town Centre area (4 year action)	Roger Small	Paul Walker	Complete phase 4 of The Square and commence work on Ashton Gardens
EC05 - Work closely in partnership with the LSP to deliver the 2006/07 outcomes of the Life Long Learning group that fall within the responsibility of the council (4 year action).	Roger Small	Paul Walker	A clear sub group action plan in place that outlines the role and degree of responsibility for the council with milestones that the Council is working towards.
Update and submit the Local Development Scheme (LDS) statutory requirement	Roger Small	Paul Walker	LDS updated and submitted to GONW
Review the council's Economic Development strategy following consideration of any issues arising out of the Employment and Industrial land allocation study,	Roger Small	Paul Walker	Economic Development Strategy adopted and funding sought.
Work closely in partnership with the LSP to deliver the employment outcomes of the Central Ward Project (3 year action).	Roger Small	Dave Joy	A reduction in the levels of unemployment in Central ward as measured by the government's Indices of Deprivation.

<i>CORPORATE OBJECTIVE</i>		To create a strong and diverse local economy and improved employment prospects.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
Adopt Statement of Community Involvement	Roger Small	Paul Walker	Statement of Community Involvement adopted
Adoption of Residential Extensions Supplementary Planning Document (SPD)	Roger Small	Paul Walker	Residential Extensions SPD adopted
Complete Sustainability Appraisal Scoping Report adopt Interim Housing Policy	Roger Small	Paul Walker	Interim Housing Policy adopted.
Complete Sustainability Appraisal Scoping Report (Core Strategy)	Roger Small	Paul Walker	Core Strategy Sustainability Appraisal Scoping Report completed
Prepare Strategic Flood Risk Assessment	Roger Small	Paul Walker	Strategic Flood Risk Assessment prepared.
Undertake Regulation 25 consultation on Core Strategy (Issues & Options)	Roger Small	Paul Walker	Regulation 25 consultation on Core Strategy (Issues & Options) completed
Finalise the draft strategy for Kirkham town centre and consult	Roger Small	Paul Walker	Kirkham Town Centre strategy adopted and funding sought.

<i>CORPORATE OBJECTIVE</i>		To create a strong and diverse local economy and improved employment prospects.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
Develop medium longer term strategic actions for tourism	Simon Renwick	Paul Walker	Strategic tourism actions defined and funding sought.

<i>CORPORATE OBJECTIVE</i>		To improve access to good quality affordable housing and promote the health, well being and the quality of life for everyone in the community.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
QLF01 - Complete the review of local authority leisure and swimming provision throughout the borough and implement the agreed action plan	Simon Renwick	Paul Norris	To invite tenders for the delivery of swimming service. Project due for completion in Oct 2007 as per Project Plan To have established clear partnership/shared service arrangements for leisure provision
QLF02 - Development of a sport and play strategy for the borough (2 year action).	Simon Renwick	Paul Norris	Strategy and Action Plan adopted by Council.
QLF03 - Complete the implementation of a the Passport to Leisure Scheme	Simon Renwick	Paul Norris	Better access to facilities by targeted groups. Access to user marketing data. Improved service to all customers
QLF04 - Review elements of Cultural Strategy – Art, Tourism, Parks, heritage, countryside recreation. Partnership working with Blackpool and Wyre Councils	Simon Renwick	Paul Norris	Cross cutting cultural strategy developed Improved strategic knowledge and increased partnership working to deliver cultural activities across the borough and the Fylde Coast.
QLF05 - Implement Fylde's contribution to the action plan for the review of services for young people	Simon Renwick	Paul Norris	At least 80% of the agreed action plan completed

<i>CORPORATE OBJECTIVE</i>		To improve access to good quality affordable housing and promote the health, well being and the quality of life for everyone in the community.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
Implement the SaferSands action plan (three year plan to 2009)	Simon Renwick	Paul Norris	100% completion of the first year actions.
To recognise Fylde's responsibilities under the 'Every Child Matters' Agenda	Simon Renwick	Paul Norris	Every Child Matters agenda mainstreamed through council's service planning process
QLF06 - Registration of Lowther Gardens as a charitable trust and exploring the appointment of alternative Trustees (2 year action)	Simon Renwick	Paul Norris	Registration of the gardens as a charitable trust and negotiations advanced with alternative Trustees
QLF08 – Update and implement the action plans of the housing and homelessness strategies (Time scales identified in the action plans).	Patricia Fieldhouse	Clare Platt	Action plans updated and implementation of the actions identified for 2007/08
QLF11 - Participate in delivering the action plan of the Health and Wellbeing theme group of the Local Strategic Partnership, particularly with regard to the priority of reducing misuse of alcohol (5 year action).	Patricia Fieldhouse	Clare Platt	Actions attributed to Fylde Borough Council delivered
QLF – Implement requirements of smokefree premises legislation in relevant premises throughout the Borough, through education and compliance initiatives.	Patricia Fieldhouse	Clare Platt	Understanding of and compliance with requirements of smokefree legislation

<i>CORPORATE OBJECTIVE</i>		To improve access to good quality affordable housing and promote the health, well being and the quality of life for everyone in the community.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
QLF Implement requirements to licence gambling premises throughout the Borough by development of appropriate administrative, procedural and compliance systems, in accordance with the adopted gambling policy.	Patricia Fieldhouse	Clare Platt	Understanding of and compliance with requirements of gambling legislation
QLF Review Council policy in relation to licensing of alcohol and entertainment premises	Patricia Fieldhouse	Clare Platt	Policy reviewed and adopted by Council
Work closely in partnership with the LSP to deliver the housing outcomes of the Central Ward Project (3 year action).	Simon Renwick	Dave Joy	Completed feasibility study of Council involvement in management of private sector HMOs. Submission to Home Office for discretionary HMO licensing scheme.
Work closely in partnership with the LSP to deliver the youth provision outcomes of the Central Ward Project (3 year action).	Simon Renwick	Dave Joy	Feasibility study completed for the provision of a dedicated youth facility in Central ward.

CORPORATE OBJECTIVE		To deliver value for money, high quality local services.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output) PROGRESS TO DATE
Review Sustainable Community Plan	John Coombes	Paul Walker	Community Plan reviewed and revised plan adopted.
HQS01 - Implement partnership with Blackpool to deliver a joint revenues and benefits service (2 year action) Subject to a satisfactory business case	Paul Rigby	Brian White	All financial systems and practices to be in place across both authorities.
HQS03 - Deliver the efficiency savings outlined in the efficiency statement (2 year action)	Paul Rigby	Brian White	Successful submission and audit of statements during the year and an action plan to deliver the savings.
HQS04 - Establish electronic service delivery take up targets and promote e-access (3 year action)	Paul Rigby	Allan Oldfield	A suite of targets allocated to every on line service / transaction and promotion campaign in place.
HQS05 - Develop and implement a business process re-engineering solution for use at Fylde (3 year action)	Paul Rigby	Dave Joy	Funding secured, BPR process agreed and resources dedicated to implementation. Links established to efficiency programme.
HQS07 - Manage and improve the council's assets (4 year rolling plan).	Paul Rigby	Paul Walker	Annual Asset Management Plan reviewed and performance reported to members
HQS08 - Review of all council assets to ensure more effective use is gained from them (5 year rolling plan).	Paul Rigby	Paul Walker	Asset Management Group has reviewed 20% of council property/land assets. Policy agreed on the transfer/disposal of Council assets. Asset sales commenced.
Council's accommodation project	Paul Rigby	Paul Walker	Outline Business Case & Procurement Strategy agreed (OGC Gateway 2) and tendering commenced.

