



**11 Forward Plan for the Period Covering January 2012 to April (Pages 55 - 84)  
2012**

**12 URGENT BUSINESS**

To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972.

**Members:** Councillors E Shenton (Chairman), A Beech (Vice-Chair), S Blair, Y Burke, Fear, Snell, Taylor, J Walklate, Waring, I Wilkes, R Slater, Bates and D Nixon

**'Members of the Council: If you identify any personal training / development requirements from the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Committee Clerk at the close of the meeting'**

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

\*Printed for information

**TRANSFORMATION AND RESOURCES OVERVIEW AND  
SCRUTINY COMMITTEE**

**2 November 2011**

**Present:-** Councillors Mrs E Shenton and Mrs A Beech – in the Chair  
Councillors Fear, Mrs Hailstones, Snell, Miss Walklate, Waring and Wilkes

434. \* **DECLARATIONS OF INTEREST**

There were no declarations of interest given

435. \* **MINUTES OF PREVIOUS MEETINGS**

**Resolved:-** That the minutes of the meeting held on 28 September, 2011 be agreed as a correct record subject to the inclusion of Councillor's Fear and Mrs Hailstones' apologies.

436. \* **DRAFT BRIEFS FOR SCRUTINY AND WORK PROGRAMME**

Consideration was given to a report on Scrutiny Briefs which had been submitted for Members' attention.

Co-Location of Partner Organisations in the Civic Offices

Members agreed that this matter should be brought back to the next meeting when more information would be available

Flexible Working for Borough Council Employees

This item would be left for the body of the Committee to receive regular updates

Review of the Constitution

This matter had commenced in the previous Municipal Year and Members queried whether the work already undertaken could be carried forward. It was confirmed that any Working Group set up would continue with what had been done previously and in addition, the independent members who were involved previously could be invited back.

Procurement Brief

Members requested that a progress report be given on this matter at the January meeting,

**Resolved:-** (a) That the information be received and the comments Noted

(b) That the matter of co-location be brought to the next meeting of this Committee

(c) That a Working Group be established for the review of the Constitution

(d) That an update on the Procurement Brief be brought to the January meeting

**437. \* MEDIUM TERM FINANCIAL STRATEGY 2012/13 TO 2016/17**

Consideration was given to a report on the Medium Term Financial Strategy which had been approved by the Cabinet on 19 October and referred back to this committee for comment.

The report identified shortfalls over the next five years which needed to be addressed.

Members were advised of the issue regarding asset management disposal such as the Knutton Recreation and Jubilee 1 sites and felt that this Committee could play an important part in this matter.

Members thanked Dave Roberts for the work that he had put in to preparing the document.

**Resolved:-** That the report be received and the comments noted

**438. \* PERFORMANCE MANAGEMENT REVIEW**

Consideration was given to a report on the Council's performance management framework and was a follow up to a presentation made to this committee at the last meeting. The report was based upon findings from the review undertaken by the Audit Commission. Mr Phil Morgan from the Audit Commission was in attendance to answer questions from Members.

Mr Morgan stated that the Council should set indicators that were actually measurable and this was the opportunity to do it differently as shortly the assessment regimes of the Audit Commission would no longer exist.

From next year the external audit role would be carried out by one of the private sector audit firms next November.

Consideration was also given to the Scrutiny Brief which had been presented to the Committee previously. It was agreed that a Working Group, comprising of Councillors Mrs Beech, Fear, Mrs Shenton and Snell, be set up to scrutinise the issue. Mr Morgan also offered his services for the short term.

Mr Morgan was thanked for the work which he had undertaken.

**Resolved:-** (a) That the comments be noted.

(b) That a Working Group be established, comprising of the four Members listed above.

(c) That further updates be brought back to this Committee

439. \* **FORWARD PLAN - TRANSFORMATION AND RESOURCES EXTRACTS**

Consideration was given to a report identifying items contained within the Forward Plan that were relevant to this committee.

Members agreed that the following issues all have Scrutiny Briefs brought to the next meeting:

- Finance and Performance Management Monitoring Report
- Corporate Complaints, Comments and Compliments Policy
- Capital Strategy
- Revenue and Capital Budgets 2012/12
- Treasury Management Strategy

A Scrutiny Brief on the Scale of Fees and Charges was requested to be brought to the January meeting.

The Chair would liaise with the Chairs to the Overview and Scrutiny Coordinating Committee and the Economic Development and Enterprise Overview and Scrutiny Committee to ensure that The Asset Management Strategy 2012/12 to 2014/15 was being dealt with by the appropriate committee.

**Resolved:-** (a) That the information be received and the comments noted

(b) That Scrutiny Briefs be prepared for the next meeting on the topics listed above

(c) That the Chair liaise with the Chairs to the Overview and Scrutiny Coordinating Committee and the Economic Development and Enterprise Overview and Scrutiny Committee to ensure that the correct committee dealt with the matter

440. \* **COUNCILLOR BILL SINNOTT**

A minute's silence was held for Councillor Bill Sinnott who had recently passed away.

**MRS E SHENTON  
MRS A BEECH  
Chair**

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## **REVIEW OF PROGRESS IN DELIVERY OF THE SUSTAINABLE PROCUREMENT STRATEGY AND ACTION PLAN 2011 – 2013**

**Submitted by:** Business Improvement Manager

**Portfolio:** Resources and Efficiency

**Ward(s) affected:** All

### **Purpose of the Report**

To provide Transformation and Resources Overview and Scrutiny Committee with a review of progress on delivery of the Sustainable Procurement Strategy and Action Plan approved by Cabinet in July 2011.

### **Recommendation**

**That Members note the contents of the report and recommend that the Council continues to deliver outcomes identified as part of the Sustainable Procurement Strategy.**

### **Reasons**

The need to review and update the Procurement Strategy 2007 – 2010 in line with the Councils Objectives and Priorities and the continued aims and objectives of The National Procurement Strategy for Local Government and to support on the identification of ongoing savings.

Transformation and Resources Overview and Scrutiny Committee requested an update on progress on delivery of the Sustainable Procurement Strategy and Action Plan approved by Cabinet in July 2011 following its meeting on 2 November 2011.

### **1. Background**

- 1.1 Procurement has a far broader meaning than that of simply purchasing, buying or commissioning. It is about securing assets and services that best meet the needs of users and the whole community spanning the life cycle of an asset or service. The life cycle is generally defined as being from the initial definition of the business need through to the end of the useful life of the asset or service, including any costs of disposal.
- 1.2 Cabinet approved the Sustainable Procurement Strategy in July 2011.
- 1.3 This report is intended to give the Transformation of Resources Overview and Scrutiny Committee a review on progress in delivery of the Sustainable Procurement Strategy and Action Plan 2011 – 2013 in the following areas:
  - Implementation of the current procurement strategy approved by Council June 2011.
  - Procurement Reviews and Identification of Ongoing Savings.
  - Support and delivery.
  - Improvements to existing systems.
  - Medium to longer-term vision.

## 2. Outcomes

### 2.1 Implementation of the current procurement strategy approved by Council July 2011:

2.1.1 Officers continue to focus on key elements linked to delivery the sustainable procurement strategy; these include openness; transparency; value for money; and officer development.

2.1.2 Ongoing support remains a priority linked to compliance and ownership from officers throughout the authority.

### 2.2 Procurement Reviews & Identification of Ongoing Savings:

2.2.1 These procurement reviews are split into different sections 'strategic' 'routine and operational' and 'tactical' (see Appendix A) – reflecting the levels of focus and impact of each.

- Strategic: work has commenced across a range of strategic areas - for example as part of the Council's Transformation Programme in key areas such as accommodation; printing (including the Print Room and MFD solution); and the ongoing development of document and records management systems (EDRMS).
- Routine/Operational: this level of analysis and engagement reflects the day to day and functional aspects of procurement activity and covers a number of key areas.

2.2.2 Work is continuing with the V4 organisation (funded by the IEP).

- The Council has approximately 1.5 days support remaining.
- V4 have submitted their first draft of the 'Health Check and Opportunity Summary' report for the Council, with modifications being requested to the document by your officers.
- Once amended and reviewed by EMT the document will form part of a final report to IEP WM (who funded the programme), before being presented to the Staffordshire CO's Group by Steve Winterflood (CO South Staffordshire Council).
- Agreement has to be reached on how to utilise the remaining days of V4 support, with proposals including the possible delivery of a 'supplier engagement workshop' to Business Managers or alternatively to central procurement, allowing officers from this team to roll out the process as part of ongoing support with service areas across the council.

### 2.3 Support and delivery:

2.3.1 Work as previously reported has commenced in rolling out a programme of procurement briefings for Council staff. These briefings are intended to: -

- Be mandatory and delivered to all Agresso approvers and requisitioners;
- Be undertaken in small groups linked to each service area to promote improved interaction and focus around departmental procurement projects;
- Deliver an overview of procurement linked specifically to the Council's Financial Regulations and Standing Orders. Officers will also deliver an overview of the impacts of recent changes in legislation in the Bribery Act 2010; and
- Be no more than two hours in duration and, where possible, these will be undertaken in relevant service areas. A copy of the presentation slides can be made available to scrutiny if required.



To date, three sessions have been delivered with a further eighteen scheduled for delivery before the financial year end.

#### 2.4 Improvements to existing systems:

2.4.1 There has been a recognition of the need to increase transparency via the market place across low, intermediate and high value procurement and currently promotion of the use of the 'My Tenders' web portal is ongoing, which also links to 'Contracts Finder' (the central governments preferred platform for advertising below EU threshold contract opportunities). The corporate procurement within Business Improvement & Partnerships is currently supporting raising contract notices and EMT's support is being sought via DMT meetings to ensure all future opportunities are advertised in this way. A number of other areas of work are currently being developed, including: -

- Work is ongoing with the Communications service to introduce a 'Contract Opportunities' page on the Council's website. The initial proposal was reviewed by members of the Procurement Working Group and final modifications made before its introduction during January 2012. Emphasis here has been placed on the simplicity of uploading information to the portal and support is sought from the Communications service on raising the profile of the page through 'The Reporter' to inform local businesses of this change.
- Future improvements are being considered, including the introduction of email alerts as new opportunities are uploaded, the possible use of product/service classification codes of suppliers within the Agresso system, which may further enhance the opportunities for improved data analysis and contract notice communication to relevant providers.

#### 2.5 Medium to longer-term vision:

2.5.1 Consideration in establishing a senior procurement forum to drive 'value-for-money and cross-category procurement approaches for all new procurement opportunities is currently under consideration.

2.5.2 EMT has identified work linked to critical projects, one of which includes procurement; work is underway to draft the outline for this work.

2.5.3 Officers continue to identify the potential for collaborative procurement with like partners.

### 3. Options Considered

3.1 To do nothing and continue to run with an outdated Procurement Strategy would reflect on an inability to continually review, challenge, identify savings and strive to improve the service throughout the Council. The action plan and programme of procurement reviews introduced to deliver the revised Strategy gives the Council an opportunity to embed improved processes, procedures, policies and protocols within the day to day activities of procuring products and services by officers/buyers throughout the Council.

### 4. Proposal

4.1 That members of the Transformation of Resources Overview & Scrutiny Committee review the action plan, timetable and programme of procurement reviews found in section 7 of the revised Sustainable Procurement Strategy that aims to deliver the strategy over the next 3 years.

4.2 This is the second review of the proposed approach to procurement in support of delivery of the published 'Sustainable Procurement Strategy'. It is suggested that the role of the Transformation & Resources Overview & Scrutiny Committee is to continue its existing role in terms of scrutiny, but progress the areas contained in this brief where required in terms of liaison with key witnesses and calls for evidence.

