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Chief Executive

CABINET AGENDA

Date: Wednesday 19th July 2017

Time: 7.00pm

Venue: Council Chamber

This meeting will be webcast live on the internet.

Membership:

Councillor Riley	Chairman - Leader of the Council
Councillor Stanley	Finance, Policy and Resources
Councillor Dick	Health & Wellbeing
Councillor Mrs Egan	Housing and Council Homes
Councillor Howard	Street Scene, Waste, Floods and Water Management
Councillor Isaacs	Neighbourhoods & Safer Communities
Councillor MacLean	Customer Engagement and Commercialism
Councillor Skipp	Environment & Leisure
Councillor Smith	Regeneration & Business Liaison

Cabinet Enquiries:
Reference:
Publication Date:

John Riley Ext 2417/Ann Horgan ext. 2413
2/2017/2018
Tuesday 11th July 2017

**AGENDA
PART I
(Business to be taken in public)**

- 1. Apologies**
- 2. Members' Interests**
- 3. Minutes**
To approve the Minutes of the meeting held on 21st June 2017.
- 4. Forward Plan**
To review the Forward Plan
- 5. Public Health and Wellbeing**
- 6. Environment**
 - 6 (a) Response to Consultation - Borough wide Dog Control Order for Dog Fouling Conversion to Public Spaces Protection Order**
(Report of the Cabinet Member for Environment and Leisure)
 - 6(b) Update on Halls previously leased to the Royal Voluntary Service (RVS)**
(Report of the Cabinet Member for Environment and Leisure)
- 7. Transforming Our Community**
- 8. Efficient and Effective Customer Focused Services**
 - 8(a) Local Council Tax Support Scheme 2018/19 – Consultation on Options and Arrangements**
(Report of the Cabinet Member for Finance, Policy and Resources)
 - 8(b) Annual Report on Treasury Management Service and Actual Performance Indicators 2016/17**
(Report of the Cabinet Member for Finance, Policy and Resources)
- 9. Matters to be referred from /to Policy & Scrutiny Committees**
- 10. Matters to be referred from /to the Standing Committees**

**PART II
(Business to be taken in private)
(Item to be considered with the press and public excluded from the meeting)**



CABINET

21ST JUNE 2017

PRESENT:

Councillor Riley Chairman	Leader of the Council
Councillor Stanley	Finance, Policy and Resources
Councillor Dick	Health and Wellbeing
Councillor Mrs Egan	Housing and Council Homes
Councillor Howard	Street Scene, Waste, Floods and Water Management
Councillor Isaacs	Neighbourhoods & Safer Communities
Councillor MacLean	Customer Engagement and Commercialism
Councillor Skipp	Environment & Leisure
Councillor Smith	Regeneration & Business Liaison

APOLOGIES: There were none.

ALSO PRESENT:

Councillors: Acott, Bayley, Blackwell, Campagna, Greig, Hurrell, Palmer, Mrs. Sach, Taylor, Varker Walter, Mrs G and N Watson.

1. MEMBERS' INTERESTS:

There were none.

2. MINUTES:

The Minutes of the Cabinet meeting held on 15.3.2017 were approved and signed by the Chairman as a correct record.

3. FORWARD PLAN:

To comply with regulations under the Localism Act 2011, the Leader of the Council presented a revised Forward Plan to the meeting which outlined key decisions likely to be taken within the next quarter 2017. The Plan was reviewed each month.

Resolved – To note and approve the Forward Plan.

4. FOOD & HEALTH AND SAFETY SERVICE PLAN 2017/18

Cabinet considered a report presenting the Council's Food & Health and Safety Service Plan for 2017-2018 for approval.

Resolved –

To approve the Food & Health and Safety Service Plan for 2017/18.

5. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) POLICY

Cabinet considered a report providing an update to on the current RIPA policy and legislation and seeking approval of a revised Regulation of Investigatory Powers Act 2000 (RIPA) Policy. The policy was presented with the report before the Cabinet.

Resolved:

1. To note the content of the report.
2. To approve the Regulation of Investigatory Powers Act 2000 (RIPA) Policy annexed as an indication of the Council's commitment to complying in its practices with current legislation.

6. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) POLICY

Cabinet considered a report providing an update to on the current RIPA policy and legislation and seeking approval of a revised Regulation of Investigatory Powers Act 2000 (RIPA) Policy. The policy was presented with the report before the Cabinet.

Resolved:

1. To note the content of the report.
2. To approve the Regulation of Investigatory Powers Act 2000 (RIPA) Policy annexed as an indication of the Council's commitment to complying in its practices with current legislation.

7. REVIEW OF CAR PARKING CHARGES

Cabinet received a report considering proposed increases to the car parking charges in the Council's car parks following a review and the introduction of a one hour visitor residents' on street parking permit.

Resolved:

1. To endorse the proposed increases in car parking charges as set out in the appendix to the report;
2. To authorise the Head of Environment in consultation with the Cabinet Member for Environment and Leisure to suspend car parking charges in Council operated car parks for up to five days each year in the run up to Christmas; and
3. To endorse the introduction of a one hour visitors' residential parking permit at a cost of £3 for a book of 10 tickets.

8. GARDEN WASTE COLLECTION SERVICE

Cabinet considered a report providing an update on the implementation of the new chargeable wheeled bin collection service for garden waste.

Resolved: To note the content of this report.

9. PLANNING POLICY UPDATE, INCLUDING LOCAL DEVELOPMENT SCHEME 2017

Cabinet considered a report informing of a number of important planning policy matters. Following the withdrawal of the New Local Plan 2016, Cabinet was also asked to agree a new Local Development Scheme setting out the Council's planning policy work programme.