CORPORATE OBJECTIVE		To deliver value for money, high quality local services.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output)
			PROGRESS TO DATE
HQS11 - Develop the job evaluation scheme (2 year action)	Sue Fazackerley	Allan Oldfield	Agreement reached on the implementation of a programme of job evaluation against every post.
HQS12 - Develop, implement and champion proposals for local government re-organisation, subject to legislation being passed (3 year action)	Sue Fazackerley	Allan Oldfield	Firm proposals in place for new local government arrangements in the Fylde region.
HQS14 - To provide support and assistance to elected members to ensure they are able to fully carry out their role as local government representatives (3 year action)	Sue Fazackerley	Tracy Scholes	IDeA capacity building programme implemented. Member Development Charter to be sustained and higher level aspired to in 2008 charter review
HQS23 - Continued development of scrutiny activity in line with national best practice (3 year action)	John Coombes	Tracy Scholes	Each Scrutiny Committee to conduct one in-depth review per annum or key line of investigation within its Work Plan with the aim of the information being posted in the Institute of Public Scrutiny Website as good practice work.
Prepare and monitor the Corporate Risk Register	Sue Fazackerley	Tracy Scholes	Corporate Risk Register prepared and reviewed during 2006/07 and action to be repeated in 2007/08 in line with the Council's Risk Management Strategy
Monitor the Business Continuity Plan prepared in accordance with the requirements of the Civil Contingencies Act	Sue Fazackerley	Tracy Scholes	In line with 2006/07 key action, a Business Continuity Plan was in place on 1 April 2007 and will now be monitored throughout the year
Review all health and safety policies; keep abreast of the impact of new legislation and audit health and safety practices within Business Units	Sue Fazackerley	Tracy Scholes	New suite of health and safety policies to be in place together with auditing arrangements. This service is provided under contract by Blackpool Council, the Council's Health and Safety Advisors

<i>CORPORATE OBJECTIVE</i>		To deliver value for money, high quality local services.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output) PROGRESS TO DATE
To manage the delivery of the 2007 Borough and Parish Elections and implement all the requirements of the Electoral Reform Act	Sue Fazackerley	Tracy Scholes	Progress was made in 2006/07 in preparing for the implementation of the Electoral Reform Act and further work will continue in 2007/08 (encouragement of electoral participation and review of polling places)
Implement a programme of induction and acclimatisation for newly elected council members.	Sue Fazackerley	Tracy Scholes	Programme implemented and personal development plans completed for newly elected members.
HQS16 - To achieve top quartile service quality against all key performance indicators for Fylde (4 year action).	Sue Fazackerley	Allan Oldfield	Identify the key performance indicators for Fylde and secure improving trends compared against all English district councils.
Develop and agree a corporate framework for workforce and succession planning (2 year action to 2009).	Sue Fazackerley	Allan Oldfield	A framework is in place and has been implemented covering at least 40% of employees.
Develop and implement a comprehensive Pay and Workforce Strategy (2 year action to 2009).	Sue Fazackerley	Allan Oldfield	A Pay & Workforce Strategy suitable for Fylde approved by Cabinet with a clear action plan to implement key initiatives.
Develop and implement a comprehensive transformational strategy and process for Fylde including an agreed process re-engineering methodology (1 year action).	Paul Rigby	Allan Oldfield	Strategy approved by Cabinet and process implemented on at least three processes with measurable efficiencies demonstrated.

CORPORATE OBJECTIVE		To deliver value for money, high quality local services.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output) PROGRESS TO DATE
Roll out the Community Master 'web in a box' facility to all councillors, community groups and the voluntary sector (1 year action).	Paul Rigby	Allan Oldfield	At least 100 community master web sites linked to the MyFylde portal.
Implement the ICT disaster recovery plan.	Paul Rigby	Allan Oldfield	At least 80% of the plan implemented.
Develop and implement home and remote working systems.	Paul Rigby	Allan Oldfield	Home and / or remote working in place for at least 30 employees.
HQS17 - All first point of council contacts to be dealt with by the Customer Service Team (4 year action)	Albert Pounder	Paul Norris	Systems are in place for all face to face, written, electronic and phone contact from external customers to go straight to the customer service team.
HQS18 - Work with LSP partners to facilitate an annual 'Listening Day' event (5 year action)	Albert Pounder	Paul Norris	Increase in satisfaction in services provided by participating partners. Improved partnership working 2500 respondents to Listening Day achieved
HQS19 - Deliver Fylde's contribution to the LAA action plans with partners (4 year action to 2009).	Albert Pounder	Paul Norris	Reportable PIs submitted Increased partnership working and shared delivery

CORPORATE OBJECTIVE		To deliver value for money, high quality local services.	
Key Action	Portfolio Holder	Lead Officer	TARGET TO BE ACHIEVED BY APRIL 1 ST 2008 (Output) PROGRESS TO DATE
HQS20 - To enhance the reputation of the council through the I&DeA 'Reputations' toolkit and the council's Reputation Action Plan. (4 year action to 2009).	Albert Pounder	Paul Norris	Implementation of Action Plan. Increased positive feedback and opinions of the council in local, regional and national circles measured through local PR indicators.
HQS23 - Continued development of scrutiny activity in line with national best practice (3 year action)	John Coombes	Tracy Scholes	Each Scrutiny Committee to conduct one in-depth review per annum within Work Plan with the aim of the information being posted in the Institute of Public Scrutiny Website as good practice work.
HQS24 - Implement joint service reviews in partnership with Wyre Borough Council. (3 year action).	John Coombes	Dave Joy	Completion of at least 2 joint service reviews and establishment of joint working arrangements between Fylde and Wyre.
To improve the service on the primary phone line 01253 658658.	Albert Pounder	Paul Norris	90% of external customer calls answered during working hours. 90% customer satisfaction with the service delivered.
Review Corporate Consultation Strategy (Audit Commission Environment Inspection recommendation).	Paul Rigby	Paul Norris	Review completed with recommendations to improve the co-ordination and effectiveness of corporate consultation.
Utilising the District-Parish Liaison mechanism, to work with the borough's parish and town councils to develop a Parish and Town Council Charter councils in accordance with the national Quality Parish Council scheme.	Albert Pounder	Dave Joy	Charter agreed and adopted by the borough council and town/parish councils.

REPORT

REPORT OF	MEETING	DATE	ITEM NO
CHIEF EXECUTIVE	CABINET	14 TH MARCH 2007	10

VALUE FOR MONEY – STRATEGIC APPROACH

Public Item

This item is for consideration in the public part of the meeting.

Summary

The report establishes the comparative “value for money” position of Fylde Borough Council against other district councils across a range of operational and support service areas and recommends a strategic approach to the future delivery of “value for money” through the Council’s Medium Term Financial Strategy.

Recommendations

1. That the Chief Executive or his nominee be requested to investigate, through relevant networks, the prospect of concurrent benchmarking with appropriate councils which could lead to the development of a “real-time” cost / performance matrix.
2. That the Cabinet’s future workplan includes a service review framework, within the Medium Term Financial Strategy, which prioritises a programme of “value for money” assessments on the basis of high cost / low performing services.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:
Finance and Efficiency: Councillor Paul Rigby

Report

Background

1. “Value for Money” (VfM) is a phrase which has grown in use in recent years as a consequence of work undertaken by the Audit Commission to evaluate the effectiveness with which local authorities use their resources. VfM forms one of the five strands of inspection within the annual Use of Resources (UoR) assessment to which Councils are subject.
2. The Audit Commission has established a scoring regime for UoR which runs from 1 – 4 where 4 is regarded as performing strongly. Within this regime each of the five elements is scored separately and collated to give an overall rating. The most recent

scores both for the overall UoR assessment and the VfM element for Fylde is 2, which is regarded as performing satisfactorily.

3. The VfM assessment is structured around two main questions; what value for money is the council currently achieving and what approach has the council adopted to manage and improve VfM ? There is clearly an expectation built in to this assessment that all councils, even those which are currently achieving good VfM, will continue to look to improve this position.

Current Position

4. In order to assist in the first of these assessments the Audit Commission (AC) has published VfM comparisons of all district councils. These are available for viewing on the AC website - <http://vfm.audit-commission.gov.uk/HomePage.aspx> It should be noted that the data collected by the Commission reflect spending activity from the 2005/06 revenue estimates.
5. The tables are sorted by main service area, with 22 of these being relevant to the services provided by Fylde Borough Council. Some of the tables relate to clearly identifiable services (e.g. waste collection, homelessness, etc.), whilst others relate to the corporate position of councils (e.g. level of band D council tax, total spend per head of population). A full list of the relevant tables is attached at Appendix A.
6. The tables provide a valuable benchmarking tool which allows comparison to be made of all district council's spending profiles. From a purely financial perspective it is advantageous for councils to be ranked in the bottom quartile of these tables and an analysis of the Fylde data in Appendix A ranks the Council in this most advantageous quartile in 55 % of the categories – a further 32% are in the average quartiles. Appendix Bi and Bii give two examples of how the raw data is presented on the AC website.
7. Appendix A indicates that only 13% of our services are costing the Council more than the national average. These services generally reflect the Council's corporate priority of protecting and enhancing the local environment where specific investment has been made to improve recycling rates and achieve Green Flag and Seaside Award status for the Borough's parks and open spaces.
8. Although the tables provide a good tool for making essential financial comparisons between district councils, broader analysis is necessary to fully evaluate service outcomes and effectiveness. This can only be achieved by monitoring BVPI or Local PI data appropriate to the relevant service areas and developing a cost / performance matrix.
9. With support from a performance specialist working with the AC, this analysis has been commenced with a number of existing BVPIs relevant to Fylde service areas. The results of this are shown in Appendix C. In this matrix the target position for text to appear is in the top right hand square - low-cost, high-performing services. Services appearing in the bottom left hand section of the matrix are high-cost, low performing.
10. This degree of analysis allows Members to review, in comparison with other similar councils, the operational performance and financial impact of services against corporate and national priorities and to make informed decisions about future resource prioritisation.