## 5. **Reasons for Preferred Solution**

5.1 The proposed, revised Strategy reflects best practice, identifies by way of the action plan further ongoing improvements and identifies a programme of procurement reviews aimed at delivering savings and supporting the need to address the budget shortfalls identified by the Council

5.2 The strategy and its implementation identify and demonstrate a willingness to improve procurement practices across the Council, leading to ongoing improvements in service levels and increased efficiencies.

## 6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 The revised Procurement Strategy supports in the main, the Council priority to transform our Council to achieve excellence. It also contributes to the priority 'Creating a Borough of Opportunity,' in terms of providing information to potential suppliers on how to do business with the Council and engaging with the voluntary sector for services. By considering environmental and sustainability issues it also contributes to the priority of, 'Creating a cleaner, safer and sustainable Borough.'

## 7. **Legal and Statutory Implications**

There are no new legal or statutory implications.

## 8. **Equality Impact Assessment**

8.1 All major procurement shall recognise the impact on the social, economic and environmental wellbeing within the Borough. We will strive to offer equality and diversity in all our procurement transactions. We will strive where practicable and possible to utilise local labour, materials and services. We will aim to support the growth in modern apprenticeships and the placement of trainees in industry and commerce. The Council where there is a requirement for sub-contract work, as part of major projects will, investigate with the approved service provider/contractor the use of local labour.

## 9. **Financial and Resource Implications**

9.1 At this stage there are none, however, where resource issues are identified as part of the implementation of the action plan, these will be brought to future Cabinet meetings.

## 10. **Major Risks**

10.1 Areas of high risk can be summarised as follows:

- Failure to identify the financial support to the service, whether from current sections or as a new establishment.
- Failure to meet legislative requirements.
- Failure to identify key areas for improvement and savings.
- That the Council's corporate commitment and priorities are not delivered.

- Failure to provide efficient staff with skills, knowledge and capacity to support the delivery of appropriate procurement options.
- Business needs are not communicated.
- Council fails to innovate and develop new methods of delivery.
- Council is unable to adapt processes, procedures, policies, and protocols to support immature and emerging markets and opportunities or benefits are missed.
- Failure to provide efficient staff capacity to support the assessment and delivery of new methods of service and to evaluate immature and emerging markets.
- Failure to identify sustainable environmental criteria at the early stages of the procurement cycle.
- Failure to identify the whole life costs of strategic procurements.
- Failure to contract manage.
- Failure to identify ongoing savings as part of procurement reviews.

## 11. **Sustainability and Climate Change Implications**

- 11.1 Sustainable Procurement is the process of acquiring goods and services that meet users' needs, deliver long term value for money, maximize social and economic benefits and minimise damage to the environment and health. Sustainable procurement contributes to our objectives by helping to deliver social, economic and environmental well being.
- 11.2 The Council will need to take a positive lead in pursuing its overall objectives relating to sustainable development by carrying out its procurement activities in an environmentally, socially and economically responsible manner.
- 11.3 The Council approach to sustainable procurement will continue to evolve and will be based around enhancing existing policies in place.

## 12. **Key Decision Information**

- 12.1 The revised Strategy, action plan and programme of procurement reviews supports the objective of ensuring the council commissions and procures quality services and supplies, and understands the market it seeks to influence and develop.

## 13. **Earlier Cabinet/Committee Resolutions**

- 13.1 Cabinet approval of the Sustainable Procurement Strategy 2011-13 (July 2011).

## 14. **List of Attachments**

- 14.1 Attachment 'A' – extract from the sustainable procurement strategy 'Procurement Reviews & Identification of Ongoing Savings'

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**ATTACHMENT A**

**Strategic**  
(Options Appraisal) "Make or buy"

Current Projects:

Accommodation Strategy
Printing
Consultants
Confidential Material - Document/Records Management

Procurement Reviews & Identification of Ongoing Savings

Transformation Programme	
Whole Service Transformation	Asset Management
Functional Transformation	Transformation Quick Wins

Strategic Areas	
ICT	Energy Procurement
Facilities Management	Community Involvement

**Routine/Operational**

Formal Contract Reviews
Utilities - Water
Invoice Consolidation

Formal Contract Reviews	
Postal Services & Franking Machines	Grounds Maintenance
Temporary workers	Subscriptions
ICT Consumables	Utilities
Safety Wear	Mobile Phones
Banking	Cheque Processing
MFDs	Stationery
Advertising	Cleaning Products
Car Lease Hire	Cash Collection
Insurance	Recycling Disposal

**Tactical**

Procurement Governance
Targets and Progress Measures
Project Management Approach
Standard Procurement Rules
Standard Documents
Spend Analysis and Profiling
Joint/Shared Procurement Process
Standard E-Procurement
Stakeholder & Supplier Management
Corporate Social Responsibility

Effective Procurement Decisions	High Level of Efficiency Savings
Effective Procurement Function	Support Local Economy

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## **FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER TWO (SEPTEMBER) 2011**

**Submitted by:** Head of Finance and Head of Business Improvement & Partnerships

**Portfolio:** Customer Service and Transformation; Resources and Efficiency

**Wards Affected:** All

### **Purpose**

To provide Transformation and Resources Overview & Scrutiny Committee with the Financial and Performance Review for the 2011/12 Second Quarter, previously considered by Cabinet in November 2011.

### **Recommendation**

**That Members note the contents of the report and recommend that the Council continues to monitor and scrutinise performance alongside finances.**

### **Reasons**

These monitoring reports provide information about the performance of individual council services, and demonstrate progress with our objectives from the Corporate Plan 2011-12 and also our corporate indicators ("dashboard"), alongside financial information.

## **1. Background, Issues and Options**

- 1.1 This report provides Members with a detailed update on how the Council has performed during the Second Quarter of 2011/12 by presenting performance data set in a financial context.
- 1.2 The Council approved a General Fund Revenue Budget of £15,258,700 on 23 February 2011. The actual position compared to this budget is continuously monitored by managers in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget. Regular reports are made available to members by the Portfolio Holder for Resources and Efficiency informing them of the current position, highlighting any significant factors giving rise to variances.
- 1.3 A Capital Programme totalling £21,638,800, covering the two years 2010/11 to 2011/12, was approved at the same Council meeting. Of this total, £10,374,500 was estimated to be spent in 2011/12.
- 1.4 This report also provides detailed analysis of performance in the second quarter, focusing on key performance indicators.
- 1.5 A summary of the overall picture is presented in section 5 of this report. This is a promising start, with the majority of targets currently met.

## **2. Revenue Budget Position**

- 2.1 The overall position at 30 September shows an adverse variance of £60,000. At this point in the financial year, we would have expected to have spent approximately £4.130 million: we have actually spent £4.190 million. The variance is predominately due to sources of income

such as land charges, planning fees, market stall rents, commercial property rents and car park fees, continuing to yield less compared to what we would, in the past, have expected to receive up to this point in the year. Because we anticipated economic problems would continue in 2011/12 an allowance of £200,000 was included in the budget which will help to cover these shortfalls. In addition, there has been a change in the regulations relating to business rates on empty properties in that the threshold above which rates become payable has been lowered, resulting in the Council incurring additional costs where it has empty properties, particularly within the commercial portfolio in between re-letting them to tenants. On the positive side, there have been savings on supplies and services across various services, additional income from cremation fees because the crematorium in Stoke was closed for a period and there are employee savings arising from factors such as the time-lag in filling vacant posts.

### 3. **Capital Programme Position**

- 3.1 Approval for the acquisition of the former Sainsbury's site (Ryecroft area, 10-16 Liverpool Road, Newcastle) together with other changes in respect of carried forwards means that the revised capital budget for 2011/12 is £16,282,400. Of this £9,445,400 was expected to be spent by 30 September. Actual expenditure at this date was £8,195,300, a variance of £533,400.

### 4. **Investment Counterparties**

- 4.1 Investment counterparties with whom money is invested, as at 11 November 2011 are as follows (with the parent company shown in brackets, where applicable):

Santander

Halifax Bank of Scotland (*Lloyds Banking Group*)

Heritable Bank (*Landsbanki*)

Royal Bank of Scotland (*Royal Bank of Scotland Group*)

- 4.2 With regard to the Council's frozen investment in Heritable Bank, a further payment of £104,919 has recently been received from the Bank's Administrator. This brings the total amount repaid to some £1,619,500, which is around 65% of the total that was frozen. The Administrators current prediction is that at least 90% of the £2,500,000 invested will be repaid.

### 5 **Performance**

- 5.1 The Corporate Plan Monitoring report is attached as Appendix A. This includes information demonstrating progress with our objectives from the Corporate Plan 2011-12 and also our corporate indicators ("dashboard").
- 5.2 The information is presented in sections for each portfolio holder.
- 5.3 There are measures detailing progress against our objectives and the number of quarterly indicators is 24. This is in line with a longer term aim – to identify and focus on key measures that we consider to be of a cross cutting nature. These measures have been designed to relate to areas of work that have an impact on a number of the council's responsibilities.
- 5.4 It is proposed to replace the indicator measuring business crime with one detailing Anti-Social Behaviour (Ref. SSC2) due to no information available.



- 5.5 The appendix comments on individual indicators where they raise an issue or where either a target has been met, or the direction of travel is not positive.
- 5.6 The proportion of indicators on target, based on data at the time of compiling this report, was 58%.
- 5.7 Positive performance can be seen in a range of services although it must be borne in mind that that the results later in the year can be different and that some services have seasonal factors.
- 5.8 There are a very small number of areas listed in this report which are not on target, though none causes concern at present. In all cases, the management of the service is aware of the issues and are taking steps to deal with the situation. Further updates will be provided for Members in future reports.
6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**
- 6.1 All of these indicators link to corporate priorities. They are ordered by portfolio as in the Corporate Plan.
7. **Legal and Statutory Implications**
- 7.1 The Council has a duty to set targets for performance of a range of functions and needs to monitor these closely.
8. **Equality Impact Implications**
- There are no differential equality issues.
9. **Financial and Resource Implications**
- 9.1 Any positive variance for the full year on the General Fund Revenue Account will enable that amount to be transferred to reserves and will be available in future years for use as the Council considers appropriate. Conversely, if there is an adverse variance, the amount required to cover this will have to be met from reserves.
10. **Major Risks**
- 10.1 The current economic situation represents the greatest risk to the revenue budget, particularly with regard to the impact it may have upon income receivable in relation to services where customers may chose whether or not to use Council facilities, such as car parking and other areas directly affected by the economic downturn, such as land charges and planning applications. The situation will be monitored through the normal budget monitoring procedures.
- 10.2 The capital programme will require regular monitoring to identify any projects which are falling behind their planned completion dates. This will be carried out by the Capital Programme Review Group, which meets on a monthly basis together with quarterly reports to Cabinet.
- 10.3 The above represents a high level view of risk. There are detailed risk registers available if Members wish to see them.

11. **List of Appendices**

Appendix A - Corporate Plan Monitoring Report

12. **Background Papers**

Working papers held by officers responsible for calculating indicators.