Resolved:

1. To note the important planning policy matters on which announcements have been made, publications issued or work recently completed, as set out in the Table attached to the report and summarised in Section 5 and agree that these should be published and referred to as part of the evidence base for the Council's local planning work;

2. In noting the work underway on important planning policy matters, as set out in the Table attached to the report and summarised in Section 5 to agree that once completed these should be reported to Cabinet with a view to being incorporated as part of the evidence base for the Council's local planning work;
3. To note the publication of the Town & Country Planning (Brownfield Land Register) Regulations 2017, and the Town & Country Planning (Permission in Principle) Regulations 2017, and agree to recommend to Council that it establishes a cross-party Member Working Group to assist in the preparation of and consultation on the Register prior to its publication;
4. To welcome the signing of a Memorandum of Understanding between the South Essex local planning authorities to work collaboratively on a non-statutory strategic planning framework, especially in the light of the findings of the Essex Growth & Infrastructure Framework and the announcement of the route of the Lower Thames Crossing.

10. CORPORATE SCORECARD QUARTER 4 2016/17

Members of the Cabinet presented the performance figures for performance statistics falling within their areas of responsibility.

Prior to presenting the housing statistics Councillor Mrs Egan took the opportunity to express sympathy and concern for all those affected by the recent Grenfell fire tragedy and provided reassurance that no Council buildings were clad in the materials used on Grenfell Tower. That fire checks were being undertaken. The Council was also co-operating and responding to requests from the Government (DCLG) for information.

The Cabinet considered the cumulative performance figures for the Corporate Performance Scorecard for quarter 4, 1st January 2017 to 31st March 2017 and the proposed indicators for performance monitoring for this financial year 2017/18.

Resolved:

1. To note the reported performance.
2. To agree the proposed indicators for performance monitoring for this financial year 2017/18

11. FINANCIAL UPDATE

The Cabinet considered a report providing the latest medium term financial forecast in respect of the General Fund and updating Cabinet on

developments of a financial nature, which might impact on the Council's financial plans in respect of either the General Fund or Housing Revenue Account (HRA).

Resolved:

1. To note the report.
2. That authority to decide whether the Council should join a Business Rates Retention Pilot scheme for 2018/19 is delegated to the Cabinet Member for Finance, Policy and Resources in consultation with the Head of Resources.
3. To approve the revised capital programme for the HRA as set out in Annexe B.

12. MATTERS TO BE REFERRED FROM/TO POLICY SCRUTINY COMMITTEES:

There were no matters.

13. MATTERS TO BE REFERRED FROM /TO THE STATUTORY COMMITTEES:

There were no matters.

14a EXCLUSION OF THE PUBLIC:

Resolved:

To exclude the public and press for the following item of business as the report contained Exempt Information under Paragraph 3 Schedule 12A Local Government Act 1972 as amended.

14. RUNNYMEDE POOL – TENDERS RECEIVED FOR THE PLANNED MAINTENANCE & EXTENSION PROJECT (EXEMPT INFORMATION UNDER PARAGRAPH 3 SCHEDULE 12A LOCAL GOVERNMENT ACT 1972 AS AMENDED.)

This item was taken as urgent business in order that a prompt decision could be taken to meet the timescale for implementation of the project. Call In did not apply.

Cabinet received a report on the tender process and evaluation undertaken for the provision of the following at Runnymede Pool:

- a new fitness suite & associated parking

- refurbishment/remodelling of the existing dry side toilets and offices, and
- undertaking the Council's normal routine planned preventative maintenance programme

Resolved:

To agree that the contract to undertake all of the tendered works to Runnymede Pool is awarded to the lowest compliant tenderer.

Chairman



Castle Point Borough Council

Forward Plan

JULY 2017

CASTLE POINT BOROUGH COUNCIL

FORWARD PLAN

JULY 2017

This document gives details of the key decisions that are likely to be taken. A key decision is defined as a decision which is likely:-

- (a) Subject of course to compliance with the financial regulations, to result in the local authority incurring expenditure which is, or the savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates subject to a threshold of £100,000; or
- (b) To be significant in terms of its effects on communities living or working in an area comprising two or more Wards in the area of the local authority.

The Forward Plan is a working document which is updated continually.

Date	<u>Item</u>	Council Priority	Decision by Council/ Cabinet	Lead Member(s)	Lead Officer(s)
July/October 2017	<u>Treasury Management Report – Updates</u>	Efficient and Effective Customer Focussed Services	Cabinet	Finance, Policy & Resources	Head of Resources
July/Sept 2017	<u>Halls Review – RVS Halls</u>	Transforming Our Community	Cabinet	Environment & Leisure	Head of Environment
July /November 2017	<u>Local Council Tax Support Scheme 2018/19</u> Consultation options and arrangements	Efficient and Effective Customer Focussed Services	Cabinet /Council	Finance, Policy and Resources	Revenues& Benefits Transformation Manager Head of Resources
Sept/ December 2017	<u>Financial Update</u>	Efficient and Effective Customer Focussed Services	Cabinet	Finance, Policy & Resources	Head of Resources
Sept 2017	<u>Flooding Update</u>	Environment	Cabinet	Street Scene, Waste, Floods and Water Management	Head of Environment

September 2017/ February 2018	<u>Budget and Policy Framework</u> To make recommendations to Council on the Council tax and budget setting.	All	Cabinet/ Council	Finance, Policy & Resources	Head of Resources
February 2018	<u>Housing Revenue Account Rent Levels 2017/2018 Housing Capital Programme etc</u>	Transforming Our Community Efficient and Effective Customer Focussed Services	Cabinet	Housing and Council Homes / Finance, Policy & Resources	Head of Resources Head of Performance & Service Support & Interim Head of Housing

CABINET

19th July 2017

Subject: Response to Consultation - Borough wide Dog Control Order for dog fouling, conversion to Public Spaces Protection Order

**Cabinet Member: Councillor Skipp – Environment and Leisure
Councillor Howard – Street Scene, Waste, Floods and Water Management**

1. Purpose of Report

To report back to Cabinet:

- (1) The results of the consultation with relevant bodies in respect of the conversion of the Council's existing Dog Control Order to a Public Spaces Protection Order (PSOP) under the Anti-Social Behaviour Crime & Policing Act 2014; and**
- (2) The results of the public consultation on dog fouling.**

2. Links to Council's priorities and objectives

This initiative supports the Council's Environment objective.