11. The main drawback in the validity of this performance analysis tool is that the data used in the tables lags behind the current position by approximately 18 months. This arises as a result of the time required by the AC to undertake the data validation checks before the tables are published.
12. Recently the AC has indicated an intention to scale back their audit and inspection work with local authorities in recognition of the general improvement in performance across the sector. One area of work where their continuing involvement would add significant value would be to assist local authorities, on a regional or cluster basis, to compile concurrent benchmarking data across the financial and performance matrix detailed in Appendix C. The facilitation of such “real-time” data would promote more realistic and timely management intervention where service costs are escalating or service performance is deteriorating.
13. It is not known whether this type of work might be within the remit of the AC or whether other improvement or performance organisations such as IDeA or NWIN might be able to assist in developing such an approach. A recommendation is made on this point.

Future Strategic Approach

14. Based on an analysis of the financial data described above this Council is relatively well placed to demonstrate the current achievement of value for money across a broad range of services. The strategic approach to our management and improvement of VfM is currently outlined in the Council's Medium Term Financial Strategy (MTFS) which was reviewed most recently in November 2006.
15. This sets out, albeit in general terms only, the main tools the Council proposes to use to deliver the VfM agenda in the future in the light of “Gershon” efficiency requirements. The principles it describes include:
 - Partnering, joint working and collaboration,
 - Procurement efficiencies,
 - Efficiencies through new technology and e-government,
 - Workforce planning and asset management efficiencies,
 - Service reviews, market testing and performance management.
16. These principles can be regarded as falling within the required competencies of all of the Council's managers. Indeed, at a VfM workshop in 2006 management team developed a VfM Action Plan of service reviews. This will be revisited and updated early in the new financial year.
17. However, further work will be necessary to establish a robust, longer-term strategic connection between the MTFS and the efficiency / VfM agenda. This will involve Members and management team taking the medium term financial projections for the Council and developing a managed timetable of specified activities and actions such as service and support reviews, joint working opportunities (be these via the existing formal Joint Committee or through enhanced two-tier working or through a new Multi Area Agreement), development of new trading activities, market testing, asset reviews, remote working, etc. etc.
18. This work would also need to take account of the required level of performance expected from a given resource investment (i.e. the cost / performance matrix referred

to in paragraph 9 above) together with the corporate priorities of the Council. A recommendation is made on how this is taken forwards.

IMPLICATIONS	
Finance	Contained within the report.
Legal	None arising directly from the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

REPORT AUTHOR	TEL	DATE	DOC ID
P Woodward	(01253) 658500	March 2007	H/Cabinet/MarchAgenda/Vfmreport

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Document name		Council office or website address

Attached documents

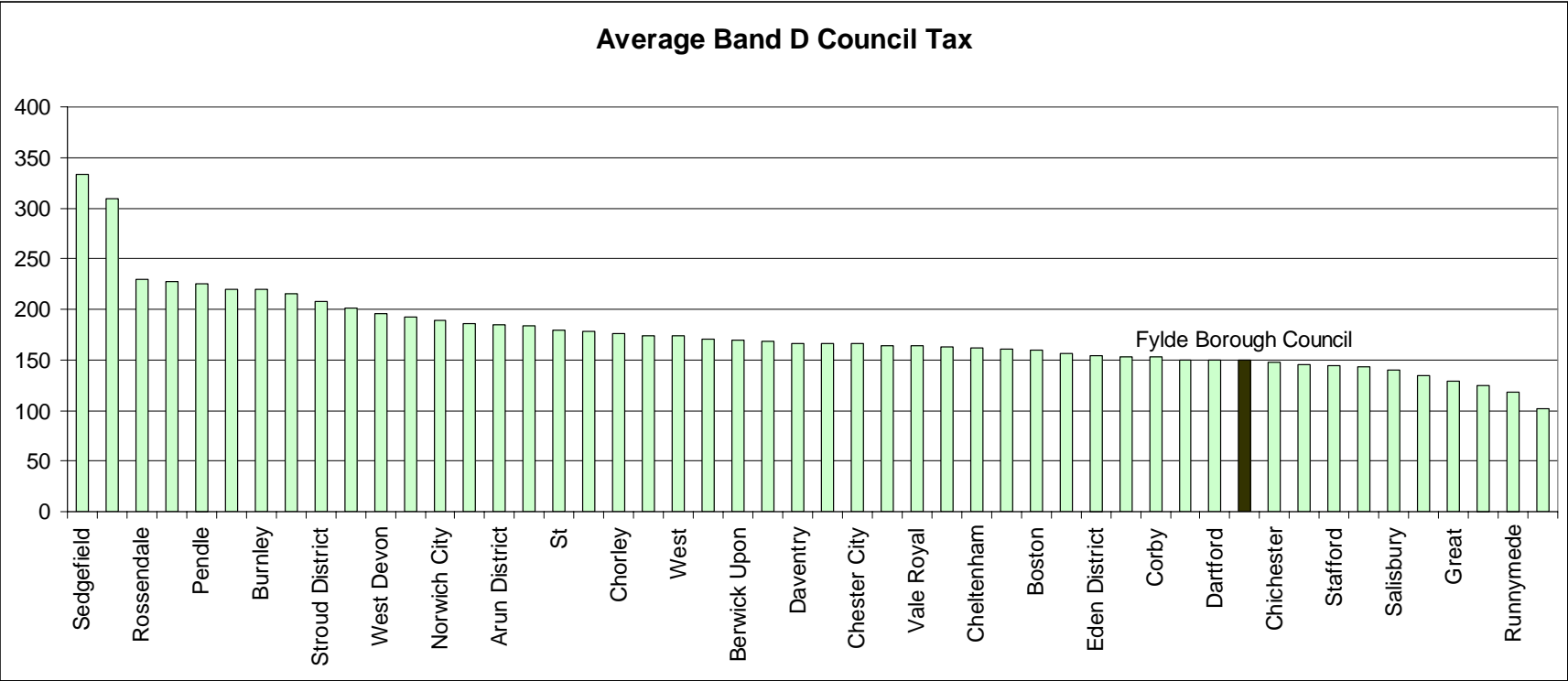
- Appendix A - List of financial performance comparators
- Appendix Bi - Council tax levels comparator – raw data
- Appendix Bii - Spend on services per head comparator – raw data
- Appendix C - Outline Cost / Performance matrix