**Corporate Plan  
Monitoring  
Report  
2011-12 Quarter 2**

**Index**

<b>Safer and Stronger Communities</b>	<b>3</b>
<b>Regeneration and Planning</b>	<b>5</b>
<b>Customer Service and Transformation</b>	<b>8</b>
<b>Resources and Efficiency</b>	<b>11</b>
<b>Environment and Recycling</b>	<b>13</b>
<b>Culture and Active Communities</b>	<b>15</b>

## Safer and Stronger Communities Portfolio Holder: Councillor Stephen Sweeney

### What outcomes do we want for the Borough?

- Achieving a thriving and safe evening and night time economy across the borough
- Offer high quality support to vulnerable citizens and victims of crime
- Building relationships so that people work together to solve local problems

### What will we do in 2011/12?

- Work in partnership to support victims of anti-social behaviour, crime and domestic violence
- Work on root causes of problems through challenge in communities
- Focus with partners on empowering local people in communities

Ref	How will we progress this?	How did we do in Quarter 2?
1	Support the implementation of the Total Staffordshire Alcohol Pilot Projects with partners	Alcohol Total Staffs Pilot still in progress. Safer Nights and ATR groups met in July 2011, findings were discussed by Partnership Board in July 2011. We have received a response from the Countywide group relating to ATRs that a countywide approach will be sought rather than a district-only project. We are currently waiting on Aspire Housing to convene the task and finish group on Families, but we understand that discussions are in progress with key players. The partnership are awaiting a special one-off meeting of the Partnership Delivery Group to be convened to discuss this pilot, which should be happening in October or November.
2	Implement the remainder of the Green Routes Gating Project scheme	Green routes project still in progress. Alternate path alleyway rectified. Lad Lane has been inspected by PM Training with a view to work commencing shortly. High Street South alleyway is still subject to legal issues with the landowner re rights and access but is in the hands of their solicitors.
3	Develop and grow the partnership's approach to supporting vulnerable victims of anti-social behaviour and domestic violence with partners	Supporting vulnerable victims: the Domestic violence early intervention project and multi-agency case conference for the Chesterton and Crackley area is underway. Cath Fox, DV Coordinator, has the engagement and backing of the key partners. Partnership incredibly disappointed that funding could not be found to continue the valuable and successful Vulnerable Victims Worker service for anti-social behaviour which was supporting our case conference. Partners now considering alternative means to support the vulnerable. Bogus officials' project targeting support to vulnerable elderly people in the Butt Lane area has been immensely successful and the work will now be carried to Chesterton following a spate of incidents there.

Page 20 Ref	<b>How will we progress this?</b>	<b>How did we do in Quarter 2?</b>	
	4	Delivering the locality action plans by supporting the groups.	The Story of Our Place report was accepted by Cabinet on 7 <sup>th</sup> September and requested a development plan which is due to be discussed by Cabinet on 19 <sup>th</sup> October.
	5	Consultation undertaken with the communities	The extended consultation period was collated and presented to the Partnership Executive Board on 15 July 2011. Decision taken that no further consultation required in relation to the refresh of the Partnership priorities although it was acknowledged that the development of LAPs will ensure ongoing consultation with communities. The Executive Board approved priorities with minor amendments and the Partnership Delivery Group to finalise in September 2011. It was felt that to consult further would result in more of the same and that given the majority of responses held the development of the economy including Jobs, transport, business, town centre development as a priority that this met with the priorities determined by the Partnership Executive.

### Corporate Quarterly Performance Indicators

Ref	What did we measure?	Qtr 2 Actual	Qtr 2 Result 2010/11	How did we do in Quarter 2?	Achieved Target
SSC1	Violence with injury	325	431	There are 325 offences so far this year, against 431 for the same period last year. Performance is excellent and 24.5% down on last year	n/a
SSC2	Anti-social behaviour	2100	2817	The Business Crime indicator has been removed due to the lack of information available, and an indicator on anti-social behaviour is now proposed to be measured in its place. There are a total of 2100 recorded incidents this year by the police, against 2817 for the same period last year. In other words, we're down 25% on last year.	n/a
SSC3	Serious acquisitive crime	429	464	A total of 429 offences so far this year, against 464 for the same period last year. This means performance is excellent at present, as we're 7.5% down on last year.	n/a

## Regeneration & Planning

Portfolio Holder: Councillor Robin Studd

### What outcomes do we want for the Borough?

- The town centre is seen as vibrant and attractive
- There is a high quality of urban design in the urban environment
- The level of worklessness is reduced
- A good range of housing is available

### What will we do in 2011/12?






- We will review the council asset management strategy, aiming for optimal use of the councils asset portfolio
- We will prepare the new Economic Development strategy
- We will implement a new Housing Strategy and Local Investment plan
- We will prepare a Site Allocations Development Plan Document
- We will continue to develop our role in the Local Enterprise Partnership (LEP) with the aim of seeking funding for regeneration

Ref	How will we progress this?	How did we do in Quarter 2?
1	Arrangements for partner consultations and the production of the Economic Development Strategy.	Draft completed and revision underway in light of comments received. Consultation arrangements being devised.
2	Continue to deliver the Partnership Scheme for Improvements in Newcastle Town Centre Conservation Area	Quarterly reports sent to English Heritage. Agreed an enhanced grant % for reinstatement of shop fronts. 2 new shop front grants to be offered by December. Key project at Mellards Warehouse due for Phase 1 completion by November. Stage 2 to begin in December.
3	Development and marketing of strategically significant employment sites and seek to secure further funding	Enterprise zone bid unsuccessful (154 selected instead). The Local Enterprise Partnership (LEP) has agreed 8 economic priorities and will promote these through the task and finish group.
4	Provide an annual programme of town centre events	Additional successful Dance Newcastle event took place July 2011 linking in with 1 year to go to 2012 Olympic Games. Paint the Town Pink taking place October 2011 linking in to breast cancer awareness.
5	Implement the market refurbishment project	Scheme approved for implementation at July Cabinet. Designs for the first two elements of the scheme - a taxi rank in Ironmarket and a new bus lane in Barracks Road have been finalised and both are on schedule to commence in Quarter 4.
Page 9	Continued engagement with the Family Employment Initiative (FEI)	During quarter 2, initiative has engaged with 63 people, 27 have gone into training and 21 into employment. The figures are again below target in some areas (engagement -17 and employment -6) however, it is expected to even out over the year.

Page Ref	How will we progress this?	How did we do in Quarter 2?
22	Housing Strategy approved and action plan implemented	Work ongoing towards Housing Strategy Delivery Plan. This quarter we have implemented the revised Rent in Advance policy to help prevent homelessness.
9	Continue with the preparation of the Site Allocations Development Plan Document to identify land for development in order to achieve the regeneration of the Borough	Retail and leisure study completed. Site Allocations work programme approved by Cabinet (Oct). Draft Issues and Options paper prepared - aiming for Cabinet approval January 2012.
10	Monitor the five year supply of developable housing sites	Quarterly monitoring reports are maintained. However, the latest Q 2 report reported that the Council was unable to demonstrate a 5 year supply. Implications arising from planning proposals will be detailed in individual reports to Planning Committee.
11	Community Infrastructure levy	Cabinet have agreed to proceed to prepare a preliminary draft charging schedule in parallel with the Site Allocations and Policies DPD
12	Work in partnership with Housing 21 and Madeley Community Group to develop the Extra Care scheme linked to the Community scheme	The scheme is now complete and open for residents to use the community centre and residents have started to move into the Extra Care apartments.
13	Work in partnership with Aspire Housing to develop new affordable housing at:  Beasley Place, Chesterton	Construction work is ongoing for this development and the first phase of housing is progressing well on site.
	Charter Road, Cross Heath	Awaiting final confirmation from Homes and Communities agency regarding this bid.
14	Develop and review housing policies to enhance the housing offer	The consultation process has commenced for both the Allocations Policy and the Strategic Tenancy Strategy. A draft Allocations Policy, taking in to consideration this customer feedback, will be completed in the next quarter.



Corporate Quarterly Performance Indicators

Ref	What did we measure?	Qtr 2 Actual	Qtr 2 Target	How did we do in Quarter 2?	Achieved Target
RP1	% of investment portfolio (NBC owned) which is vacant.	11.6	15	In quarter 2 we have improved our result from a previous quarterly return of 12.2 with less vacant properties in the borough.	
RP2	Number of cases where positive action was successful in preventing homelessness (from the P1E)	135	75	Performance has again exceeded the target during this quarter.	
RP3	NI 157a Percentage of Major Planning Applications determined within time	75	75	The performance for major and minor planning applications have met the targets, For the category of "other" the performance for this quarter was marginally below the target and demonstrates that a relatively small number of decisions issued out of time (7 in total) can have an adverse affect when the target is set as high as it is. Performance has improved and the target was met for the month of September with 95% achieved. However over the quarter the cumulative result is 93.1%.	
RP4	NI 157b Percentage of Minor Planning Applications determined within time	95.6	85		
RP5	NI 157c Percentage of Other Planning Applications determined within time	93.1	95		

## Customer Service and Transformation

Portfolio Holder: Councillor Nigel Jones

Page 24

### What outcomes do we want for the Borough?

- Services shaped to respond to needs of diverse communities
- Lead the council's response to the Decentralisation and Localism Bill. The bill which aims to devolve greater powers to councils and communities, brings opportunities for better services for residents






### What will we do in 2011/12?

- Respond to service aspects of the Decentralisation and Localism Bill
- Provide high performing services for all residents and customers
- Implement equalities legislative requirements as appropriate
- Develop the existing transformation programme to build on the track record of delivering efficiencies

Ref	How will we progress this?	How did we do in Quarter 2
1	Develop a Community Engagement Strategy for Streetscene and Environmental Issues	Framework refined and "soft" implementation commenced with appointment of Community Development Officer on 1st October 2011
2	Provision of Customer Services at Madeley community development project accessible for two half day sessions per week.	Madeley Service Centre opened to customers on August 16th. The services offered at the centre are similar to those provided at the Council's Customer Service Centres. Monitoring of usage and services provided is being undertaken and formalised. Reports will be added onto the existing customer services reports on the council's website for CSE compliance.
3	Achieve Customer Services Excellence Standard and implement action plan.	Assessment now complete and awarded the Customer Services Excellence accreditation. There are no actions that require immediate attention. However, a small number of areas for development were identified, and these will be addressed ahead of our assessment next year.
4	Restructure Streetscene neighbourhood working.	New structure implemented and monitoring progress with the new structure working as planned.
5	Consult to measure customer satisfaction with the council and its services to identify improvements.	Mystery shopping is now to take place in conjunction with Stafford Borough Council, as more local councils have joined the group (resulting in a delay in starting the programme). Survey results are expected in December 2011
6	Develop a new Joint Housing Allocations policy taking into consideration the implications of the new Localism Bill	The consultation process has now commenced for the Joint Housing Allocations Policy.

Ref	How will we progress this?	How did we do in Quarter 2?
7	Deliver training on the new Service Impact Assessment Toolkit and re-launch the Equality web pages on the intranet.	The new Service Impact Assessment Toolkit is being used successfully across the organisation. One training session was delivered to Human Resources staff in this quarter and a further two sessions will be delivered in quarter 3. Support continues to be provided during the completion of impact assessments and most are up to date. Equality Monitoring guidance has been developed and is now available on e-Voice. Information continues to be updated on equality internet and intranet pages to reflect national guidance as and when it is published. Work will continue in quarter 3 to develop the pages further in order to meet the equality information requirements of the Public Sector Equality Duty.
8	Deliver and report on the Transformation programme and The Way We Work –Sub Programme (TWWW)	<p>Accommodation Review – Agreements reached with all prospective tenants and internal moves ongoing as planned. .</p> <p>Electronic Document Record Management System (EDRMS) - Phase 1 of project will be the roll out of Document Management (scanning etc.) First department will be Environmental Health. Software, connectors and filing systems now in place to do this. Programme commences in November.</p> <p>.</p> <p>Mobile Working - Phase 1 of the mobile working trial/pilot is complete; equipping street scene and staff members with suitable handheld devices which are secure and locked down. With these devices, street scene supervisors can manage their crew’s workload whilst out on site.</p> <p>Home working – The process is ongoing with the take up increasing and progress being monitored.</p>

Corporate Quarterly Performance Indicators

Ref	What did we measure?	Qtr 2 Actual	Qtr 2 Target	How did we do in Quarter 2?	Achieved Target
CST1	% requests resolved at first point of contact	96.88	70	Our performance is well above target and shows an accurate picture due to improved recording methods and exact figures available for resolving of requests at first point of contact.	
CST2	% Unmet demand (number of calls not answered as a % of total call handling volume)	12.4	10	The performance slip in July (10.5%) and August (16.8%) is as a result of the following factors. Implementation of the new combined structure for Customer & ICT services impacted on the ability and availability of staff to take calls during the transition period. There were additional problems associated with vacancies, long term staff sickness and annual leave commitments. However, a number of these issues have been addressed and there is a significant improvement in September's figure of 9.9%.	
CST3	Percentage of Council Tax Collected (Cumulative)	52.2	50.11	Performance over target.	
CST4	Percentage of NNDR collected	59.9	58.3		
CST5	Time taken to process Housing Benefit/Council Tax new claims and change events	13	13	In Qtr 2 performance for this indicator has improved reducing the time taken from 15.13 days for Qtr 1.	