3. Recommendation

It is recommended that:

- (1) Cabinet notes the responses received from the organisations consulted as part of the PSOP making procedure and proceeds with the conversion of the existing Dog Control Order to a Public Spaces Protection Order under the Anti-Social Behaviour Crime & Policing Act 2014 ; and that**
 - (2) Cabinet notes the results of the public consultation on dog fouling.**
-

4. Background

In 2010, the Council utilised the powers available to it in The Clean Neighbourhoods and Environment Act 2005 and adopted a borough wide Dog Control Order for dog fouling. The Fouling of Land by Dogs (Borough of Castle Point) Order 2010 as it is known became effective on 1 February 2011 and made it an offence for persons not to pick up faeces after their dog had fouled on all open land to which the public are entitled or permitted to have access (with or without payment) within the Castle Point Borough boundary. A person can be prosecuted (level 3 fine, currently £1000 maximum) or served with a Fixed Penalty Notice (up to £80) for failure to clean up after a dog under their control has fouled.

The Anti – Social Behaviour Crime and Policing Act 2014 (“the Act”) has made some previous powers to deal with anti-social behaviour obsolete and introduced some new more effective powers. PSPOs replace Dog Control Orders and allow a local authority to deal with a particular nuisance or problem such as dog fouling that is detrimental to the local community’s quality of life by imposing universal conditions on the use of that area. Whilst Dog Control Orders are now obsolete any which were in place when the new legislation came into effect remain enforceable for three years from the commencement date of the Act but after that time there is a requirement for them to be reviewed and converted to a PSOP.

The Council must therefore now review and convert its existing Dog Control Order to a PSOP if it wishes to continue to encourage responsible dog ownership and enforce dog fouling contraventions on land to which the public have access.

At its meeting on 15 March 2017 Cabinet resolved to consult the relevant organisations in respect of converting the existing Dog Control Order to a PSOP and also to undertake a public consultation on dog fouling.

The following organisations were consulted in respect of the proposed PSOP:

- a. Chief of Police for Castle Point – Statutory Consultee
- b. The Police and Crime Commissioner for Essex - Statutory Consultee
- c. Canvey Island Town Council – Non Statutory Consultee
- d. Essex County Council - Non Statutory Consultee
- e. RSPB - Non Statutory Consultee

The only responses received were from Canvey Island Town Council and the RSPB; both were supportive of the proposal and the need to have legislation in place to encourage responsible dog ownership.

It is proposed to proceed with the making of the PSOP. The land covered by the Order will include any open land to which the public are entitled or permitted to have access (with or without payment) within the Castle Point Borough boundary.

The public consultation on dog fouling went live on the 3rd of May 2017 and finished on the 1st July 2017. It was an on line consultation accessed from the home page of the Council's Website. It was promoted by weekly posts throughout the consultation period on the Council's Twitter and Facebook accounts.

Three questions were asked, as follows:-

- a. Do you feel the Castle Point Borough has a dog fouling problem? – Yes / No
- b. Are there any specific areas of the Borough that you feel have a significant dog fouling issue?– please tell us where
- c. If you have given a specific area, and to help us with our enforcement, are you able to give the times of day you believe the dog fouling is occurring and a description of the person not picking up after their dog has fouled?

Of the 399 responses received, 375 felt there was a dog fouling problem in the Borough whilst 24 felt there was not.

In respect of specific areas of concern:

127 respondents felt that fouling occurred on Council owned Open Spaces;

93 respondents felt that fouling occurred on Open Spaces not owned by the Council;

222 respondents felt that fouling occurred on the Seawall; and

101 respondents felt that the fouling occurred on the public highway.

In relation to question c, 198 respondents gave information in relation to the time of day, and 15 gave information in relation to a description of the person not picking up after their dog. This information will enable the Council to better utilise its enforcement resource and target problem areas.

7. Corporate Implications

a. Financial implications

Whilst the Council can keep any income it receives through the service of Fixed Penalty Notices the primary purpose of the PSPO will be to deter offences from being committed.

It is envisaged that any costs relating to the PSPO will be met from within current budgets.

b. Legal implications

The existing Dog Control Order will no longer be enforceable after 19 October 2017, i.e. three years after the commencement date of "the Act".

The Council will need to make a PSPO if it wishes to continue to take enforcement action against a person who does not clean up after his/her dog has fouled on land which the public can access.

The land covered by the PSOP will include all land covered by the existing Dog Control Order and will include any land which is open to the air and to which the public are entitled or permitted to have access (with or without payment) within the Castle Point Borough Council area. This includes highway land as well as parks and open spaces.

The PSPO will be enforced by existing Borough Council and Town Council staff who are authorised and trained to ensure that correct procedures are followed.

Payment of the fixed penalty fine is required within fourteen days to discharge the offence. Failure to pay the fine could result in the offender being prosecuted.

The ability to serve a Fixed Penalty Notice serves as a useful deterrent, albeit people tend not to commit an offence when other people are about.

c. Human resources and equality implications

There are no additional human resource implications. There are six Castle Point Officers authorised to serve Fixed Penalty Notices and one Town Council Officer.

d. Timescale for implementation and risk factors

It is proposed that the Order will become effective without undue delay and prior to 19 October 2017.

7. Background Papers: None

Report Author: Stuart Jarvis, Contracts Manager

CABINET

19th July 2017

Subject: Update on Halls previously leased to the Royal Voluntary Service (RVS) at South Benfleet Recreation Ground, Richmond Avenue, South Benfleet, John H Burrows, Hadleigh and King George V Recreation Ground, Canvey Island

Cabinet Member: Councillor Skipp – Environment and Leisure

1. Purpose of Report

To update members in respect of the halls previously leased to the Royal Voluntary Service (RVS).

2. Links to Council Priorities and Objectives

Environment

Efficient and Effective Customers Focused Services

3. Recommendation

Cabinet is recommended to note the content of this report.

4. Background/Update

The RVS previously leased halls at South Benfleet Recreation Ground Richmond Avenue, South Benfleet, John H Burrows, Hadleigh and King George V Recreation Ground, Canvey Island.