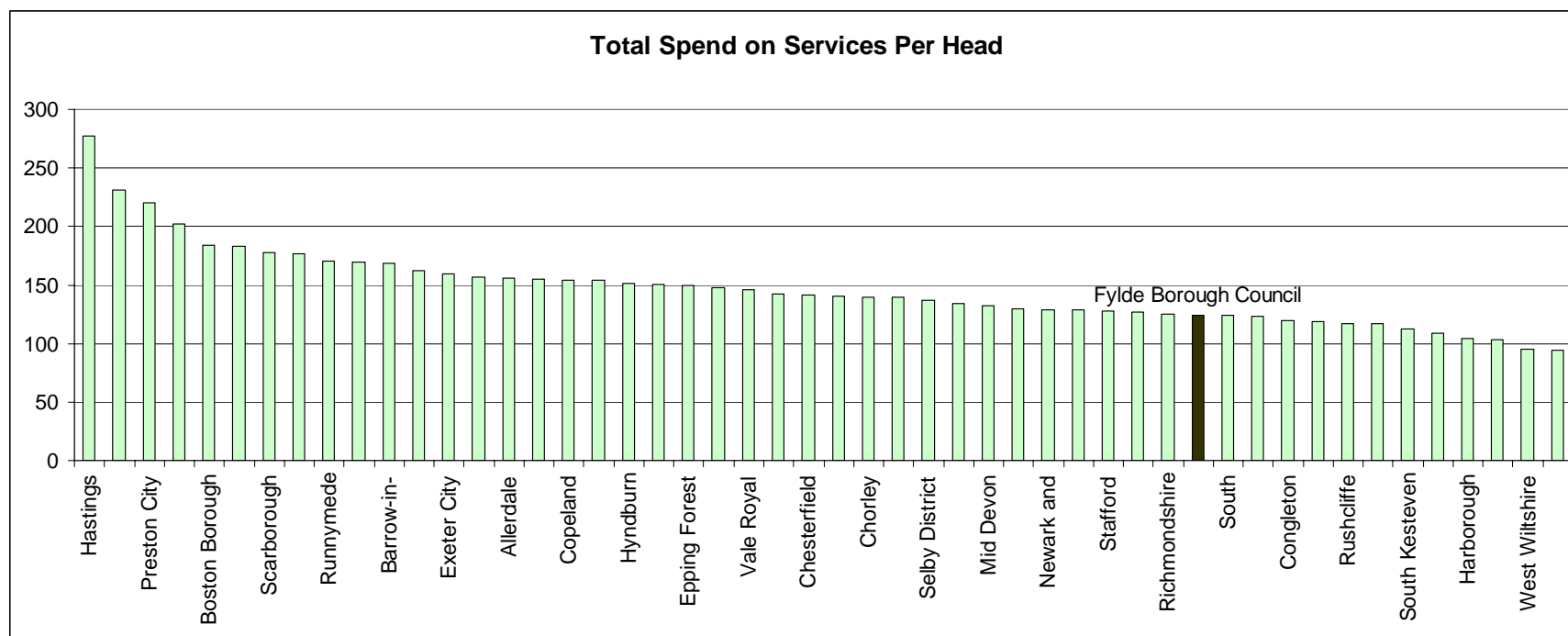
FINANCIAL COMPARATOR - SERVICE CATEGORY	QUARTILE
Average Band D Council Tax	Best
Total net revenue expenditure	Best
Total Expenditure on Services per head	Best
Net revenue expenditure per head	Best
% change in net revenue expenditure over previous year	Best
Unapportioned central overheads per head	Best
Cost of tax collection per head	Best
Total housing services spend per head	Best
Total environment spend per head	Best
Total planning spend per head	Best
Community safety spend per head	Best
Homelessness spend per head	Best
Total Cultural Services spend	Mid
Cost of central services per head	Mid
Environmental & public health spend per head	Mid
Total expenditure on DFGs	Mid
Parks & open spaces spend per head	Mid
Tourism spend per head	Mid
Cost of corporate & democratic core per head	Mid
Cost of waste collection per head	Worst
Sport & recreation spend per head	Worst
Cost of benefit administration per head	Worst

22 Financial Indicator Categories - 55 % best quartile
32% mid quartile
13% worst quartile

Other Comparators of Interest

Index of deprivation – average score	Mid
Number of DFGs	Top
Planning applications – number decided	Bottom
% residents in villages, hamlets & isolated dwellings	Bottom





APPENDIX C

LOWEST QUARTILE COSTS	<ul style="list-style-type: none"> • stays in B&B • sleeping rough • conservation areas character & mgmt appraisals • major planning applications • other planning applications • brownfield sites • planning checklist 	<ul style="list-style-type: none"> • waste collected/head • recycling • vacant properties returned/demolished • minor planning applications 	<ul style="list-style-type: none"> • information on contaminated sites • abandoned vehicles removed 	<ul style="list-style-type: none"> • recycling/composting • change in waste collected • kerbside recyclables • standard searches • stays in hostel • repeat homelessness • environmental health checklist • pollution improvements • 2 or more recyclable
BELOW AVERAGE COSTS	<ul style="list-style-type: none"> • council tax collected • NNDR collected 			
ABOVE AVERAGE COSTS				
HIGHEST QUARTILE COSTS	<ul style="list-style-type: none"> • processing new benefit claims ** 		<ul style="list-style-type: none"> • accuracy of benefits claims 	<ul style="list-style-type: none"> • benefits change in circumstances • recovery of overpayments
	LOWEST QUARTILE PERFORMANCE	BELOW AVERAGE PERFORMANCE	ABOVE AVERAGE PERFORMANCE	HIGHEST QUARTILE PERFORMANCE

** - Low quartile performance as a consequence of new software installation (current performance above average)

REPORT

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	CABINET	14 TH MARCH 2007	11

TREASURY MANAGEMENT STRATEGY 2007/08

Public item

This item is for consideration in the public part of the meeting.

Summary

Financial Regulations require the Executive Manager (Finance) to report and make recommendations to the Cabinet on a proposed treasury management strategy for the forthcoming financial year. This report sets out the treasury management strategy for 2007/08 and encompasses borrowing requirements, debt management arrangements, the annual investment strategy and prudential indicators for treasury management for the Council.

Recommendation

1. That members approve the treasury management strategy for 2007/08.

Cabinet Portfolio:

The item falls within the following Cabinet Portfolio:

Finance and Efficiency Councillor Paul Rigby

Report

1 Introduction

- 1.1 The Local Government Act 2003 introduced the Prudential Capital Finance system, which became effective on 1st April 2004. The Chartered Institute of Public Finance and Accountancy (CIPFA) has developed the Prudential Code for Capital Finance in local authorities as a professional code of practice to support local authorities in making capital investment decisions. This code links closely with the existing CIPFA

Code of Practice for Treasury Management in Local Authorities, which has been adopted in full by the Council.

- 1.2 The Council is now required to link the decision making process that sets the Council's spending plans with the Council's treasury management policies to determine if those plans are affordable taking account of borrowing and investment assumptions approved by the Council and incorporated into the budget process.

2. Borrowing and Debt Management Arrangements for 2007/08

- 2.1 In the past the Council has relied on the capital receipts generated from the sale of assets and from the transfer of its housing stock to New Fylde Housing and associated receipts following Right-to-Buy sales to fund its capital programme. With the rundown of these capital receipts including the right to buy receipts the Council is now in a position where it will have to borrow to fund the capital programme in future.
- 2.2 Pressures on the capital programme however remain, with significant ongoing commitments for disabled facilities grants and housing renewal grants and capital bids for urgent works to meet operational and safety requirements.
- 2.3 The Council will need to make arrangements to borrow to finance capital spending in 2007/08, which cannot met from revenue, finance leases, grants or the use of the Council's very limited capital receipts. This figure will be reduced by the statutory sum set aside from the revenue budget to repay debt, known as the Minimum Revenue provision (or MRP). For the purpose of this strategy, it has been assumed that a maximum borrowing requirement of £350,000 will be required from 2007/08 and beyond.
- 2.4 This borrowing requirement may need to be supplemented when the final position on the office accommodation proposals is known. This report assumes that the full cost will be met in the long-term from the sale of Council assets. However it is likely that some short-term borrowing will be required to fill the gap between the opening of the new offices and the likely date of the receipt. This borrowing requirement is included in the prudential indicators for borrowing shown in section 6, but is excluded from the anticipated borrowing requirement for capital spending as this relates to a long-term need on the part of the Council.
- 2.6 The pressures on the funding of the Council's capital programme are likely to remain for the foreseeable future as forecasted receipts from RTB sales show a further drop over the next two years. It is therefore likely that the Council will need to continue to incur borrowing to support its capital programme. At this stage it is recommended that £350,000 be included in the Treasury Management Strategy for the years 2007/08 to 2009/10 to recognise this potential requirement. This position will be reviewed annually as the annual capital programme and resource position are finalised.
- 2.7 The Council may therefore be committed to a total borrowing requirement of £1,050,000 by 2009/10 with an annual revenue cost of almost £100,000.