## Resources & Efficiency

Portfolio Holder: Councillor Ashley Howells

### What outcomes do we want for the Borough?

- Deliver efficiencies, ensuring that resources follow priorities
- Develop staff and members
- Take advantage of procurement opportunities




### What will we do in 2011/12?

- We will further develop the workforce
- We will conduct reviews of services directed at creating larger scale efficiencies
- We will encourage partners to cooperate with the council in providing services

Ref	How will we progress this?	How did we do in Quarter 2?
1	Develop and recognise the contributions made by our staff while maintaining the Investors in People accreditation	Employee Recognition Scheme was reviewed, Nominations and voting fare planned for November and the awards ceremony is to be held in December.
2	Satisfaction of staff with learning and development initiatives received	100% course evaluation forms returned indicate satisfied/very satisfied.
3	Increase understanding of, and to produce, unit and transactional costs to allow service managers to identify the value for money of their service.	Selection of costs calculated and reviewed in relation to charging policy.
4	Implement International Financial Reporting Standards (IFRS)	2010/11 Statement of Accounts has been audited and an unqualified audit certificate received. Auditor's Governance Statement stated that IFRS had been well implemented at Newcastle.
5	Review of ICT assets, contracts and consolidation of hardware and software	Structure and staff now in place and the review has commenced with the first highlighted contract consolidated and revised to provide both savings and efficiencies. A number of smaller legacy assets have been identified and are in the process of being decommissioned.

Page 6 28	6	Replacement of the Sundry Debtors system	Supplier selected, project plan agreed and implementation preparation in progress.
	Ref	<b>How will we progress this?</b>	<b>How did we do in Quarter 2?</b>
	7	Develop and implement a sustainable procurement strategy	The department has re-structured and increased procurement support. Work has commenced with V4, a Staffordshire initiative, on a Procurement Health Check, and opportunities have been identified by way of category management to deliver potential savings, a need to introduce a gate-keeping process by central procurement and the potential for a formal supplier engagement programme. Also work has commenced on engaging with the Council's strategic providers to review services and indentify where possible ongoing savings. A programme of Procurement briefings which gives training to officers started in October.
8	Dealing with Freedom of Information (FOI) requests efficiently	A total of 122 requests have been received for the 2nd quarter . Out of these 105 (86.07%) were responded to within the statutory deadline, 14 exceeded the target (11.48%) and 3 remain current (2.46%) The new system incorporating departmental champions appears to be working well. All records are now held electronically making a vast improvement to the service.	

**Corporate Quarterly Performance Indicators**

Ref	What did we measure?	Qtr 2 Actual	Qtr 2 Target	How did we do in Quarter 2?	Achieved Target
RE1	Average number of days lost, per employee, to the Council through sickness	3.46	3.55	For the second quarter the sickness absence remains within target.	
RE2	Percentage of invoices paid on time(within 30 days)	97.07	97	Performance over target.	
RE3	% projected variance against full year council budget	0.3	No variance	Income budgets show significant adverse variances in areas affected by the economic recession. A provision of £200,000 is included in the budget for this.	

## Environment and Recycling

Portfolio Holder: Councillor Marion Reddish

### What outcomes do we want for the Borough?







- Ensure streets and open spaces are clean
- Sustainable initiatives for the community and environment
- Food establishments follow good food practices

### What will we do in 2011/12?

- Improve efficiency of recycling and waste
- Monitor the progress and impact of our new recycling and waste strategy
- Implement our climate change and carbon reduction plans

Ref	How will we progress this?	How did we do in Quarter 2?
1	Introduce a comprehensive schools recycling service including separate collections of food waste.	We have rolled out 46 schools out of 60 within the borough. A full programme to rollout the remainder of the schools by the end of the year is in place.
2	Measure missed bin collections on all our routes	Number of missed collections per 100,000 for quarter 2 was: 70 –council 21 – contractor The average total was 49 per 100,000 collections. This is well within target, however work is continuing to reduce it further.
3	Hold an annual climate change / renewable energy / Energy efficiency day	Energy Efficiency event in Town Centre scheduled 14th October.
4	Encourage the take up of Warm Zone grants and signposting to Warm Front when appropriate.	The Warm Zone continues to offer free measures and the Council continues to refer people to Warm Front for information and financial support for new heating systems.

## Corporate Quarterly Performance Indicators

Ref	What did we measure?	Qtr 2 Actual	Qtr 2 Target	How did we do in Quarter 2?	Achieved Target
ER1	Residual household waste per household -yearly target 450kgs	226.63kg	225kg	The figures are only estimates at this time as we are still awaiting some tonnage figures for September. The residual waste figure is only slightly off target, Street sweepings are now included in our recycling programme.	
ER2	% of household waste sent for reuse, recycling and composting	56%	52%		
ER3	% improvement in street and environment cleanliness			First tranche results received and performance is better than targets for litter, detritus and fly posting. Performance is very slightly poorer than target for graffiti and this will be monitored during second tranche inspections.	
	a) litter	6.17	9		
	b)detritus	7.78	9		
	c)graffiti	3.17	3		
	d) fly posting	0	1		
ER4	% category A+ B food businesses inspections completed in time.	100	100	Target achieved, 100% completion rate.	
ER5	% of LAPC (Pollution) inspections carried out per annum from work plan.	86	100	Slightly below target due to availability of business representatives to hold inspection - will be undertaken Q3	
ER6	% of licensed premises inspected per annum from work plan.	78	100	Below target for the first six months (39 licensed premises inspected to date) Officers undertaking work are prioritising this activity to improve and target will be achieved in Qtr 3. .	



## Culture and Active Communities

Portfolio Holder: Councillor James Bannister

### What outcomes do we want for the Borough?

- Healthy lifestyle choices, including participation in sport and physical activity and cultural activities
- High quality facilities for those who live, work, visit or study in the borough

### What will we do in 2011/12?

- Enhance our leisure and recreation offer in the borough through robust management arrangements
- Work with key partners to take up opportunities in commissioning services from the council
- Develop our role in arts and culture activities to offer vibrant cultural sites and activities for the education and enjoyment of everyone

Ref	How will we progress this?	How did we do in Quarter 2?
1	Deliver leisure facility improvements: Wolstanton Marsh, Silverdale Heritage Park, Wammy Phase 2.	Formal approval process in progress for Wolstanton Marsh. Phase 1 contract for Silverdale Community Facility complete. Tender documents under preparation for Wammy Phase 2.
2	Develop a Newcastle Health & Well Being strategy working with key partners	Reviewed by Health Scrutiny Committee on 18 July 2011 meetings currently taking place with key partners ,which will be taken to Cabinet in March 2012.
3	Deliver the Legacy Action Plan for the 2012 Games.	12 Sports Council Award winners nominated for Torch Relay. Dancing for the Games Staffordshire launch at Jubilee 2 on 14 <sup>th</sup> December 2011. Also a production by Riding Lights Theatre Company on 7 <sup>th</sup> July 2012 is planned.
4	Compete in the regional Britain in bloom campaign and attain the National Green Flag Parks standard	6 Green Flag Awards attained. Gold medal and category winner in Regional Heart of England in Bloom competition. Silver medal in National Britain in Bloom competition.
5	Develop an allotment strategy	Report prepared for consideration by members at November 2011 Cabinet meeting.
6	Delivery of new Jubilee 2 Health & Well Being Centre	Completion 9 <sup>th</sup> December 2011 currently at final fix and commissioning phase as project planned.

## How did we do in Quarter 2?

## Corporate Quarterly Performance Indicators

Ref	What did we measure?	Qtr 2 Actual	Qtr 2 Target	How did we do in Quarter 2?	Achieved Target
CA1	Number of people accessing leisure and recreational facilities	238294	270,000	Customer reaction to closure of old facilities at Knutton has impacted on the attendance figures, i.e. some groups have chosen to move already to new venues. It is anticipated that the opening of Jubilee 2 in January 2012 will improve these figures.	No
CA2	Number of people visiting the museum	43628	31500	The cumulative figure is 43628 which is a 1762 increase on last year to end of period 2 in 2010/11. Actual figure for period two was 24474 and includes the summer holiday visits.	Yes

# Agenda Item 9

## **CIVIC OFFICES - UPDATE (JANUARY 2012) ON PARTNER CO-LOCATIONS**

- PCT - A "Tenancy at Will" (prior to completion of a formal lease) commenced on Thursday 24 November 2011 and rent is being paid from this date. The precise date for staff occupation is still uncertain, but it is understood that it will be some time in January.
- Police — A number of key Heads of Terms have still to be agreed. A meeting with their agent to finalise these is to take place during week commencing 9 January 2012.

The Police have provided a schedule of building/refurbishment works required to be carried out prior to them taking occupation. Officers met with their representatives (07/12/2011) in order to clarify detailed matters. A specification has now been finalised and tender for this work will be sent out in the week commencing 9 January 2012.

The latter works are expected to take 12 weeks to complete and it is proposed these will be commissioned by the Council and recharged in full to the Police. A new/agreement for lease will be completed prior to committing to a contract for the works and it is intended that rent will become payable once the building work has been completed and occupation can take place.

- Staffordshire County Council – Heads of Terms have been agreed and the Council's solicitors are instructed to draft and send out a lease to their County Council counterparts.

Occupation is planned for June/July 2012, when the County Council's lease of their Lymedale offices comes to an end.

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## TREASURY MANAGEMENT STRATEGY 2012/13

**Submitted by:** Head of Finance

**Portfolio:** Resources and Efficiency

**Ward(s) affected:** All Indirectly

### **Purpose of the Report**

To consider the content of and scrutinise the Treasury Management Strategy for 2012/13, including the Prudential Indicators, Investment Strategy and Minimum Revenue Provision Strategy contained within it.

### **Recommendations**

- (a) That the Committee consider and scrutinise the content of the Treasury Management Strategy for 2012/13.**
- (b) That the Committee approve the strategy for submission to the Full Council on 15 February 2012.**
- (c) That the current contract with Sector Treasury Services Ltd be extended for a further 12 months.**

### **Reasons**

The Council needs to have an approved Treasury Management Strategy for 2012/13 in place before the start of the 2012/13 financial year.

At the Council meeting of 24 June 2009 it was resolved that the strategy be scrutinised by the Transformation and Resources Overview and Scrutiny Committee before being submitted for approval by Full Council. The strategy will be submitted to the Full Council for approval at its meeting on 15 February 2012.

## **1. Background**

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires a report to be prepared and approved by the Council concerning the strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2012/13.
- 1.2 The Local Government Act 2003 and Regulations thereto specify that local authorities must have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities in setting their affordable borrowing limits. This is to be achieved by setting a number of "prudential indicators" covering various aspects of treasury management. Accordingly, the appropriate prudential indicators have been incorporated in the relevant sections of the Treasury Management Strategy Report.
- 1.3 In addition the Department for Communities and Local Government issued revised "Guidance on Local Authority Investments" in March 2010, under powers contained in Section 15 (1)(a) of the Local Government Act 2003. The Act states that local authorities must have regard to this guidance. The Guidance recommends that an Annual Investment Strategy, setting out

the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments is produced and approved by the Full Council.