At its meeting in March 2017 Cabinet resolved to demolish the halls vacated, or soon to be vacated, by the RVS at Richmond Avenue, South Benfleet and at John H Burrows, Hadleigh.

With regards to the hall at South Benfleet Recreation Ground the asbestos demolition survey has been completed. UKPN has been requested to disconnect the electricity supply. UKPN has undertaken a site survey and officers are currently awaiting a quotation and date for the commencement of the works which will include the installation of new supply pillar to feed the existing car park lighting.

A request to disconnect the gas supply has been made to Energy Assets. Unfortunately there is a complication with the gas supply crossing an adjacent ditch and officers are awaiting a site survey visit from Energy Assets.

In respect of the hall at John H Burrows, the electricity and gas supply have now been disconnected and the asbestos demolition survey completed. Officers are awaiting the utility supplies to be disconnected at the hall at South Benfleet Recreation Ground Hall Benfleet so that both halls can be demolished as one project; this is in order to secure best value for money.

The demolition specification for both these halls is being progressed whilst awaiting the disconnection of the gas the electricity supplies.

The date of demolition cannot be determined until the gas and electricity supplies have been disconnected. The utility companies are being contacted on a regular basis to speed things along, however progress is slow.

The hall at King George V Recreation Ground, Canvey Island was vacated by the RVS on 30 June 2017. The Council was approached by Essex County Council Youth Service who was interested in its use for youth related activities. The facility has been offered to the Canvey Island Youth Project who will deliver the youth activities in partnership with Essex County Council on a ten year full maintenance and repair lease basis subject to ECC acting as guarantor for the duration of the lease.

As the CIYP was keen to access the building as soon as it became empty a short term licence (one month) has been drawn up to cover the period up until the lease has been agreed and signed by all parties. The CIYP have had access to the building since 30 June 2017 and ECC intends to use the building for National Citizen Service over the summer months.

5. Corporate Implications

a) Financial Implications

All three halls were leased to the RVS on a full repair and maintenance basis at a rent of £92.90 pa for the hall at John H Burrows, £100 pa for the hall at South Benfleet Recreation Ground and £10 pa for the hall at King George V Recreation Ground.

Provision has been made in the 2017/18 budget to cover the cost of the demolition of the two halls. Packaging the two demolition projects together should ensure that the Council secures a lower price than if they were done separately.

The CIYP has requested that the hall at King George V Recreation Ground be leased to them for ten years at a peppercorn rent so that they can afford the adaptations required to make it suitable for their proposed activities. This has been agreed on the basis that the Council will be no worse off financially than when the hall was leased to the RVS. Any adaptations to the facility will require the Council's prior written consent.

A contribution of £25k towards the demolition costs has been received from the RVS in recognition of its failure to maintain the halls at J H Burrows and South Benfleet Recreation Ground in accordance with the lease terms and conditions.

b) Legal Implications

A Building Condition Survey has been undertaken and a Schedule of Dilapidations has been drawn up by Keegans for the hall at King George V Recreation Ground. The Schedule of Dilapidations sets out the items of disrepair that are covered by the repairing obligations contained in the lease to cover breaches of tenants covenants relating to the physical state of the premises at the end of the lease. The report states that apart from the external parts and some minor internal areas the building is in a good, sound condition. Negotiations are currently underway with the RVS as part of the end of lease process.

c) Human Resources and Equality Implications

It is disappointing that the RVS has decided to cease the services it provided in the Borough for older people but the use of the hall at King George V Recreation Ground for youth activities is welcomed given its proximity to the town centre and the lack of youth services on Canvey Island.

6. Timescale for Implementation and Risk Factors

Demolition of the halls at J H Burrows and South Benfleet Recreation Ground will be undertaken without undue delay but is dependent on the utility companies disconnecting the supplies. The longer the halls remain empty, the greater the likelihood that they will be the target of anti-social behaviour. The CIYP is already occupying the hall at King George V with a short term licence in place until the lease agreement is signed. The lease agreement will be dependent on ECC agreeing to act as guarantor for the duration of the lease period.

Background Papers:

None

Report Author: Trudie Bragg, Head of Environment

CABINET

19th July 2017

**Subject: Local Council Tax Support scheme 2018/19 –
Consultation Options and Arrangements**

Cabinet Member: Councillor Stanley – Finance, Policy & Resources

1. Purpose of Report

- **To present Cabinet with options to be consulted upon in relation to the 2018/19 Local Council Tax Support scheme.**
- **To inform Cabinet of consultation arrangements.**
- **To highlight to Cabinet, the financial implications associated with the scheme.**

**2. Links to Council's priorities and objectives
Efficient and Effective Customer Focussed Services**

3. Recommendations

- 1. That Cabinet approves the elements set out in paragraph 6.1 and Appendix B for consultation.**
- 2. That Cabinet notes the impacts stated in Appendix C.**
- 3. That Cabinet notes the financial implications stated in section 8.**

4. Background Information

- 4.1 The former Council Tax Benefits scheme was replaced by a discretionary, Local Council Tax Support scheme (LCTS) in April 2013, following the announcement by Government in the 2010 spending review that support for Council Tax would be localised. At the same time, the level of funding provided by government was reduced nationally by an average of 10% which translated locally to a reduction of 15%.**
- 4.2 In December 2012, Council approved the local scheme for Castle Point. The scheme was designed to be cost neutral and based largely on an Essex wide framework developed over the course of the preceding year by Essex Benefit and Finance Officers working together.**

4.3 **Appendix A** sets out the key aspects of the current scheme.

4.4 The current scheme is generally still in line with the 2013/14 scheme approved by Council in December 2012. The only changes made to the scheme since then have been where required to bring it in line with technical and legislative changes made in Housing Benefit.

5. Consultation Requirements

5.1 It is necessary for the Council to approve future year's schemes before 31st January each year, even if no changes are made.

5.2 It is difficult to estimate with any certainty the number of cases that would be impacted by the various consultation options and the reductions which each may achieve however some background information is set out at **Appendix C**. Please also refer to the financial implications section of this report.