3. Borrowing Strategy 2007/08

- 3.1 The options to raise loans to finance the borrowing requirement include the temporary use of internal balances, and/or raise loans via the Public Works Loans Board and/or the money markets.
- 3.2 These options should not have preference over each other and each should be considered when making borrowing decisions, so that optimum borrowing arrangements can be obtained. For example if interest rates on loans are high and exceed interest rates that can be achieved on lending, then the use of internal funds should be considered in the short-term, until borrowing rates fall to more acceptable levels.
- 3.3 The key to any borrowing strategy therefore is the forecast movement in interest rates in the longer term. To assist with these forecasts, the Council has retained the services of Sector Treasury Services Ltd, who provide regular reviews of interest rate forecasts for both borrowing and lending. Current forecasts for borrowing are as follows:-

Sector Forecasts	Marc h 2007 %	June 2007 %	Sept 2007 %	Dec 2007 %	Marc h 2008 %
Bank of England Base Rates	5.50	5.50	5.25	5.00	5.00
PWLB 10 year loans	4.75	5.00	5.00	4.75	4.50
PWLB 25 year loans	4.50	4.50	4.50	4.50	4.50

As part of this strategy and in accordance with Financial Regulations, the Executive Manager (Finance) will have delegated authority to make all decisions on borrowing and report back at least annually on the impact of those decisions on the Council's finances.

- 3.4 The PWLB is the main lender of funds to local authorities. Loans can be taken at variable rates for up to 10 years and at fixed rates for up to 30 years and provides a secure, low risk way of raising capital for capital investment.

The Council can however also borrow through the money market. Institutions such as banks have become more proactive in accessing the local authority market by offering discounted rates for an agreed period of time, followed by a second rate for the remaining life of the loan that can be varied by the lender at agreed intervals. These loans are known as Lender Option Borrow Option loans (or LOBO's) and can offer real savings in the early years of the loan. However the loans are usually for a considerable length of time, typically between 30-50 years, with the discounted period for up to the first 10 years of the loan. If the loan interest rate increases significantly after the end of the first review period, the Council can opt to repay the loan. This decision would obviously be based on the prevalent rate of interest in place at the time of the review and the revised rate of interest offered by the lender at that time. Any proposals to take out a LOBO loan should only be considered after evaluation by the Council's treasury management advisers.

- 3.5 In addition to the borrowing requirement of the Council, the balance of borrowing between fixed and variable rates needs to be considered. Given that the Council

could have a debt portfolio of around £1,000,000 by 2009/10, a half a percent movement in interest rates either way will affect the Council's budget by +/- £5,000.

- 3.6 The decision to raise borrowings at either fixed or variable rates should therefore be delegated directly to the Executive Manager (Finance), depending on the prevalent interest rates at the time the loan is required. As the Council's debt portfolio grows in future years it needs a degree of certainty over the cost of debt which comes from taking out longer term debt to finance the capital programme at fixed rates. For this reason it is recommended that the upper limit for long fixed term debt of over one year be set at 100% while the upper limit for long term variable borrowing be set at 20%. Short term borrowing of under one year can be 100% fixed or variable depending on prevalent rates.
- 3.7 Borrowing can be reduced by the application of internal balances held in reserves within the Council's accounts and cash-flow movements on a day-to-day basis. Rates for the short-term lending of cash balances and external borrowing are similar and in the past it has been advantageous to use these balances to finance capital expenditure. Under the Prudential Code, whilst it is still possible to finance capital spending from internal reserves, the Council now has the freedom to invest surplus balance such as reserves for periods of up to three years. These investments will be made at potentially better rates of interest than those available at the shorter end of the market and so must be considered before any final borrowing or investment decisions are made.
- 3.8 In summary, the recommended borrowing strategy, after considering the above factors, is:
- That the borrowing limit set includes both the long-term requirement to finance capital expenditure and any short-term difficulties arising from the office relocation.
 - That the Council's requirement for borrowing taken out for a period of over one year be met primarily from fixed rate borrowing. To meet this condition the upper limit for fixed rate borrowing be set at 100% and for variable rate borrowing at 20% to allow a degree of flexibility.
 - Short term borrowing for periods of less than one year to be met from either fixed or variable rate borrowing depending on the most advantageous rates available.
 - That the use of money market borrowing arrangements be considered in conjunction with the Council's treasury management consultants, Sector Treasury Services, when evaluating borrowing options.
 - That the use of internal balances be considered to fund capital spending on a temporary basis, pending permanent funding at a time when interest rates are deemed favourable.

4. Annual Investment Strategy 2007/08

- 4.1 The Council's Annual Investment Strategy must comply with guidance issued by the Office of the Deputy Prime Minister on local government investments. This requires the Council to set out within its Annual Investment Strategy: -
- Credit rating criteria and monitoring arrangements,
 - The liquidity of investments, setting limits on the minimum amount to be held in short-term investments i.e. those placed for periods of up to 364 days, and those

that are available for investment for longer periods of between one to three years.

- The investments to be used for prudent management of its treasury balances and limits for each type of investments.
- The circumstances under which professional advice is sought from the Council's treasury advisers, Sector Treasury Services, before any investment decisions are made.

4.2 The Council's investment strategy must give priority to: -

- The security of the investments it makes
- The liquidity of its investments to meet known liabilities.

The objective of the Annual Investment Strategy is therefore to achieve the optimum return on its investments commensurate with the appropriate levels of security and liquidity.

The Council may also temporarily invest funds borrowed for the purpose of financing capital spending expected to be incurred in the reasonably near future. Borrowing purely to invest or lend-on for speculative purposes is unlawful and the Council will not engage in such activity.

4.3 To ensure the security of the Council's investments, the Council uses credit ratings to establish the credit quality of the institutions and investments which the Council deals with. All institutions and investments need to have high ratings for creditworthiness and the minimum requirements are shown at appendix 1 to the report. The Council will maintain a lending list of approved institutions with whom the Council will place its investments. Monitoring of this list will take place monthly and will take account of changes to ratings notified as they occur. The amendment of the lending list to add or remove institutions as their credit ratings vary, is delegated to the Executive Manager (Finance).

5. Investment Balances

5.1 To assist in managing its finances, it is necessary to produce a cash-flow model, detailing all known major items of revenue and capital expenditure and income, taken from the Council's budget proposals. Cash balances can vary significantly during the course of the year due to timing differences between the receipt of cash items such as government grants and spending. The initial cash-flow estimate provides an indication of cash receipts and outgoings on a monthly basis and will form the basis of short-term investment policy. The initial cash-flow prediction for 2007/08 indicates that the minimum level of cash balances required to meet cash-flow requirements is £1.2 million. Liquidity will be maintained through the use of overnight deposits and money market funds.

5.2 In addition to short-term investments, the Council now has the capability to invest surplus balances for periods of between one to three years. This type of investment can only be made by assessing the level of general balances and reserves that are held by the Council and which will not be required in the short-term. An examination of the earmarked reserves and other internally held balances indicate that potentially up to £4 million is available for investment for periods over one year. It is therefore recommended that this figure be approved as the upper limit for investments placed over one year. This longer-term investment will, however, only

be undertaken after consultation with the Council's treasury advisers to determine the best possible options for the Council.

5.3 All investments fall into one of two categories contained in the ODPM guidance on local government investments: -

- Specified investments – representing investments for periods of less than one year offering high security and liquidity.
- Non-specified investments – representing investments for periods of one year or more or with institutions that do not have a credit rating. By their nature these investments have a greater degree of risk to the Council.

Both sets of investments have to be denominated in sterling.

5.4 The Council is also required to set out the type of investments it is prepared to enter into, the maximum limits and the minimum credit rating criteria for each class of institution taking the investments. This information is provided at appendix 2 to the report and is designed to minimise the risk of loss due to default on the part of the institution taking the investment. In the unlikely event of default occurring, provision will need to be met from revenue funds for the value of the lost investment.

5.5 In summary, the recommended investment strategy, after considering the above factors, is:

- That cash balances that are surplus to requirements are invested on the money market for periods determined by the cash-flow management model.
- That liquidity is maintained through the use of overnight deposits and money-market funds.
- That the minimum amount of cash balances required for cash-flow management is set at £1.2 million
- That the upper limit for investments for periods greater than one year is set at £4 million.
- That all investments are placed with institutions meeting the criteria contained in appendix 2 to this report, and that professional advice is sought if appropriate.

6. Money Laundering

The Council also has a legal requirement to ensure that it complies with regulations dealing with money laundering and to comply with the relevant treasury management practice guidance in this area. The details of the of these requirements are outlined in appendix 3 to the report for information.