## 2. **Issues**

- 2.1 The draft Strategy Report for 2012/13 is attached at Appendix A.
- 2.2 The draft proposed prudential indicators relating to treasury management are contained in the report.
- 2.3 The draft Investment Strategy for 2012/13 is contained in Annex A to the report.
- 2.4 Details of the methodology involved in the production of the counterparty listing are contained in Annex B to the report.
- 2.5 The draft Minimum Revenue Provision Strategy for 2012/13 is contained in Annex C to the report.

## 3. **Legal and Statutory Implications**

- 3.1 The Council has a duty to comply with International Financial Reporting Standards (IFRS) in financial reporting from 2011/12 onwards. It should be noted that the transition to IFRS may affect some of prudential indicator calculations contained within the report.

## 4. **Financial and Resource Implications**

There are no specific financial implications arising from the strategy report.

## 5. **Major Risks**

- 5.1 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.
- 5.2 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital.
- 5.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

## 6. **List of Appendices**

Appendix A Treasury Management Strategy Report 2012/13.

## 7. **Background Papers**

CIPFA Treasury Management Code of Practice (revised November 2009 and again in November 2011);  
Council's Treasury Management Policy Statement,  
CIPFA Prudential Code for Capital Finance in Local Authorities and guidance notes thereto,  
Local Government Act 2003,  
Local Authorities (Capital Finance and Accounting) (England) Regulations 2003,  
Guidance on Local Authority Investments issued by the Department for Communities and Local Government (revised March 2010).  
Sector Treasury Services Ltd Treasury Management Strategy Statement template.

## TREASURY MANAGEMENT STRATEGY REPORT 2012/13

### 1.0 **Introduction**

#### 1.1 **Background**

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

Treasury management is defined as:

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

#### 1.2 **Statutory Reporting Requirements**

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. The reports required are as follows:

**Prudential and Treasury Indicators and Treasury Strategy** (This report) – This report is required to be scrutinised by the Transformation and Resources Overview and Scrutiny Committee prior to being reported to Full Council. This report covers:

- prudential indicators;
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;
- an investment strategy (the parameters on how investments are to be managed); and
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time)

**A Mid Year Treasury Management Report** – This report is required to be scrutinised by the Audit and Risk Committee. This will update members with the progress of the treasury management performance for the first half of the financial year and whether or not the treasury strategy approved by Full Council prior to commencement of the financial year is still appropriate or requires revision.

**An Annual Treasury Outturn Report** – This report is received by Full Council. This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

#### 1.3 **Treasury Management Strategy for 2012/13**

The strategy for 2012/13 covers two main areas:

##### **Capital Issues**

- prudential indicators;
- the MRP strategy (Annex C).

## Treasury management Issues

- treasury indicators which will limit the treasury risk and activities of the Council;
- policy on use of external service providers.
- the current treasury position;
- prospects for interest rates;
- policy on borrowing in advance of need;
- the investment strategy (Annex A); and
- creditworthiness policy. (Annex B)
- treasury management Glossary of Terms (Annex D)

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the DCLG MRP Guidance, the CIPFA Treasury Management Code and the DCLG Investment Guidance.

## 2.0 Prudential and Treasury Indicators

### 2.1 Background

This report incorporates a number of Prudential Indicators in relation to treasury management in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities (“the Code”). Regulations to the Local Government Act 2003 lay down that the Council shall have regard to the Prudential Code in determining an affordable borrowing limit.

The indicators are intended to demonstrate that the Council has fulfilled the objective of ensuring that its capital investment decisions are affordable, prudent and sustainable – or in exceptional cases to demonstrate that there is a danger of not ensuring this, so that timely remedial action can be taken. They are further designed to ensure that treasury management decisions are taken in a manner that supports prudence, affordability and sustainability.

### 2.2 Capital Prudential Indicators

- **Actual and Estimate of Capital Expenditure**

This indicator relating to Actual and Estimates of Capital Expenditure is reported separately to the Council meeting which sets the General Fund Revenue Budget and the Council Tax (15 February 2012).

- **The Council’s Borrowing Need (the Capital Financing Requirement)**

The second prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The Capital Financing Requirement is derived from the Council’s balance sheet by consolidating various items appearing in it which relate to capital, such as: fixed assets (including property, plant and equipment, investment properties, long term debtors, assets held for sale and intangible assets); the revaluation reserve, capital adjustment account and deferred capital receipts. Following the introduction of International Financial Reporting Standards in 2011/12, the calculation of the CFR now has to include any other long term liabilities (e.g. finance leases) brought onto the balance sheet. The relevant figures for this Council are set out in the table below:



31/03/11 Actual (£000's)	31/03/12 Estimate (£000's)	31/03/13 Estimate (£000's)	31/03/14 Estimate (£000's)	31/03/15 Estimate (£000's)
115	115	115	115	115

### 2.3 Affordability Prudential Indicators

- **Estimates of the Incremental Impact of Capital Investment Decisions on Council Tax**

This indicator relating to Estimates of the Incremental Impact of Capital Investment Decisions on Council Tax is reported separately to the Council meeting which sets the General Fund Revenue Budget and the Council Tax (15 February 2012).

- **Actual and Estimates of the Ratio of Financing Costs to Net Revenue Stream**

This indicator identifies the trend in the cost of capital (borrowing and other long term obligations net of investment income) against the net revenue stream.

Financing Costs comprise the aggregate of, interest payable on loans and finance leases; premiums or discounts in relation to premature debt repayment; interest receivable and investment income; the amount charged as a 'Minimum Revenue Provision; depreciation and impairment charges that have not been reversed out of the revenue account.

Net Revenue Stream is defined as the 'amount to be met from government grants and local taxpayers'. This is the Council's 'budgetary requirements' figure shown in the General Fund Revenue Budget, being the net expenditure for the year before deducting government grants (Revenue Support and NNDR) and adjusting for the Collection Fund Surplus/Deficit. The relevant figures for this Council are set out in the table below:

	2010/11 Actual (£000's)	2011/12 Estimate (£000's)	2012/13 Estimate (£000's)	2013/14 Estimate (£000's)	2014/15 Estimate (£000's)
<b>Net Revenue Stream</b>	17,954	16,654	14,289	13,923	13,576
<b>Financing Costs</b>	(324)	(93)	(174)	(250)	(306)
<b>Ratio</b>	(1.80%)	(0.56%)	(1.22%)	(1.80%)	(2.25%)

The negative Financing Costs reflect the position that the Council's investment income exceeds the interest paid to service its external debt.

### 2.4 Treasury Indicators

- **Actual External Debt and Net Borrowing**

#### Debt

Currently the Council has no long term external debt and is categorised as a 'debt free' authority. Short term external loans (i.e. repayable on demand or within 12 months) can be taken to fund any temporary capital or revenue borrowing requirement. The amounts involved would fluctuate according to the cash flow position at any one time. Such short term borrowing does not affect the Council's 'debt free' status.

Any surplus funds arising, for example from favourable cash flow or as a result of asset sales, are potentially available for use as an alternative to short term borrowing. The Actual External Debt of the Council as at the end of the previous financial year is a Prudential Indicator. This indicator comprises actual borrowing (short and long term) as shown in the Council's balance sheet. This

indicator will reflect the actual position at one point in time. As at 31 March 2011 the Actual External Debt of the Council was **nil**.

### **Investments**

It is estimated that the amount of receipts in hand, plus reserve balances, and available for investment at 1 April 2012 will be in the region of £8,000,000, all of which will be managed In House. The decline in total investments is due to a combination of very few capital receipts being received due to the economic downturn and capital expenditure being incurred on large projects including:

- Health and Wellbeing Centre
- Lancaster Buildings refurbishment
- Midway car park refurbishment
- Replacement Cemetery
- Refuse vehicle fleet procurement
- Recycling containers procurement

- **Limits to Borrowing Activity (The Operational Boundary and The Authorised Limit for External Borrowing)**

The Local Government Act 2003 requires each local authority to determine and keep under review how much money it can afford to borrow. This is to be determined by the calculation of an affordable borrowing limit which Regulations to the Act specify should be calculated with regard to the CIPFA Prudential Code.

At present borrowing is not being used to fund the capital programme in view of the Council currently possessing sufficient reserves and useable capital receipts to finance capital expenditure from these sources. Borrowing may become an option if these resources become sufficiently depleted that they are insufficient to finance proposed capital expenditure deemed to be affordable or, if the costs of borrowing compare favourably with those of alternatives such as using unapplied capital receipts.

There may be a requirement to temporarily fund some capital expenditure by means of borrowing during the interim period before a permanent means of finance becomes available, for example whilst awaiting receipt of Government grant. As well as temporary borrowing required for capital purposes, it may also be necessary to borrow in order to cover any temporary shortfall in revenue income which may arise owing to either a mismatch between income and expenditure or problems concerning the non payment of amounts due to be paid by the Council's customers. These factors have been taken into account in calculating the Prudential Indicators referred to below.

### **The Operational Boundary**

This indicates the probable external debt during the course of the year. It is not a limit and actual borrowing can vary around this boundary for short times during the year. It should act as an indicator to ensure that the Authorised Limit is not breached. The Code requires the inclusion of a figure, separately shown, for Other Long Term Liabilities. Following the introduction of International Financial Reporting Standards in 2011/12, finance leases must now be included in this figure. As referred to above, the Council may, if considered desirable from a treasury management point of view, take out long term loans to finance capital expenditure incurred in 2012/13, 2013/14, 2014/15 and 2015/16. The figures shown in the table below reflect the possibility that up to £5,000,000 may be borrowed at any one time on a long term basis in 2012/13. The Operational Boundaries for the Council are set out below:

	2012/13 Estimate (£000's)	2013/14 Estimate (£000s)	2014/15 Estimate (£000's)	2015/16 Estimate (£000's)
<b>Borrowing</b>	5,000	5,000	5,000	5,000
<b>Other Long Term Liabilities</b>	1,009	1,009	1,009	1,009

### The Authorised Limit for External Borrowing

This represents the limit beyond which borrowing (long and short term added together) is prohibited. Officers responsible for day-to-day treasury management operations must ensure that the Council's borrowings do not exceed this limit. It reflects the level of borrowing which, while not desired, could be afforded in the very short term i.e. overnight to two weeks, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. It is a statutory limit which Councils must determine in accordance with Section 3 (1) of the Local Government Act 2003. The Authorised Limits for the Council are set out in the table below:

	2012/13 Estimate (£000's)	2013/14 Estimate (£000s)	2014/15 Estimate (£000's)	2015/16 Estimate (£000's)
<b>Borrowing</b>	15,000	15,000	15,000	15,000
<b>Other Long Term Liabilities</b>	1,009	1,009	1,009	1,009

*Sources of Borrowing:* Temporary borrowing will take place via money brokers, from building societies, banks, local authorities, individuals and commercial organisations. If the Council decides to borrow on a long term basis to fund capital expenditure it is anticipated that this will be via the Public Works Loans Board. The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

*Interest Rates, Loan Periods and Types of Loan:* The most favourable options will be selected, depending upon market conditions prevailing at the time of borrowing. The aim will be to minimise the impact upon revenue accounts and to achieve efficient management of the Council's debt portfolio. Advice will be taken, as appropriate from the Council's treasury management advisors, Sector Treasury Services.

- **Limits on Interest Rate Exposures (fixed and variable interest rates)**

The following limits will apply in relation to the Council's interest rate exposure. They relate to interest on both borrowings and investments. These limits are intended to reduce the risk of the Council suffering unduly from significant adverse fluctuations in interest rates.