5.3 Before approving the scheme, the Council is required to consult with;

- The public
- Major precepting authorities (County, Police, Fire)
- Relevant stakeholder groups

5.4 Essex County Council (ECC) Finance Officers have attended Pan-Essex benefit managers meetings and other related meetings and are therefore considered engaged in this process.

5.5 Despite not attending, Essex Police and Fire Authorities have also been invited to these meetings and have received minutes and documents and are therefore considered engaged in this process.

5.6 The legal requirement for consultation is a minimum period of at least 6 weeks. All Essex Authorities will undertake consultation during August and September 2017. Castle Point's consultation will take place between 14th August 2017 and 24th September 2017.

5.7 At the end of this period responses will be collated and considered, and recommendations will be presented to Cabinet on 15th November 2017 and Council on 6th December 2017.

6. Consultation Questions & Format

6.1 It is proposed that the consultation will include questions on the following matters;

1. Should the Council keep the current Local Council Tax Support scheme?
2. Should the Council reduce the maximum award percentage cap? If yes, what level should the cap be reduced to:

a) 68%

- b) 66%
 - c) 65%
 - d) Another percentage
- 3. Should the Council introduce a minimum award amount? If yes, what level should the minimum award be set at:
 - a) 50p per week
 - b) £1.00 per week
 - c) £2.00 per week
 - d) Another amount per week
- 4. Rather than introduce any of the other proposed changes to the scheme, should the Council:
 - a) Increase the level of Council Tax?
 - b) Find savings from cutting other Council services?, or
 - c) Use the Council's savings?

6.2 **Appendix B** contains a full script of the proposed consultation wording.

6.3 Links to the on-line consultation (hosted and developed by ECC) will be published on the CPBC website. Paper consultation forms will also be available at all four local libraries. Alternative format and paper copies of the consultation form will be available on request via First Contact.

6.4 A brief information leaflet summarising the current scheme, funding arrangements, and matters under consultation for 2018/19 will also be published on the CPBC website and in paper format and this will be included with all Council Tax and Benefit documentation issued during the consultation period.

6.5 The consultation will be publicized via Twitter, the 'Latest News' box on the Council web site, and via text message.

6.6 Partners from the Benefit Information Network and Local Strategic Partnership groups will be invited to take part in the survey and encouraged to publicise it to their customers.

7. Implications for claimants and the Council

7.1 Any further reduction in the scheme will have a detrimental impact on claimants and further increase difficulties with collection, court action, and bad debts for the Council and precepting authorities.

7.2 Many Support customers are already paying off previous years debts through deductions from benefit. Many have also been impacted by other Welfare Reforms, such as the removal of the Family Premium (1st May 2016), the extended Housing Benefit Cap (7th Nov 2016), and the introduction of Dependant Child restrictions (6th April 2017).

- 7.3 A further reduction in the scheme is therefore likely to compound existing financial and/or welfare difficulties, making Council Tax collection in 2018/19 even harder, and potentially leading to other negative outcomes including the threat of homelessness and increased strain on Discretionary Housing Payments.

8. Corporate Implications

a) Financial Implications

Funding

- 8.1 The reduced tax yield arising directly from the Council Tax Support Scheme discount was originally compensated for by a Government grant. With the exception of the Town Council, each precepting organisation received their equivalent grant directly and it was specifically identified within the overall finance settlement. An amount was paid over from this Council to the Town Council based on an estimate of the amount relating to them. From 2015/16 the grant has not been specified separately and the scale of reductions applied to Revenue Support Grant (RSG) means that local authorities are now required to fund this scheme entirely from their own resources.
- 8.2 Despite significant reductions in Government funding and other cost pressures the Council has maintained the scheme at broadly its original level.
- 8.3 The overall impact on the Council Tax Base for each financial year since introduction of the scheme is shown in the table below:

	Outturn £000s	Projected £000s
2013/14	5,798	
2014/15	5,282	
2015/16	4,874	
2016/17	4,804	
2017/18		4,840

- 8.4 The number of discounts awarded under the local scheme has steadily reduced throughout the period since the scheme was launched in April 2013. Caseload will be influenced by changes in the local economy.

Collection

- 8.5 On introduction, the scheme resulted in a number of residents receiving full or partial Council Tax bills for the first time and, as expected, some residents have had difficulty in making payment. The Council has seen a reduction in the overall council tax collection rate, and an increase in the number of payment arrangements which extend payment into subsequent financial years.
- 8.6 Financial implications over and above the target cost of the scheme, positive or negative, would be shared with the major precepting organisations.

Council Tax Reserve

- 8.7 The Council has preserved an amount of £100k in an earmarked reserve from scheme underspends in previous years.

b) Legal Implications

- 8.8 The Local Government Finance Act 1992 made provision for local authorities to implement a council tax reduction scheme based on financial need criteria and placing responsibility on the billing authority before introducing or implementing changes to their scheme to undertake consultation on the various options enabling consultees to express meaningful views on the proposals, which need to be considered by the local authority before making a final decision.

Those aggrieved by decisions made regarding eligibility for council tax reduction have a right of appeal to the Valuation Tribunal for England and from there, there is a further route of appeal to the High Court on a point of law.

c) Human resources/equality/human rights

Resourcing Implications

- 8.9 Universal Credit for single people was introduced in Castle Point in May 2015. Universal Credit Full Service is scheduled to be introduced in Castle Point in May 2018, except for two postcodes which overlap neighbouring Authorities and which will fall under Full Service from September 2017.
- 8.10 It is too early to establish the full impact of Universal Credit Full Service, however early indications from Pilot sites suggest that it may increase the administrative burden of the Support scheme, and may also hamper normal recovery collection processes.
- 8.11 Further changes to the scheme at this stage will also potentially make it more complex to administer, increasing the risk of error, and making it more difficult for customers and staff to understand.
- 8.12 It is therefore desirable to keep changes to the scheme in 2018/19 to a minimum except where absolutely necessary, or to ensure technical alignment with Universal Credit and Housing Benefit changes.