7. Prudential Indicators for Treasury Management

7.1 The Prudential Code for Capital Finance requires the Council to set a series of prudential indicators to ensure that its capital investment plans are affordable, prudent and sustainable and that treasury management decisions taken meet good professional practice.

Prudential Indicators for treasury management relate to: -

- The adoption of the CIPFA Code of Practice for Treasury Management.
- Limits for external debt.

- Interest rate exposures.
- The maturity structure of borrowings.
- Investments for periods of longer than 364 days.

The indicators are not targets to be aimed at, but are limits within which the treasury management policies of the Council are deemed to be prudent.

7.2 The CIPFA Code of Practice for Treasury Management

The Council has adopted the CIPFA Code of Practice for Treasury Management and included its requirements in its Financial Regulations. In accordance with this Code, the Council has an approved policy statement for treasury management, which sets out the strategic issues to be considered when dealing with this function. The statement has been reviewed to reflect current policies and objectives and is now submitted for approval by members. The revised policy statement is as follows:

-

The Council defines the policies and objectives of its Treasury Management activities as:

- The management of the organisations cash-flows, its banking, money market and capital market transactions.
- The effective control of the risks associated with those activities.
- The pursuit of optimum performance consistent with those risks.

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. The analysis and reporting of treasury management activities will therefore focus on their risk implications for the Council.

The Council acknowledges that effective treasury management supports the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in its treasury management activities and to employ suitable performance measurement techniques within the context of effective risk management.

7.3 Limits on External Debt

(a) The authorised limit for external debt 2007/2008 – 2009/10.

This represents the total external debt, gross of investments, and other long-term liabilities such as finance leases, the Council is prepared to enter into. The authorised limit is based on the Council's overall spending plans and makes allowances for short-term cash movements.

To determine the authorised limit, assumptions need to be made on the possible future use of borrowing. Borrowing can be used: -

- As an alternative to other forms of financing (e.g. leasing),
- To cover for slippage in the realisation of capital receipts,

- To finance capital expenditure over and above expenditure supported by grants,
- To cover short-term cash-flow difficulties.
- To replace internal funds temporarily used to finance capital spending, assuming rates are favourable.

The following table sets out the maximum amount of gross debt the Council is expected to require over the next three years.

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Borrowing for capital purposes	350	700	1,050
Short-term cash-flow requirements	1,200	1,200	1,200
To cover for delays in realising capital receipts	2,500	250	250
Other long-term liabilities	Nil	Nil	Nil
Total External Debt	4,050	2,150	2,500

It is therefore recommended that the authorised limit for external debt for 2007/08 be set at £4.5m, for 2007/08, at £2.5m for 2008/09 and at £2.8m for 2009/10.

(b) The operational boundary for external debt 2007/08-2009/10.

The operational boundary is based on the same assumptions as the authorised limit but takes account of the most likely scenario of borrowing requirements, rather than the potential borrowing requirement as outlined in the authorised limit calculation. The operational boundary is the main monitoring tool for monitoring the Council's borrowing requirement. It may be breached temporarily due to cash-flow variations but any sustained breach or a regular trend of consistent breaches would be significant and result in further investigation into the causes of the breaches and recommendations for corrective action.

Based on the latest information it is recommended that the operational boundary for external debt for 2007/08 be set at £4.25m, for 2008/09 at £2.35m and for 2008/09 at £2.7m.

7.4 The limits for external debt are divided between borrowing and other long-term liabilities such as finance leases, as required by the Prudential Code. It may be that capital expenditure financed by borrowing may be better financed through a finance lease. It is therefore recommended to delegate authority to the Executive Manager (Finance) to vary movement between the separately agreed limits for borrowing and other long-term liabilities within the total authorised external debt limit and operational boundary to ensure that the Council receives value for money.

7.5 Interest rate exposure 2007/08 – 2009/10

The management of interest rate risk is a top priority for the Council. To assist with this priority, the Prudential Code requires the Council to set upper limits for fixed and variable rate exposure for the Council's net principal position i.e. the difference between borrowing (as determined by the operational boundary) and lending. The

net principal itself represents the annual upper exposure limit against which the fixed and variable rate exposure is measured.

The following table sets out the position for the three year period 2006/07 – 2008/09

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Total Projected Borrowing	4,300	2,400	2,800
Total Projected Lending	4,000	4,000	4,000
Net Principal Outstanding	300	(1,600)	(1,200)

The borrowing strategy recommends that the limits for borrowing to finance the capital programme be set at 100% for fixed rate borrowing and 20% for variable rates. Borrowing to fund short-term cash difficulties or to bridge a delay in receiving capital receipts will generally be classed as variable rate borrowing. Lending for periods of less than one year is also classed as variable rate lending and as the Council does not currently invest surplus funds for longer periods, this position is assumed to continue. Given these factors the two prudential indicators are therefore: -

The upper limits for fixed and variable rates are therefore: -

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Upper Limit for Fixed Rates	350	350	350
Upper Limit for Variable Rates	(30)	(2,210)	(2,140)

An explanation of the calculation is shown at appendix 4 to the report.

7.6 Debt Maturity Profiles.

As stated earlier in the report the Council is currently debt free. However, because of the forecasted reduction in capital receipts, this position is about to change and the Council are asked to approve the following debt maturity profile for its fixed rate borrowings for future reference. This recommendation is based on normal practices drawn from other local authorities and will form the basis of the Council's treasury management activities with regard to borrowing.

	Upper Limit	Lower Limit
Under 12 months	20%	Nil
12 months to 2 years	20%	Nil
Between 2 and 5 years	60%	Nil
Between 5 and 10 years	80%	Nil
Over 10 years	100%	Nil

7.7 Investments for longer than 364 days

Currently all investments made by the Council are for periods of less than one year. The investment strategy has indicated that £4 million is potentially available for investment for periods of over one year and this value is recommended as the upper limit for this prudential indicator.

7.8 In summary, the following prudential indicators are recommended for the financial years 2007/08-2009/10

Indicator	2007/08 £'000	2008/09 £'000	2009/10 £'000
Authorised Limit for External Debt			
Borrowing	4,500	2,500	2,800
Other Long Term Liabilities	Nil	Nil	Nil
Total	4,500	2,500	2,800
Operational Boundary for External Debt			
Borrowing	4,250	2,350	2,700
Other Long Term Liabilities	Nil	Nil	Nil
Total	4,250	2,350	2,700
Upper Limits on Interest Rate Exposures			
Fixed Rate	350	350	350
Variable Rate	30	(2,210)	(2,140)
Upper Limit for investments over 364 days	£4m	£4m	£4m

Debt Maturity Profile		
	Upper Limit	Lower Limit
Under 12 months	20%	Nil
12 months to 2 years	20%	Nil
Between 2 and 5 years	60%	Nil
Between 5 and 10 years	80%	Nil
Over 10 years	100%	Nil

8 Capital Prudential Indicators

8.1 It is recommended that the following capital prudential indicators be adopted.

PRUDENTIAL INDICATOR	2007/08	2008/09	2009/10
TABLE 1			
	Estimate	Estimate	Estimate
	£'000	£'000	£'000
Capital Expenditure	350	350	350
Net borrowing requirement	£0	£0	£0
Capital Financing Cost Indicator- Ratio of financing costs to net revenue stream	-0.5%	-0.25%	0%
Capital Financing Requirement as at 31 March	£1,250	£1,600	£1,950
Incremental Impact – Council Tax Band D	£1.00	£0.74	£0.45

In considering its programme for capital investment and in setting or revising its prudential indicators an authority must have regard to:

- Affordability, e.g. implications for council tax;
- Prudence and sustainability, e.g. implications for external borrowing;
- Value for money, e.g. option appraisal;
- Stewardship of assets, e.g. strategic planning for the Authority;
- Practicality, e.g. achievability of the forward plan.

At present this Council has no long term debt and finances its capital expenditure from grants and contributions, and capital receipts having previously sold its housing stock to New Fylde Housing. Short term borrowing is undertaken to manage the day to day

operations of the Council. However this position will change in 2007/08 as the capital receipts are run down and the Council has to borrow to finance the capital programme.

The Council has to make a reasonable estimate of the capital expenditure that it plans to incur in the following three years and after the year end must record the actual expenditure incurred in that year.

Capital Financing Requirement Indicators

A change introduced by the code is the calculation of the capital financing requirement (cfr). The capital financing requirement indicators measure the council's underlying need to borrow to fund capital expenditure.