*Limit on Fixed Interest Rate Exposures expressed as a percentage of total borrowings/investments*

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
<b>2012/13</b>	100%	0%	100%	0%
<b>2013/14</b>	100%	0%	100%	0%
<b>2014/15</b>	100%	0%	100%	0%
<b>2015/16</b>	100%	0%	100%	0%

*Limit on Variable Interest Rate Exposures expressed as a percentage of total borrowings/investments*

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
<b>2012/13</b>	100%	0%	100%	0%
<b>2013/14</b>	100%	0%	100%	0%
<b>2014/15</b>	100%	0%	100%	0%
<b>2015/16</b>	100%	0%	100%	0%

In relation to both investing and borrowing fixed rate investments and loans may be anything between 0% and 100% of the total, with the same proportions being permitted for variable rate loans – in effect there is no limit on each type. This enables maximum flexibility to be afforded to your officers to take advantage of prevailing interest trends to obtain the best deal for the Council.

### **Total Principal Funds Invested for Periods Greater than 364 days**

The Council will determine the maximum periods for which funds may prudently be committed. Investments will be for whatever period is considered appropriate by your officers at the time that the investment is made. Regard will be had to relevant matters such as likely future capital values and the Council's forecast need to realise investments in the future in order to finance capital expenditure or for any other purpose.

There will be a limit placed upon the amount which may be invested for periods in excess of 364 days. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than on the date on which the funds are paid over to the Counterparty.

This Treasury Indicator is intended to limit the Council's exposure to the possibility of loss that might arise as a result of it having to seek early repayment of sums invested. It consists of the amount that it is considered prudent to have invested for a period greater than 364 days in each of the next three years. The limits as set out in the table below will apply:

	£000's
<b>Beyond 31/03/13</b>	10,000
<b>Beyond 31/03/14</b>	10,000
<b>Beyond 31/03/15</b>	10,000

## **3.0 Leasing**

### **3.1 Requirement for the Year**

In previous years the Council has acquired some items of plant by means of leases and major items of equipment may also be obtained in the same way.

The total amount of leases to be entered into during the year will depend upon the replacement requirement for vehicles and plant and upon any new requirements arising during the year. It will also depend upon the attraction of leasing as opposed to other forms of finance which may be available, in particular in comparison with contract hire terms for vehicles and plant and the availability and relative cost of internal sources of funding. The appropriate form of finance will be chosen to obtain the best deal for the Council at the time that the requirement arises.

### **3.2 Period and Type of Lease**

An appropriate lease period will be chosen in relation to the type of asset concerned and to achieve the most satisfactory revenue account impact. Fixed or variable rate leases may be taken out; which is chosen will depend upon market conditions prevailing at the time the decision is made.

### 3.3 Leasing Consultants

The current contract with the Council's Treasury Management advisors includes the provision of leasing advice.

### 4.0 Treasury Management Training

#### 4.1 On the Job Training

Officers engaging in Treasury Management activities will receive appropriate training. In particular, the Accountancy Assistant (Treasury Management) will receive on the job training from the Principal Accountant in all aspects of the day to day operation of the Treasury Management function.

#### 4.2 Training Courses

Officers engaging in Treasury Management activities will also attend any suitable courses/seminars provided by the Council's Treasury Management Consultants, Sector Treasury Services and any other appropriate organisations where it is considered that this will increase or complement their expertise in relation to the Treasury Management function. Training needs are reviewed on a regular basis.

#### 4.3 Members Training

It is envisaged early in the Financial Year commencing 1 April 2012, to run some training sessions for Members in respect of Treasury Management.

### 5.0 Policy on the use of External Service Providers

Your officers will continue to work with the Council's Treasury Management Advisors, Sector Treasury Services Ltd, to monitor market trends and to advise on strategic considerations affecting borrowing strategy and sums available for investment and any other relevant treasury management matters. Quarterly meetings are held to ensure quality of service is maintained and to develop a constructive relationship. Our current three year contract is due to expire on 31 March 2012. In accordance with the tender specification we have the option to extend the contract for a further two years. It is proposed to extend the current contract for one year until 31 March 2013.

### 6.0 Prospects for Interest Rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table and information gives the Sector central view:

	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
March 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec2012	0.50	0.70	1.60	2.40	4.30	4.40
March 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70

Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
March 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.50%, underpins investment returns and is not expected to start increasing until quarter 3 of 2013 despite inflation currently being well above the Monetary Policy Committee inflation target. Hopes for an export led recovery appear likely to be disappointed due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market.

This challenging and uncertain economic outlook has a several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2012/13;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;

## **7.0 Treasury Management Scheme of Delegation**

### Full Council

- receiving and reviewing the Treasury Management Strategy /Annual Investment Strategy/Minimum Revenue Provision Strategy on an annual basis (including updates and revisions at other times).
- receiving the Annual Treasury Outturn Report.

### Transformation and Resources Overview and Scrutiny Committee

- scrutiny of the Treasury Management Strategy prior to submission to Full Council.

### Audit and Risk Committee

- scrutiny of Treasury Management performance including receiving and reviewing a mid-year report.

## **8.0 Treasury Management role of the Section 151 Officer**

The S151 (responsible) officer role includes:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

## Investment Strategy 2011/12

### **1.0 Introduction**

#### **1.1 Background**

This Strategy is compiled according to the DCLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code") It sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments (and finally what return can be obtained consistent with these priorities).

In accordance with the above and in order to minimise the risk to investments, the Council has below (in Annex B) clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. Using the Sector ratings service, bank's ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify any modifications.

The aim of this strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.

#### **1.2 Possible Revisions to the Strategy**

The initial Strategy may be replaced with a revised Strategy at any time during the year in cases where any treasury management issues (including investment issues) need to be brought to the attention of Full Council.

### **2.0 Security of Investments**

#### **2.1 Specified and Non-Specified Investments**

In accordance with the Investment Guidance, the Council will, in considering the security of proposed investments, follow different procedures according to which of two categories, Specified or Unspecified, the proposed investment falls into.

*Specified Investments* – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational bonds of less than one year's duration.
- A local authority, parish council or community council.
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
- A body that is considered of a high credit quality (such as a bank or building society).

*Non-Specified Investments* – These investments are any other type of investment (i.e. not defined as Specified above). If the Council were to consider placing funds in any other type of investment

which would be categorised as Non-Specified, the security of the capital sum would be the paramount concern. The same requirements as to credit ratings relating to Specified Investments will apply, and in appropriate cases the advice of the Council's treasury management advisors will be sought. In considering whether it is prudent to place funds for longer than 12 months in 2012/13 and in determining the period of such investment the principles and limits set out under "3.0 Liquidity of Investments" below will apply together with the counterparty listing criteria set out in Annex B.

### 2.2 Use of Sector Creditworthiness Service

This Council uses the creditworthiness service provided by the Council's treasury management advisors, Sector Treasury Services. This service has been progressively enhanced over previous years and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches, credit outlooks in a weighted scoring system for which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments and are therefore referred to as durational bands.

All credit ratings will be monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

### 2.3 Local Authority Mortgage Guarantee Scheme

The Local Authority Mortgage Guarantee Scheme is a scheme whereby local authorities would issue mortgages to potential home-buyers to support the local area and address pressing issues in increasing the supply of affordable housing. If the Council participates in the Local Authority Mortgage Guarantee Scheme, it may be required to place a deposit with the mortgage provider(s) up to the full value of the guarantee. The deposit will be in place for the term of the guarantee (i.e. 5 years, with the possibility of a further 2 year extension if the account is 90+ days in arrears at the end of the initial 5 years) and may have conditions/structures attached. The mortgage provider will not hold a legal charge over the deposit.

### 2.4 Approved Investment Instruments

The Council has laid down a list of approved investment instruments in the Schedule to Treasury Management Practice 4 (TMP4). These are reproduced below:

#### ***Extract from Schedule to TMP 4***

*"The following types of investments will be permitted, fixed cash deposits, certificates of deposit issued by organisations falling into the categories listed under TMP1 (5), registered British Government Securities (Gilts) and Money Market Funds. Officers of the Council may only invest in Fixed Cash Deposits and Money Market Funds."*



Because fund managers are not currently employed this means that investments in 2012/13 will be limited to fixed cash deposits, money market funds and the Debt Management Account Deposit Facility (DMADF). The DMADF is guaranteed by HM Government and offers investors a flexible and secure facility to supplement their existing range of investment options.

**3.0 Liquidity of Investments**

**3.1 Maximum Investment Periods**

The Council will determine the maximum periods for which funds may prudently be committed. Investments will be for whatever period is considered appropriate by your officers at the time that the investment is made. Regard will be had to relevant matters such as likely future capital values and the Council's forecast need to realise investments in the future in order to finance capital expenditure or for any other purpose. The principles concerning time limits contained in the Schedule to the Treasury Management Practices will be followed.

There will be a limit placed upon the amount which may be invested for periods in excess of 364 days. This limit has been set using one of the Prudential Indicators required by the Chartered Institute of Public Finance and Accountancy Prudential Code for Capital Finance in Local Authorities. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than on the date on which the funds are actually paid over to the Counterparty.

This Prudential Indicator is intended to limit the Council's exposure to the possibility of loss that might arise as a result of it having to seek early repayment of sums invested. It consists of the amount that it is considered prudent to have invested for a period greater than 364 days in each of the next three years. The limits as set out in the table below will apply:

	£000's
Beyond 31/03/12	10,000
Beyond 31/03/13	10,000
Beyond 31/03/14	10,000

**4.0 Return on Investments (Yield)**

**4.1 Current Economic Climate**

Due to ongoing global economic uncertainties, investment returns are likely to remain relatively low during 2012/13. Interest rates on Instant access deposit accounts and Notice accounts are currently more attractive than interest rates being offered by the market.

**4.2 Prudent Investments**

Priority will be given to the security and liquidity of all investments. Consistent with achieving the proper levels of security and liquidity, the highest rate of return will be sought for any investment made.

**5.0 Specific Strategy 2012/13**

**5.1 Capital Receipts in Hand and Balances Held in Reserves**

*Amount Available for Investment*

It is estimated that the amount of receipts in hand, plus reserve balances, and available for

investment at 1 April 2012 will be in the region of £8,000,000. The reasons why this has reduced since the last annual strategy have been explained above in Section 2.4 of the Treasury Management Strategy Report.

### *Period of Investment*

This will be determined in accordance with 3.0 (Liquidity of Investments) above.

### *Forward Commitment*

This involves agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate. It is done in order to obtain the benefit of what are considered to be better rates than might be available later, when physical funds are likely to be available. In 2011/12 no forward commitment took place. It is possible that forward commitment may be employed in 2012/13 in instances where market conditions warrant it.

### *Return to be Obtained*

The overriding consideration is safeguarding the Council's capital. At all times the risk to the Council will be minimised. Within these constraints, the aim will be to maximise the return on investments made.

## **5.2 Investment of Money Borrowed in Advance of Need**

It is not the Council's intention to undertake any borrowing in advance of need during 2012/13.

## **5.3 Other Temporary Surpluses**

### ***Amount Available for Investment***

In addition to the receipts and reserve balances referred to above, the Council will, from time to time, find itself in possession of funds in excess of its immediate requirements. This may occur, for example, if income is received at a faster rate than expenditure is incurred or if grant payments are made to the Council in advance of the expenditure being incurred to which they relate. This is not a permanent state of affairs and the extent to which it will occur and, therefore, the amounts available at any time cannot be predicted.

Prudent financial management dictates that these temporary surpluses should be invested or used to redeem temporary loans if any are outstanding, rather than being left to lie idle in the Council's bank account. Such surpluses will normally be placed in a short term deposit account with the Council's bankers. Occasionally, where the size of the surplus warrants, short term investments will be made in the market.