Equality Impact Assessments

- 8.13 Initial impact assessments were undertaken at a high level by DCLG/DWP and are published on their websites.
- 8.14 Stage 1 & 2 Equality Impact Assessments were undertaken as part of the original scheme design. These will be revisited after the consultation, to identify and determine the impact of any of the proposed changes on particular groups of people. This information will be presented to Council for consideration alongside the proposed 2018/19 scheme.

Exceptional hardship policy

- 8.15 The scheme continues to include a small sum to cover Exceptional Hardship cases in line with the policy approved by Council in December 2012.
- 8.16 The creation of an Exceptional Hardship Fund meets the Council's obligations under the Equality Act 2010 by recognising the importance of protecting the most vulnerable members in our communities and the impact of the changes imposed by the removal of Council Tax Benefit.
- 8.17 The Policy provides short term help in cases of extreme financial hardship - it is not intended to support a lifestyle or lifestyle choice but to provide financial assistance where applicants are suffering 'hardship beyond that which would normally be suffered'.
- 8.18 Applicants are required to undertake a range of specific actions to improve their long term financial situation, including taking up assistance to manage finances more effectively, minimising Council Tax liability by ensuring all discounts, exemptions, and reductions are correctly claimed, maximising income by taking up other welfare benefits to which they are correctly entitled, and reducing non-essential expenditure.

9. Timescale for implementation and risk factors

The local scheme needs to be finalised and consulted upon by the 31st January 2018. The revised scheme must be operational from 1st April 2018.

Key milestones from this point going forward are as follows:

Milestone	Timeframe	Purpose
Cabinet Report	19.7.17	Approval of options for consultation & confirmation of level of funding
Formal Public/Stakeholder Consultation	Aug – Sept 2017	Precepts & Residents
Report to Cabinet	15.11.2017	Final scheme for consideration
Report to Council	06.12.2017	Final scheme for approval
Final scheme in place	31.01.2018	Adoption and implementation
Scheme in operation	01.04.2018	Operation

Risks are recorded on the Corporate Risk Register and are reviewed on a monthly basis.

Appendix A – Key Aspects of 2017/18 Local Council Tax Support scheme

Appendix B – 2018/19 Local Council Tax Support scheme consultation script

Appendix C – Summary of Option Impacts

Report Author:

Chris Mills – Head of Resources

Edwina Mosuro – Revenues & Benefits Transformation Manager

Key Aspects of 2017/18 scheme

- 1 As directed by central government, all pensioners are treated as protected, meaning that the financial impact of changes falls on working age households only.
- 2 The scheme is means tested, using many of the principles of the previous Council Tax Benefit scheme, which enables specific protections to be applied to vulnerable groups, households with children, and households with disabilities.
- 3 The scheme incentivises work by disregarding £25 per week of earned income.
- 4 Child Benefit is counted in full as income when calculating entitlement.
- 5 Claims for Local Council Tax Support cannot be back dated.
- 6 As far as possible the scheme allows for expected growth in demand and is easy to claim and administer.
- 7 Second Adult Rebate, previously available under Council Tax Benefit, is not part of the scheme for working age claimants.
- 8 The savings limit is £6,000, meaning that claimants with capital exceeding this value are not entitled to Local Council Tax Support.
- 9 Non-Dependant deductions, previously applicable under Council Tax Benefit, are not included in the scheme for working age claimants.
- 10 In conjunction with the Council's 'Local War Pensioner' scheme, income received in respect of War Pensions for disablement or bereavement is fully disregarded when calculating entitlement.
- 11 Support is capped at Council Tax band D and at 70% of Council Tax liability for working age claimants, meaning all working age Council Tax Payers are required to pay a minimum of 30% of their weekly council tax bill and those living in properties banded E to H will be assessed as though they are living in a Band D property.
- 12 Underlying Entitlement, previously awarded when an overpayment occurred under Council Tax Benefit, is not applicable in the scheme for work age claimants.
- 13 The Family Premium, previously awarded under Council Tax Benefit, no longer applies to new working age claims made from 1st April 2017 onwards.
- 14 The period for which a person can be absent from Great Britain and still receive Local Council Tax Support is limited to a maximum of 4 weeks (subject to specific exceptions).
- 15 The Severe Disability Premium, previously awarded under Council Tax Benefit, no longer applies from 1st April 2017 onwards where another person is paid Universal Credit (Carers Element) to look after them.

- 16 From 1st April 2017 the Work Related Activity Component is no longer included when calculating entitlement for new applicants who receive Employment and Support Allowance (ESA) and who fall within the Work Related Activity Group.
- 17 From 6th April 2017 the number of Dependant Child Applicable Amounts used when calculating entitlement is limited to a maximum of two (subject to specific exceptions).

Castle Point Borough Council

Local Council Tax Support scheme 2018/19 Consultation Questionnaire

Background to the consultation

What is this consultation about?

Each year the Council has to decide whether to change the Local Council Tax Support scheme for working age applicants in its area.

What is Local Council Tax Support?

Local Council Tax Support is a discount for Council Tax. The level of discount is based on the income of the household. Currently the maximum discount is up to 70% of Council Tax for working age households and up to 100% for pensioners.

Why is a change to the Local Council Tax Support scheme being considered?

In April 2013 the national scheme known as Council Tax Benefit was abolished and replaced by the Council Tax Reduction Scheme (known as Local Council Tax Support in Castle Point). Government made Local Authorities responsible for this new scheme and initially funded it with a specified Central Government Grant. However, in 2015/16 this arrangement changed, such that the grant was no longer specified separately. This change together with the scale of reductions applied to Revenue Support Grant means that Local Authorities are now required to fund this scheme entirely from their own resources.

Additionally, over time, the scheme is expected to become increasingly more complex and expensive to administer as it becomes increasing less aligned with Housing Benefit, which is also administered by the Local Authority. These are the reasons why the Council needs to regularly review the scheme and consider whether changes, or alternative options, are more suitable.

Who will this affect?

Any changes to the Scheme will impact Working age households in the Borough who currently receive or will apply for Local Council Tax Support. Pension age households will **not** be affected because Central Government prescribe this part of the scheme.