Within the code there is a key indicator of prudence that ensures that, over the medium term, net borrowing is only for a capital purpose (the golden rule).

In order to ensure this, the council checks that the net external borrowing requirement does not, except in the short-term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

Capital Financing Costs Indicators (ratio of financing costs to net revenue stream)

One of the indicators of affordability is the estimated ratio of the Council's General Fund capital financing costs to its net revenue stream in percentage terms. If the ratio is increasing rapidly over time then a larger proportion of revenue resources is being taken up by capital financing costs, which might otherwise be used for other elements of the Council's budget.

Incremental Impact Indicators

The other indicator of affordability is the estimate of the incremental impact on council tax of new capital investment decisions over and above capital investment decisions that have previously been taken by the Council.

IMPLICATIONS	
Finance	Implicit within the report.
Legal	Implicit within the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

REPORT AUTHOR	TEL	DATE	DOC ID
Brian White	(01253) 658566	Feb 15 th 2006	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

Appendix 1: Treasury Management Strategy Appendices

CREDITWORTHINESS

Credit Ratings

The Council will only place investments with institutions that have a minimum credit rating for both short and long-term investments. Ratings can be supplied by a series of agencies who individually assess the creditworthiness of particular institutions and the higher the rating, the lower the risk of the institution defaulting on its obligations.

From the Council's perspective, investments should therefore generally only be made with institutions with high credit ratings, which will include all the major UK clearing banks and building societies.

From a review of existing credit ratings, Council policy for placing investments will be determined by the following limits: -

Category	Lowest Rating	Highest Rating
Long-term creditworthiness	A-	AAA
Short-term creditworthiness	F1	F1+
Individual standing of the institution	C	A

The credit ratings will be applied for the majority of all specified investments and non-specified investments.

Certain building societies however remain un-rated but nevertheless remain a secure institution for investment purposes. In the absence of a credit rating, investments with these institutions will only take place if the society has at least £1 billion capitalisation and is ranked in the top 20 building societies. If these two conditions are met then investments can be placed with these institutions for periods of up to one year only.

Institutions falling outside these conditions will not be considered suitable to receive Council investments.

APPROVED LIST OF SPECIFIED and NON-SPECIFIED INVESTMENTS

All investments must be sterling denominated

1. Specified Investments for periods up to 364 days

- **Term Deposits** with the UK Government or with other UK local authorities.
- **Term Deposits** with credit-rated banks and building societies.
- **Callable Deposits** with credit-rated banks and building societies.
- **Money Market Funds** with other credit-rated institutions.
- **Forward deals** with credit-rated banks.
- **Term Deposits** with un-rated building societies with £1 billion capitalisation and in the top 20 list of UK building societies.

2. Non-Specified Investments for periods between 1 and 3 years

All investments can be made for a maximum of three years except where stated.

- **Term Deposits** with the UK Government or with other UK local authorities.
- **Term Deposits** with credit-rated banks and building societies.
- **Callable Deposits** with credit-rated banks and building societies.
- **Money Market Funds** with other credit-rated institutions.
- **Forward deals** with credit-rated banks.
- **Term Deposits** with un-rated building societies with £1 billion capitalisation and in the top 20 list of UK building societies **for periods of 1 year only**.

3. Class Limits

The maximum amount of the total investment portfolio that can be placed with individual classes of institution, expressed as a percentage, is as follows: -

- | | |
|--|------|
| • UK government or other UK local authorities. | 75% |
| • UK clearing banks. | 100% |
| • Other clearing banks with an appropriate credit rating. | 75% |
| • Money Market institutions with an appropriate credit rating. | 75% |
| • UK building societies with an appropriate credit rating | 75% |
| • Un-rated UK building societies meeting other conditions | 50% |

Treasury Management Practice - Money Laundering Guidelines

A. Money Laundering

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures intended to deter or forestall money laundering and for verifying the identity of counterparties and reporting suspicions to the nominated officer.

It will ensure that staff involved in this area are aware of their responsibilities. The present arrangements, including the name of the nominated officer to whom reports should be made, are detailed below.

B. Structure of the Treasury Management Practice (TMP)

Since the topic of money laundering is quite wide and complex this TMP has been structured in the following way:

- Background legislation – This outlines the different statutory requirements applying to local authorities
- Schedules – This provides a skeleton procedure note to prompt consideration of each of the areas above.

C. Background Legislation

There are several Acts of Parliament and the Financial Services Authority ('FSA') has also made provisions relating to money laundering, with the main legislation being contained in the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 (which contain provisions to implement the Second EU Money Laundering Directive).

Detailed money laundering regulations came into effect on 1st March 2004 under the Money Laundering Regulations 2003, Statutory Instrument ('SI') 2003 No. 3075, and this Statutory Instrument, The Terrorism Act 2000, the Anti-Terrorism, Crime & Security Act 2001 and the Proceeds of Crime Act 2002 cover the main compliance requirements.

The key requirements of this legislation cover an area wider than the fairly narrow treasury management function, including possessing, or in any way dealing with, or concealing, the proceeds of any crime.

Whilst the Council is not directly required to implement the requirements of the Money Laundering Regulations 2003, the Council and its officers are subject to the provisions of the Terrorism Act 2000, the Anti-Terrorism, Crime & Security Act 2001 and The Proceeds of Crime Act 2002.

Furthermore, the Council would not wish to be used by money launderers and proposes to operate procedures intended to deter and forestall this.

D. Schedules addressing this Council's Procedures

In order to address these objectives the Council has set up the following procedures:

For Treasury Management Purposes

1. **Appointment of a nominated officer** - The Council must appoint a “nominated officer”, usually referred to as the money laundering reporting officer (MLRO), to receive disclosures under the money laundering legislation. The MLRO for this Council is the Unit Business Manager (Finance).
 2. **Training** – Through this document and any future updates, staff will be kept aware of developments in money laundering legislation and best practice and the appropriate staff are encouraged to keep abreast of money laundering issues through publications and the Internet. The MLRO will be required to attend specific professional courses on money laundering developments to ensure local knowledge is kept up to date.
 3. **Material and regular deposits or borrowing** - For all investment or borrowing counterparties, the Council will ensure that the counterparty has been suitably identified. This will take the form of:
 - a). **Investment Counterparties** – All investment counterparties which are maintained on the Council's lending list should be a deposit taker authorised by a regulatory body (e.g. the FSA {check via www.fsa.gov.uk/register}). As such identification procedures are not required since the institution carries out ‘relevant business’ in the UK. Those counterparties not authorised as a deposit taker through the FSA are institutions, such as the Bank of England or Post Office, which are not required to be the subject of stringent identification procedures, but the Council will review these on a case by case basis.
 - b). **Borrowing Counterparties** – All borrowing counterparties are dealt with through either of the following routes:
 - i). **Via Money brokers** – In this instance it is likely that both the brokers and the counterparty carry on ‘relevant business’ in the UK. However even when dealing via a broker it is the council's responsibility to verify the counterparty, not the broker's;
 - ii). **Direct dealing** – In this instance the Council uses only recognised names, ones with credit ratings which the Council has reasonable grounds to expect carry on ‘relevant business’ in the UK. For a few notable exceptions (such as Bank of England or Post Office), the nature of their business does not require stringent identification procedures, but the council will undertake procedures to “know the counterparty”.
- If any treasury investment counterparties are not known to the Council, the treasury officer will ensure identification of the counterparty by checking the credit rating of the organisation via the Council's treasury advisers. This would normally be undertaken during the compilation of the counterparty list. If the counterparty is neither credit rated, or known to be carrying on ‘relevant business’ (e.g. FSA authorised), the Council will not deal with that organisation.
4. **Reporting** – Any concern of a transaction possibly being linked to either money laundering or the proceeds of crime must be referred to the MLRO for consideration and if the concerns are validated the MLRO will report to the National Criminal Intelligence Service (NCIS). Reports of such concern must be made to the MLRO in writing and include relevant supporting information setting out the basis of the concern, the person or organisation involved, and the nature and amount of any relevant transactions with the Council.

Where a report is made to the MLRO any transaction in progress must not proceed further without the consent in writing of the MLRO. Proceeding with a suspicious

transaction without such consent may be a criminal offence, for which the maximum penalty is 14 years imprisonment.