Capital receipts which arise during the year, as a result of asset sales, will be invested with the Council's Central Loans Financing Account in substitution for external borrowing or invested on the money market on a short term basis if the Council does not have a borrowing requirement at any particular time for which they could be employed. When any useable receipts are required to finance capital expenditure or for any other purpose, the appropriate amount will be disinvested and so utilised.

### ***Period of Investment***

All temporary surplus funds will be invested on a short term basis in order that they will be available for use as and when required. This requirement has been recognised in the calculation of the Prudential Indicator relating to total principal sums invested for periods longer than 364 days set out earlier.

***Return to be obtained***

The aim will be to obtain the maximum rate of return which is available at the time the investment is made with an external body. This must, however, be consistent with the safeguarding of the Council's capital. At all times the risk to the Council will be minimised.

**5.4 Sector Treasury Services' view on Interest Rates**

Part of the service provided by the Council's Treasury Management Advisors, Sector, is to assist the Council in the formulation of a view on interest rates, the following gives their view of the Bank of England base rate for financial year ends (March):

- 2011/12 0.50%
- 2012/13 0.50%
- 2013/14 1.25%
- 2014/15 2.50%

There is a downside risk to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be an upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

Counterparty Listing Criteria

This Council applies the creditworthiness service provided by Sector. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments and are therefore referred to as durational bands. The service provided now gives an improved level of security for making investment decisions. It is also a service which the Council would not be able to replicate using in house resources.

The Council will therefore use counterparties within the following durational bands:

- Yellow            5 years
- Purple            2 years
- Blue              1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange           1 year
- Red                6 months
- Green             3 months
- No Colour        not to be used

This methodology does not apply the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. This Council will not use the approach suggested by CIPFA to determine creditworthy counterparties as Moodys are currently much more aggressive in giving low ratings than the other two agencies. This would therefore be unworkable and leave the Council with few banks on its approved lending list. The Sector creditworthiness service uses a wider array of information other than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the

credit ratings of that government support. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The Council will also consider using other Local Authorities when making fixed investments.

## Minimum Revenue Provision Strategy

### **1.0 Background**

Local Authorities are required to set aside a minimum amount from revenue to fund capital expenditure, this is known as the Minimum Revenue Provision. This means that the Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement) through a revenue charge (the Minimum Revenue Provision).

Communities and Local Government Regulations have been issued which require the Full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, who can make their own choice, so long as there is a prudent provision.

### **2.0 Minimum Revenue Provision Policy in respect of Finance Leases**

The introduction of International Financial Reporting Standards in 2011/12 resulted in some leases being reclassified as finance leases instead of operating leases. This resulted in a positive Capital Financing Requirement and as such the need to set aside a Minimum Revenue provision.

In accordance with the revised Communities and Local Government Guidance this Council will set aside an annual MRP equal to the amount of the lease that has been taken to the Balance Sheet to reduce the finance lease liability i.e. the principal amount of the finance lease. This approach will produce an MRP charge which is the same as Option 3 in the guidance (Asset Life Method – annuity method). The revised guidance aims to ensure that authorities are in the same position as if the change in accounting standards had not occurred.

### **3.0 Minimum Revenue Provision Policy – Other Capital Expenditure**

The Council's Capital Financing Requirement is now only positive due to the introduction of International Financial Reporting Standards which impacted on the way that leases are recorded. Otherwise, the Capital Financing Requirement would be positive as a result of the capital receipt from the Housing Stock Transfer. This means that there is no requirement to set aside a MRP for the redemption of external debt. Accordingly, this has not been provided for.

Treasury Management – Glossary of Terms

- **Basis Points** – there are 100 basis points to 1%.
- **CDS** – ‘Credit Default Swap’ is an additional assessment of credit worthiness by providing a risk analysis of changes in credit quality as perceived by the market.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.
- **Counterparty** – an institution with whom a borrowing or investment transaction is made.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. The main rating agencies are Fitch, Standard and Poor’s and Moody’s.
- **DCLG** – Department for Communities and Local Government.
- **DMADF and DMO** – the DMADF is the ‘Debt Management Account Deposit Facility’ which is a highly secure fixed term deposit account with the Debt Management Office, part of Her Majesty’s Treasury.
- **Forward Commitments** - agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate.
- **GILTS** – the name given to bonds issued by the UK Government. Gilts are issued bearing interest at a specified rate, however, they are traded on the markets like shares and their value rises or falls accordingly. The ‘yield’ on a gilt is the interest paid divided by the market value of that gilt.
- **Leasing** - a lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.
- **Liquidity** – relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **Money Market Funds (MMF)** – Money Market Funds are investment funds that are invested by a Fund Manager in a wide range of money market instruments. MMF’s are monitored by the official ratings agencies and due to many requirements that need to be fulfilled, the funds usually receive the highest quality rating (AAA) so provide minimal risk. They are very flexible and can be withdrawn in the same way as any other call deposit.
- **MRP** – the Minimum Revenue Provision represents the revenue charge for the repayment of debt.
- **PWLB** – the Public Works Loan Board is a statutory board that is run within the UK Debt Management Office (DMO), it’s function is to lend money to Local Authorities and other prescribed bodies.
- **Supranational Bonds** – bonds issued by institutions such as the European Investment Bank.

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## FORWARD PLAN FOR THE PERIOD COVERING JANUARY 2012 TO APRIL 2012

**Submitted by:** Member Services Officer

**Portfolio:** ALL

**Ward(s) affected:** Non-specific

### **Purpose of the Report**

To identify any items listed in the Forward Plan of Key Decisions which may be referred to the relevant Overview and Scrutiny Committee for further consideration (**relevant items can be found on pages 2, 3, 7, 8, 12, 21 and 22 of the attached Forward Plan**).

### **Recommendations**

- (a) That the Committee receive the information and identify what examination, if any, of the proposed decisions is required.
- (b) That the Committee identify a lead overview and scrutiny committee where there are incidences of dual responsibility or interest in respect of items listed in the Forward Plan.

### **Reasons**

The inclusion of the relevant proposals listed in the Forward Plan of Key Decisions gives Overview and Scrutiny the opportunity to identify possible issues for committees to look at prior to submission to the Cabinet. This is not intended to replace other processes but is designed to give an opportunity for the committees to provide a view on any particular issue.

### 1. **List of Appendices**

Appendix A - Forward Plan of Key Decisions

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**FORWARD PLAN –**  
**1<sup>ST</sup> JANUARY 2012 TO APRIL 2012**

This Plan sets out the key decisions which the Executive expect to take over the next four months. The Plan is rolled forward every month and is published by the 15<sup>th</sup> of each month. It will next be published in mid January and will then contain all key decisions expected to be taken between 1<sup>st</sup> February 2012 and 31<sup>st</sup> May 2012. Key decisions are decisions which are likely:

- (a) to result in the Council incurring expenditure or making savings which are significant having regard to the budget for the service concerned, or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards of the Borough.

**Other Decisions**

Although it is not a statutory requirement, this Forward Plan also contains details of other matters likely to be considered by the Council's Cabinet or Full Council which are not 'key' decisions.

Reports relevant to key decisions, and any listed background documents, may be viewed at the Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffs, ST5 2AG six days before the decision is to be made. Copies of, or extracts from, these documents may be obtained on the payment of a reasonable fee from the following address:

Head of Central Services,  
Civic Offices,  
Merrial Street,  
Newcastle-under-Lyme,  
Staffordshire,  
ST5 2AG.

Telephone: 01782 742200

However, it is not possible to make available for viewing or to supply copies of reports or documents the publication of which is restricted due to confidentiality of the information contained therein.

Unless otherwise stated, representations in respect of any proposed decision may be made in writing to the Head of Central Services at the Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffordshire, ST5 2AG not later than two working days prior to the meeting at which the decision will be taken.

A decision notice for each key decision is published within 6 days of it having been made. This is open for public inspection on the Council's website and at the Civic Offices.

The law and the Council's constitution provides for urgent key decisions to be made. A decision notice will be published for these in exactly the same way.

**FORWARD PLAN FOR PERIOD 1<sup>ST</sup> JANUARY 2012**  
**TO 30<sup>TH</sup> APRIL 2012**  
**(as at 16.12.11)**

## JANUARY

TITLE OF REPORT: <b>COMMUNITY CENTRES REVIEW</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	√
Brief description of report	A strategic review of community centre provision in the Borough.	
Spend required/saving generated ( <i>if applicable</i> )	None at this stage. The report will seek approval to develop invest-to-save proposals	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	√
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Community Centre management committees, residents' associations, third sector and partner agencies	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Robert Foster, Head of Leisure and Cultural Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>CALCULATION OF THE COUNCIL TAX BASE</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	√
	Culture and Active Communities	
Brief description of report	To approve the Council Tax Base to be used in the calculation of Council Tax amounts for the new financial year.	
Spend required/saving generated ( <i>if applicable</i> )	N/A	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	√
Wards affected	All	
Proposed consultation	N/A	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	David Baker Head of Revenues & Benefits	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>THIRD SECTOR COMMISSIONING</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	√
	Culture and Active Communities	
Brief description of report	To inform Cabinet of the available budget for commissioning services from the Voluntary and Community (Third) sector. An overview of current contracts and the outcomes following an internal stakeholder engagement programme to understand the level of future service needs. Information is also supplied on the Council's intention in supporting the work of the Public Sector Commissioning in Partnerships (PSCiP) programme.	
Spend required/saving generated ( <i>if applicable</i> )	£248,510 has been made available in the MTFS	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	√
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Simon Sowerby, Business Improvement Manager, Business Improvement and Partnerships	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>HOUSING CAPITAL PROGRAMME 2012/2013</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To seek approval for the Housing Capital Programme.	
Spend required/saving generated ( <i>if applicable</i> )	The report will outline the proposed schemes to be operated using the funding.	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Consultation directed at partner agencies.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Joanne Basnett, Head of Housing Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>HOUSING RENEWAL ASSISTANCE POLICY</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
Brief description of report	To seek support to amend the Housing Renewal Assistance Policy.	
Spend required/saving generated ( <i>if applicable</i> )	The policy seeks to direct the use of available funding to the greatest priorities.	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
Wards affected	All	
Proposed consultation	Consultation directed at partner agencies.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Joanne Basnett, Head of Housing Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	



TITLE OF REPORT: <b>REVIEW OF RECYCLING BRING SITE PROVISION</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	√
	Safer and Stronger Communities	
	Resources and Efficiency	
Brief description of report	Report to outline options for recycling bring bank provision within the Borough.	
Spend required/saving generated ( <i>if applicable</i> )		
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	√
	Economic Development and Enterprise	
	Active and Cohesive Communities	
Transformation and Resources		
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Trevor Nicoll, Head of Recycling and Fleet Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>CAPITAL STRATEGY</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	√
	Culture and Active Communities	
Brief description of report	To approve the Capital Strategy which sets out how the Council proposes to deploy its capital resources.	
Spend required/saving generated ( <i>if applicable</i> )	Not yet known	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	√
Wards affected	All	
Proposed consultation	N/A	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Dave Roberts, Head of Finance	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>SCALE OF FEES AND CHARGES 2012/13</b>		
Portfolio		√
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	√
Brief description of report	Reviews the fees and charges which the Council makes in order to keep them in line with the cost of service provision and to establish the amounts to be included in the 2012/13 budget.	
Spend required/saving generated ( <i>if applicable</i> )		
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	√
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Dave Roberts, Head of Finance	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	Not exempt	

TITLE OF REPORT: <b>GYPSY AND TRAVELLER POLICY REVIEW</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To seek approval for amendments to the Gypsy and Traveller Policy.	
Spend required/saving generated (if applicable)	None anticipated	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Open consultation advertised on the Council's website.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Joanne Basnett, Head of Housing Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A (if applicable)	N/A	

TITLE OF REPORT: <b>SITE ALLOCATIONS AND POLICIES DEVELOPMENT PLAN DOCUMENT (DPD) DRAFT CONSULTATION ISSUES AND OPTIONS REPORT</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	The report will present an 'Issues and Options' Paper and seek approval to engage the public in the first stage of public consultation on the Site Allocations and Policies DPD	
Spend required/saving generated ( <i>if applicable</i> )	With the exception of the Examination in Public the cost of preparing the DPD is already included in the budget.	
Decision maker	Cabinet following recommendations from the Strategic Planning Committee	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	This stage of preparation of the DPD will involve informal public consultation. A statutory six week public consultation on a draft Options document, including specific site option proposals is scheduled for mid 2012	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Helen Beech, Planning Policy Manager	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	Not exempt.	