Are there any alternatives to changing the existing Local Council Tax Support scheme?

Yes, we have considered alternatives to changing the current scheme and you will be asked about these in the Questionnaire too. The alternatives we have considered are:

- increase the level of Council Tax – this would increase the costs for all tax payers in the borough.
- reduce funding to other Council services – this would mean less money available to deliver other Council services
- use the Council's savings to keep the current Local Council Tax Support scheme – this would be a short term solution as once used, these savings will no longer be available to support and invest in other Council services.

Questionnaire

Have Your Say on the Local Council Tax Support scheme for 2018/19

Q1.
I have read the background information (above) about the Local Council Tax Support scheme:

☐ Yes ☐ No

This question must be answered before you can continue.

Option 1 – No change

Q2.
Should the Council keep the current Local Council Tax Support scheme? Not changing the scheme means we will continue to administer the scheme and calculate support as we do currently.

☐ Yes ☐ No ☐ Don't know

Q3.
Please use the space below to make any comments you have about Option 1 (No Change):

Option 2 – Reduce the maximum award %

Q2.

Should the Council reduce the maximum award percentage cap?

Currently the maximum award is capped at 70%, meaning work age claimants have to pay at least 30% of their Council Tax liability themselves. This option predominantly reduces the financial burden of the scheme.

☐ Yes ☐ No ☐ *Don't know*

Q3. If you ticked 'yes', what level should the cap be reduced to?

- ☐ a) 68%
- ☐ b) 66%
- ☐ c) 65%
- ☐ d) *Another percentage*

Q4. If you ticked 'Another percentage' please state what percentage you think the maximum award should be capped at:

%

Q5.

Please use the space below to make any comments you have about Option 2 (Reducing the maximum award %):

Option 3 – Introduce a minimum award amount

Q6.

Should the Council introduce a minimum award amount?

There is no minimum award amount in the current scheme so some people receive support of 1p per week. If a minimum award amount is introduced this means that working age people will not receive any support where their weekly entitlement is lower than the minimum award figure. This option predominantly reduces the administrative burden of the scheme.

☐

Yes

☐

No

☐

Don't know

Q7. If you ticked 'yes', what level should the minimum award be set at?

☐

a) 50p per week

☐

b) £1.00 per week

☐

c) £2.00 per week

☐

d) Another amount per week

Q8. If you ticked 'Another amount per week' please state what weekly amount you think should apply:

£

.

Q9.

Please use the space below to make any comments you have about option 3 (Introducing a minimum award amount):

Option 4 – Alternative proposals

Q10.

Should the Council choose any of the following alternative proposals to deliver savings to enable us to maintain the current scheme?

If the Council keeps the current scheme, it is expected to become increasingly more complex and expensive to administer. This is because it will not align with Housing Benefit which is also administered by the Council. If this happens we will need to find savings from other services to help meet the increase in costs. The following alternative proposals could deliver savings.

Please select one response for each alternative proposal:

a) Increase the level of Council Tax?

☐ Yes ☐ No ☐ Don't know

b) Find savings from cutting other Council Services?

☐ Yes ☐ No ☐ Don't know

c) Use the Council's savings?

☐ Yes ☐ No ☐ Don't know

LOGO

Q11.

If the Council were to choose these other options to make savings, what would be your order of preference?

Please rank in order of preference by writing a number from 1 – 3 in the boxes below, with 1 being the option that you most prefer and 3 being the option you least prefer.

Increase the level of Council Tax

Reduce funding available for other Council Services

Use the Council's savings

Q12.

Please use this space to make any comments you have about Option 4 (Alternative proposals):

Q13.

Please use the space below to tell us of any other options, which have not yet been mentioned, that you would like the Council to consider:

Q14.

Please use the space below if you have any other comments or questions regarding the Local Council Tax Support scheme that you haven't had opportunity to raise elsewhere:

LOGO

About You

We ask these questions to:

1. Find out if different groups of people in the borough have been able to take part in the consultation and identify if any groups have been excluded. This means it is not about you as an individual but to find out if people with similar characteristics have had their say.
2. Find out how different groups of people feel about the options and proposals compared to others and all respondents. This means it is not about you as an individual but to find out if people with similar characteristics have answered in the same way or not.

This information is completely confidential and anonymous; your personal information will not be passed on to anyone, and your personal details will not be reported alongside your responses.

Q15.

Are you, or someone in your household, currently getting Local Council Tax Support?

☐ Yes ☐ No ☐ *Don't know/Not sure*

Q16.

What is your sex?

☐ Male ☐ Female ☐ *Prefer not to say*

Q17.

What age are you?

☐ 18-24 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ 65-74 ☐ 75-84 ☐ 85+ ☐ *Prefer not to say*

LOGO

Q18.

Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

☐ Yes ☐ No ☐ Don't know/Not sure ☐ Prefer not to say

Q19.

Ethnic Origin: What is your ethnic group?

☐ Prefer not to say

White

☐ British ☐ Irish ☐ Gypsy or Irish Traveller ☐ Any other White background

Mixed/Multiple ethnic groups

☐ White & Black African ☐ White & Black Caribbean ☐ White & Asian ☐ Any other multi/mixed background

Asian or Asian British

☐ Pakistani ☐ Indian ☐ Bangladeshi ☐ Chinese ☐ Any other Asian background

Black/African/Caribbean/Black British

☐ African ☐ Caribbean ☐ Any other Black background

Other Ethnic Group

☐ Arab ☐ Other – please specify below:

Next steps....

Thank you for completing the questionnaire.

Progress reports on the consultation will be added to our website: www.castlepoint.gov.uk

You may submit further evidence, ideas or comments by email to benefits@castlepoint.gov.uk

The consultation closes on 24th September 2017.

We will listen carefully to what residents tell us and take the responses into consideration when making a final decision on the 2018/19 scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

The new scheme will start on **1 April 2018**.

The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.

Summary of Option Impacts

The following summary provides key information on each of the options being proposed for consultation for the 2018-19 Local Council Tax Support scheme.