Under no circumstances should the subject of a report to the MLRO be made aware of the existence of such a report. Such ‘tipping off’ may be a criminal offence, for which the maximum penalty is 5 years imprisonment.

Non–Treasury Management Transactions

- 1. Regular cash and other receipts** - The Council will in the normal operation of its services accept payments from individuals or organisations in relation to rents, Council tax, sundry debtors etc.

In the case of rental income, business rates etc. the Council employee can take some confidence from the following:

- a). Receipts will normally be paid by BACS or cheques and the relevant bank will be required to comply with the money laundering regulations for their customer.
- b). These types of transactions relate to usage of a property or a specific service that would not normally be ideal conduits for money laundering.
- c). Most customers will be locally known businesses.

- 2. Cash receipts** - Cash receipts (i.e. notes, coins or traveller's cheques) should only be accepted if the amount received on any occasion from any one person or organisation is not more than £5,000. Any bank payments from unknown or overseas banks should be subject to critical scrutiny.

- 3. Occasional receipts from infrequent customers** – The main receipts accepted by the Council, outside of the operation of its services, will be related to capital receipts from the sale of assets. The Council can take confidence from the following:

- a). The legal section will deal with the sale and will identify the payee during the course of the process of sale.
- b). Receipts will normally be paid by BACS or cheques and the relevant bank will be required to comply with the money laundering regulations for their client.
- c). Most customers will be long-standing tenants or known businesses.

Again, cash receipts (i.e. notes, coins or travellers cheques) should only be accepted if the amount received from any one person / organisation is not more than £5,000 on any occasion. Any bank payments from unknown or overseas banks should be subject to critical scrutiny.

- 4. Payments** – The majority of the payments by the Council will be via the payroll directly to bank accounts. Similarly the majority of creditor payments will be paid via BACS directly to domestic bank accounts or by crossed cheques and so the same controls will apply. In these cases the relevant bank will be required to comply with the money laundering regulations for their client's further use of the money.
- 5. Cash payments** – The local procedures and magnitudes for cash payments (as well as receipts) will need to be reviewed to ensure compliance with the above procedures.

However, cash payment (i.e. notes and coins) should not be made of sums in excess of £100, except in respect of salaries paid in cash.

6. **Refunds** – Particular care will need to be taken with the procedures for refunds. For instance a significant overpayment which results in a repayment will need to be properly investigated and authorised before payment. A money launderer could make a deliberate overpayment to the Council in order to generate a refund from the Council as a means of laundering funds, since a Council cheque is likely to be accepted without question as representing untainted funds.

Under no circumstances should a Council officer agree to pay a refund in excess of £1,000 to a person / organisation (other than a bank or similar financial institution) other than the person / organisation entitled to the refund.

Under no circumstances should a Council officer agree to split a refund due to a person / organisation between different beneficiaries. Refunds should be paid to the person / organisation entitled to them.

Under no circumstances should a Council officer permit the Council to be used in effect as a provider of bank account facilities which allow a creditor of the Council to make payments to other persons / organisations.

All refunds in excess of £100 should be paid by cheque or BACS.

7. **Fraud** – Where any officer considers that the Council may have suffered loss through any theft, fraud, deception, dishonesty or other criminal act on the part of any person or organisation the MLRO should be notified promptly.

In the event of any suspicious transaction or loss the MLRO should be contacted without delay and the information confirmed to him promptly in writing.

Where a report is made to the MLRO any transaction in progress must not proceed further without the consent in writing of the MLRO. Proceeding with a suspicious transaction without such consent may be a criminal offence, for which the maximum penalty is 14 years imprisonment.

Under no circumstances should the subject of a report to the MLRO be made aware of the existence of such a report. Such ‘tipping off’ may be a criminal offence, for which the maximum penalty is 5 years imprisonment.

THE UPPER LIMITS FOR THE USE OF FIXED AND VARIABLE RATES

1. The Upper Limit for Fixed Rates

The borrowing strategy of the Council has identified the potential need for borrowing to finance its capital spending over the next three years. Because of the marginal difference between fixed and variable rates, the strategy also recommends that this borrowing could be taken out using either method.

As the Council has no investments currently for periods over 364 days, there is no adjustment required for fixed rate investments.

Only borrowing for the purposes of funding the capital programme can be classed as fixed rate borrowing as this will usually be for periods in excess of one year.

Description	2007/08 £'000	2008/09 £'000	2009/10 £'000
Fixed Rate Borrowing	350	350	350
Other Long-term Liabilities	-	-	-
Upper Limit for Fixed Rates	350	350	350

2. The Upper Limit for Variable Rates

This limit assumes that the Council's borrowing to finance its capital spending is limited to 20% at variable rates leaving with 80% at fixed rates. Borrowing to cover cash-flow movements and delays in receiving capital receipts will be short-term in nature and therefore be classed as variable rate borrowing.

All investments are currently placed for periods of less than one year and are therefore placed at variable rates.

The upper limit for variable rates is therefore calculated as the difference between principal outstanding on borrowing at variable rates and principal outstanding on investments placed at variable rates linked to the operational boundary as follows: -

Description	2006/07 £'000	2007/08 £'000	2008/09 £'000
Variable Rate Borrowing	3,970	1,790	1,860
Variable Rate Investments	(4,000)	(4,000)	(4,000)
Upper Limit for Variable Rates	(30)	(2,210)	(2,140)

Although the upper limit represents the net position between variable borrowing and lending, it also sets the maximum amount of borrowing and lending that can be met at variable rates.

Cabinet



Date	Wednesday 14 February 2007
Venue	Town Hall, St Annes
Committee members	John Coombes (Leader of the Council) Tim Ashton, Susan Fazackerley, Patricia Fieldhouse, Albert Pounder, Simon Renwick, Paul Rigby, Roger Small
Other Councillors	John Bennett, Maxine Chew, Paul Hayhurst, Howard Henshaw, Elizabeth Oades, Barbara Pagett, Fabian Wilson
Officers	Phil Woodward, Brian White, Christopher Kitchin, Peter Welsh

1. Declarations of interest

Members were reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.

Cllr Coombes sought advice from officers that he had no personal / prejudicial interest in the matter of increased fees and charges included in the 2007/08 budget proposals. Officer advice confirmed this position.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Cabinet meeting held on 17 January 2007 as a correct record for signature by the chairman.

3. Special urgency (Rule 16 Procedure Rules) Urgent business Cabinet procedure rules

There were no items of urgent business.

4. Revenue and Capital Budgets 2007/08

Brian White (Finance Executive Manager) presented a detailed report, (a copy of which was included with the agenda papers) which recommended revenue and capital budgets for 2007/08 and beyond, together with the suggested council tax levels in 2007/08.

The Cabinet agreed that potential savings identified as having a low to medium impact as detailed at appendix 4 of the report be utilised to balance the budget in 2007/08.

Mr White further informed the Cabinet that the council would be receiving an additional £60,000 by way of rebate from bus operators in respect of the concessionary travel scheme. It was agreed that this be used to support the revenue budget.

A number of service growth items were considered by the Cabinet from Appendix 1 of the report and several were recommended to be put forward to the Council for inclusion in the 2007/08 budget.

The Cabinet also considered proposals for the 2007/08 capital programme and agreed adjustments to the "A rated" capital growth bids listed in Appendix 2 of the report which made £147,000 available for investment in alternative capital schemes. As a consequence of these adjustments a number of "B rated" growth items would also be recommended to be put forward to the Council.

In reaching the decisions set out below, the Cabinet considered the details set out in the report and appendices before it at the meeting and RESOLVED-

1. To recommend to Council the net budget requirement of £10,246,600 in 2007/08 including those revenue growth items referred to above and highlighted in Appendix 1 of these minutes.
2. To recommend to Council a Borough band D council tax level of £160.98 for 2007/08. (An increase of 4.95%).
3. To recommend to Council a 5 year capital programme, (as highlighted at Appendix 2 of these minutes) to be reviewed and rolled forward on an annual basis.

In the opinion of the Chief Executive (in accordance with Paragraph 8, Part D of Appendix 5 of the Constitution - Overview and Scrutiny Procedure Rules) the above decisions are deemed to be urgent, and, therefore, will not be subject to call-in. The subject of the report is to be considered by the meeting of the full council on the 1st March 2007. This action therefore negates the effect of a potential call-in.

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