TITLE OF REPORT: <b>ASSETS MANAGEMENT STRATEGY 2012/13 TO 2014/15</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To seek approval for an Asset Management Strategy for the next 3 financial years	
Spend required/saving generated ( <i>if applicable</i> )	It is anticipated that the revised Strategy would facilitate the disposal of surplus land and/or property assets thereby providing capital receipts and reducing expenditure	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Consultees are listed in the report	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda National policy advice and guidance relating to the efficient management of public sector assets	
Officer contact	Louise Beeby, Assets Manager	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>REVENUE AND CAPITAL BUDGETS 2012/13</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	√
Brief description of report	To review progress on the completion of the revenue and capital budgets for 2012/13 and to enable a robust and affordable budget for 2012/13 to be approved.	
Spend required/saving generated ( <i>if applicable</i> )		
Decision maker	Council	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	√
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Mrs. Sarah Wilkes, Finance Manager	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	Not exempt	

TITLE OF REPORT: <b>HOMES LOANS</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	<b>Regeneration and Planning</b>	✓
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	After the close down of the government-funded Kick Start loans scheme this report presents alternative options for providing access to affordable loans for home repair, adaptation, improvement and maintenance.	
Spend required/saving generated ( <i>if applicable</i> )	Limited spend may be required to help cover the set up costs incurred by the Revival Home Improvement Agency which will lead the loan development.	
Decision maker	Cabinet	
Earliest date of decision	January 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	✓
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All. The loans would be available borough-wide.	
Proposed consultation	<p>During the last Housing Condition Survey residents were asked about their interest in a Council equity release scheme to fund housing repairs. With equity potential within the owner-occupied sector estimated by the survey at £4.953 billion this presents a very significant potential funding source. 11% of owner-occupiers said they would re-mortgage to carry out repairs and 6% said they were interested in a Council sponsored scheme for equity release.</p> <p>Consultation responses will be sought as part of the Cabinet process.</p>	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Joanne Basnett, Head of Housing Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	None.	



## FEBRUARY

TITLE OF REPORT: <b>DRAFT HEALTH AND WELLBEING STRATEGY</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	√
Brief description of report	To develop the Newcastle-under-Lyme Health and Wellbeing Strategy	
Spend required/saving generated ( <i>if applicable</i> )		
Decision maker	Cabinet	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	√
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Third sector and partner agencies	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Robert Foster, Head of Leisure and Cultural Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>PROPOSALS FOR THE REFURBISHMENT AND RE-USE OF THE FORMER ST GILES &amp; ST GEORGE'S SCHOOL BUILDING</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To report back to Cabinet on proposals for the refurbishment and re-use of the former St Giles & St George's School building, including the proposed lead tenants of the building, timescales, designs and the financial offer	
Spend required/saving generated ( <i>if applicable</i> )	Potentially significant savings on the sums which have previously been envisaged as needing to be spent on the building	
Decision maker	Cabinet	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	Town	
Proposed consultation	Not known at this stage	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Simon Smith, Regeneration and Economic Development Manager	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>STAFFORDSHIRE STRATEGIC ASSETS REVIEW</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
Brief description of report	Participation in review of public sector assets across Staffordshire to inform the Council's future asset management strategy and site allocations Development Plan Document.	
Spend required/saving generated ( <i>if applicable</i> )		
Decision maker	Cabinet	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
Transformation and Resources		
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Jeff Hamnett, Head of Regeneration and Assets	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>REGISTER OF LOCALLY IMPORTANT BUILDINGS AND STRUCTURES SUPPLEMENTARY PLANNING DOCUMENT</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To inform members of the results of the consultation process on the draft Register of Locally Important Buildings and Structures Supplementary Planning Document (SPD) and to consider the final Register of Locally Important Buildings and Structures SPD.	
Spend required/saving generated ( <i>if applicable</i> )	The cost of publishing the SPD is already included in the budget.	
Decision maker	Cabinet following recommendations from the Strategic Planning Committee	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	N/A. However, a public notice is required.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	As per agenda	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	Helen Beech, Planning Policy Manager	

TITLE OF REPORT: <b>REVIEW OF COMMUNITY CENTRE PROVISION</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	√
Brief description of report	This second report follows the earlier strategic review to take forward the redevelopment and re-provision of community centres across the Borough	
Spend required/saving generated ( <i>if applicable</i> )	Invest to save	
Decision maker	Cabinet	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	√
	Transformation and Resources	
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Robert Foster Head of Leisure and Cultural Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

TITLE OF REPORT: <b>STRATEGIC TENANCY POLICY</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To seek approval for the Strategic Tenancy Policy	
Spend required/saving generated ( <i>if applicable</i> )	None anticipated	
Decision maker	Cabinet	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Open consultation advertised on the Council's website.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Joanne Basnett, Head of Housing Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>WASTE TRANSFER STATION TENDERS</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	√
	Safer and Stronger Communities	
	Resources and Efficiency	
Brief description of report	Report to seek approval to award tender for waste transfer and sweepings treatment	
Spend required/saving generated ( <i>if applicable</i> )	Spending £120,000 per year, with income of about £60,000 from recycling credits	
Decision maker	Cabinet	
Earliest date of decision	February 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	√
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation		
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Trevor Nicoll, Head of Recycling and Fleet Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )		

## MARCH

TITLE OF REPORT: <b>TREASURY MANAGEMENT STRATEGY</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	√
	Culture and Active Communities	
Brief description of report	To approve the Council's Treasury Management Strategy for 2012/13	
Spend required/saving generated ( <i>if applicable</i> )	Not yet known	
Decision maker	Council	
Earliest date of decision	March 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
	Transformation and Resources	√
Wards affected	All	
Proposed consultation	N/A	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Dave Roberts, Head of Finance	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	



TITLE OF REPORT: <b>COMMUNICATIONS STRATEGY 2012-14</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	√
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
Brief description of report	To outline proposals for how the Council communicates with residents and other key stakeholders to ensure they are involved in, and informed about, services, events and activities.	
Spend required/saving generated ( <i>if applicable</i> )	Existing budgets	
Decision maker	Cabinet	
Earliest date of decision	March 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	
Wards affected	Transformation and Resources	√
Wards affected	All	
Proposed consultation	N/A – consultation completed prior to preparation of strategy via Reporter, website and face-to-face surveys.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting.	
Background documents	As per agenda	
Officer contact	Phil Jones Head of Communications	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>URBAN NORTH STAFFORDSHIRE GREEN SPACE STRATEGY – PROGRESS REPORT</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	√
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	√
Brief description of report	Report on progress with the delivery of the Action Plan	
Spend required/saving generated ( <i>if applicable</i> )	To be determined	
Decision maker	Cabinet	
Earliest date of decision	March 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	√
	Economic Development and Enterprise	
	Active and Cohesive Communities	√
	Transformation and Resources	
Wards affected	All	
Proposed consultation	None	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Roger Tait, Head of Operations	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>BATESWOOD LOCAL NATURE RESERVE - OUTCOME OF PUBLIC CONSULTATION</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	√
Brief description of report	Report on outcome of public consultation on community requests for angling and additional bridle route provision in Bateswood Local Nature Reserve	
Spend required/saving generated ( <i>if applicable</i> )		
Decision maker	Cabinet	
Earliest date of decision	March 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	
	Active and Cohesive Communities	√
	Transformation and Resources	
Wards affected	Halmerend	
Proposed consultation	Consultees listed in report	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda Consultation plan and analysis of results	
Officer contact	Roger Tait, Head of Operations	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

TITLE OF REPORT: <b>HOUSING ALLOCATIONS POLICY</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
	Culture and Active Communities	
Brief description of report	To seek approval to amendments to the current Housing Allocations Policy	
Spend required/saving generated ( <i>if applicable</i> )	There will be a requirement to invest in the allocations process and ICT developments.	
Decision maker	Cabinet	
Earliest date of decision	March 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	Open consultation advertised on the Council's website.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Joanne Basnett, Head of Housing Services	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	N/A	

# JULY

<b>TITLE OF REPORT:</b> <b>SITE ALLOCATIONS AND POLICIES DEVELOPMENT PLAN DOCUMENT (DPD) DRAFT OPTIONS REPORT</b>		
Portfolio		√ as appropriate
	Customer Service and Transformation	
	Regeneration and Planning	√
	Environment and Recycling	
	Safer and Stronger Communities	
	Resources and Efficiency	
Brief description of report	To seek approval to engage the public in the second stage of public consultation on the Site Allocations and Policies DPD. Specific site options will be proposed in respect of the location of housing, retail, leisure facilities and employment.	
Spend required/saving generated ( <i>if applicable</i> )	With the exception of the Examination in Public the cost of preparing the DPD is already included in the budget.	
Decision maker	Council following recommendations from Cabinet and the Strategic Planning Committee.	
Earliest date of decision	July 2012	
Relevant Overview and Scrutiny Committee		√ as appropriate
	Cleaner Greener and Safer Communities	
	Economic Development and Enterprise	√
	Active and Cohesive Communities	
	Transformation and Resources	
Wards affected	All	
Proposed consultation	This stage of preparation of the DPD will involve a statutory six week period of public consultation.	
Last date for representations	Representations on public agenda items can be made up to one working day before the meeting	
Background documents	As per agenda	
Officer contact	Helen Beech, Planning Policy Manager	
Reasons for exemptions under the Local Government Act 1972, Schedule 12A ( <i>if applicable</i> )	Not exempt.	

<b>THE CABINET:</b>	<b>OVERVIEW &amp; SCRUTINY:</b>
<p>Councillor Stephen Sweeney - Leader</p> <p><b>Portfolio:</b> <b>Safer and Stronger Communities</b></p>	<p><b>Cleaner, Greener and Safer Communities:</b></p> <p><b>Chair:</b> Councillor John Williams <b>Vice:</b> Councillor John Cooper</p>
<p>Councillor Robin Studd – Deputy Leader</p> <p><b>Portfolio:</b> <b>Regeneration and Planning</b></p>	<p><b>Economic Development and Enterprise:</b></p> <p><b>Chair:</b> Councillor Mark Olszewski <b>Vice:</b> Councillor Ian Gilmore</p>
<p>Councillor Ashley Howells</p> <p><b>Portfolio:</b> <b>Resources and Efficiency</b></p>	<p><b>Active and Cohesive Communities:</b></p> <p><b>Chair:</b> Councillor Mrs. Ann Heames <b>Vice:</b> Councillor Mrs. Gillian Williams</p>
<p>Councillor Miss Marion Reddish</p> <p><b>Portfolio:</b> <b>Environment and Recycling</b></p>	<p><b>Transformation and Resources:</b></p> <p><b>Chair:</b> Councillor Mrs. Elizabeth Shenton <b>Vice:</b> Councillor Ann Beech</p>
<p>Councillor Nigel Jones</p> <p><b>Portfolio:</b> <b>Customer Service and Transformation</b></p>	
<p>Councillor James Bannister</p> <p><b>Portfolio:</b> <b>Culture and Active Communities</b></p>	