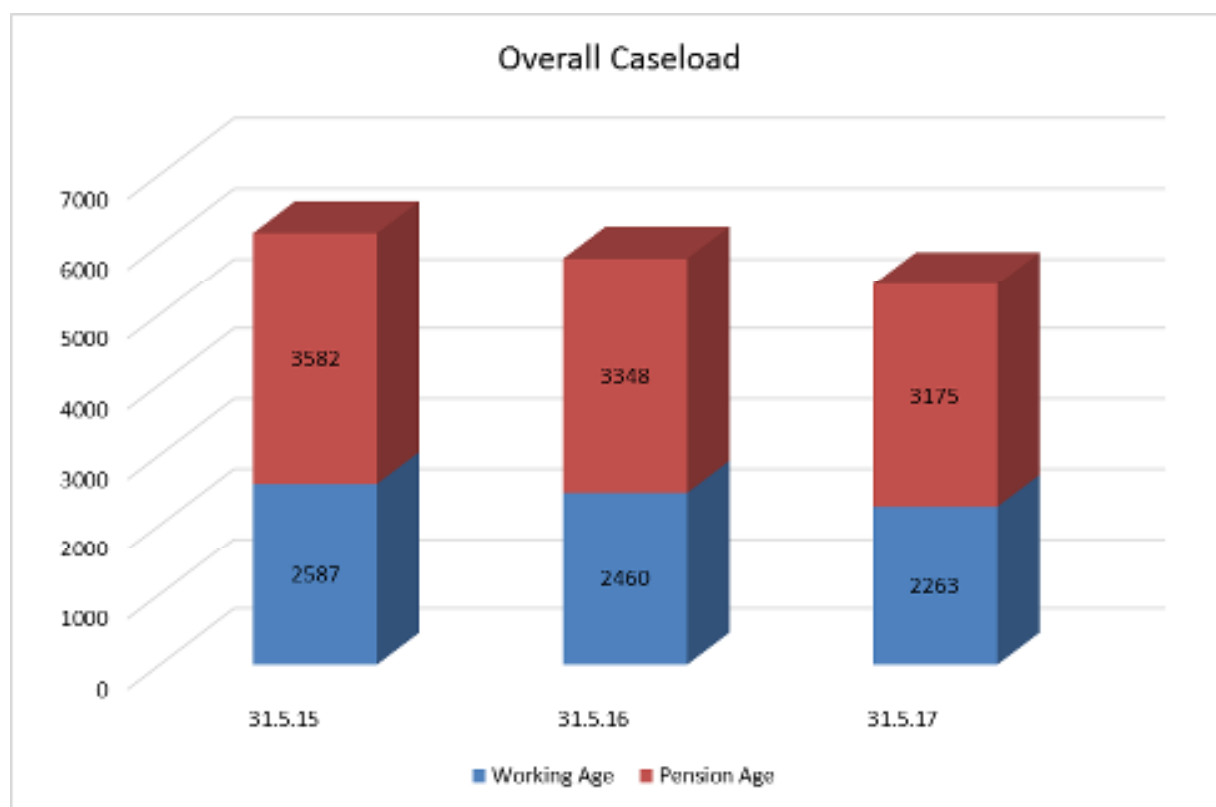
Option 1

- Option 1 - 2017/18 scheme with no changes

There are no direct impacts to household finances or the cost of the scheme.

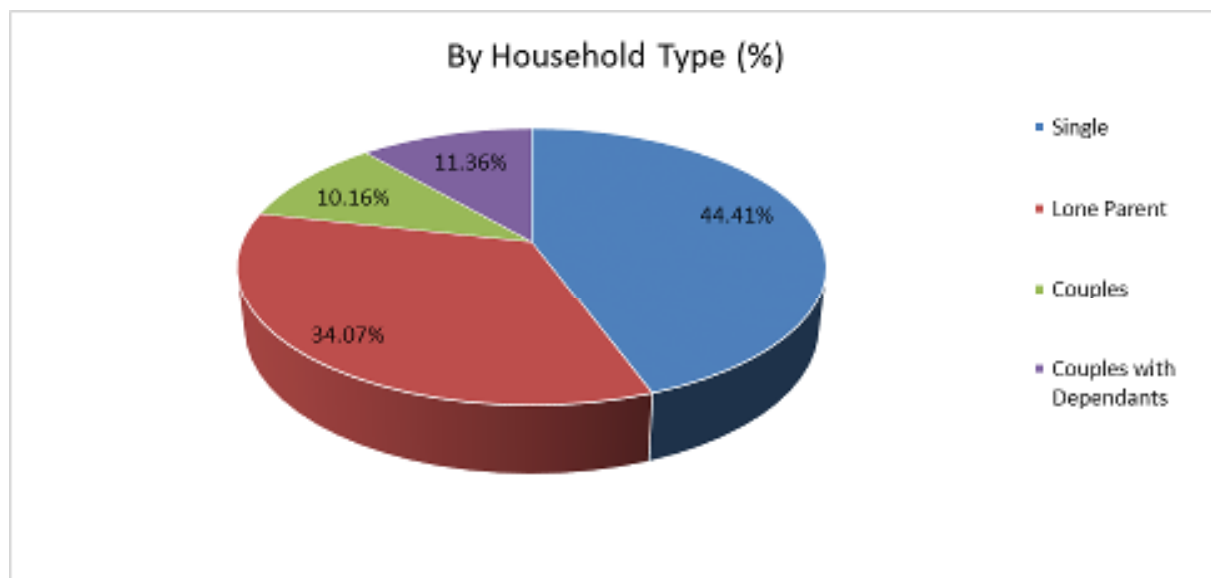
Household finances and the costs of the scheme may however be impacted by a range of other factors including Council Tax levels and caseload changes, influenced by the economy.

The caseload has steadily declined year on year since the scheme was introduced. The following chart shows the overall Local Council Tax Support caseload at 31st May in 2015, 2016, and 2017 broken down Pension Age (prescribed scheme) and Working Age (local scheme).

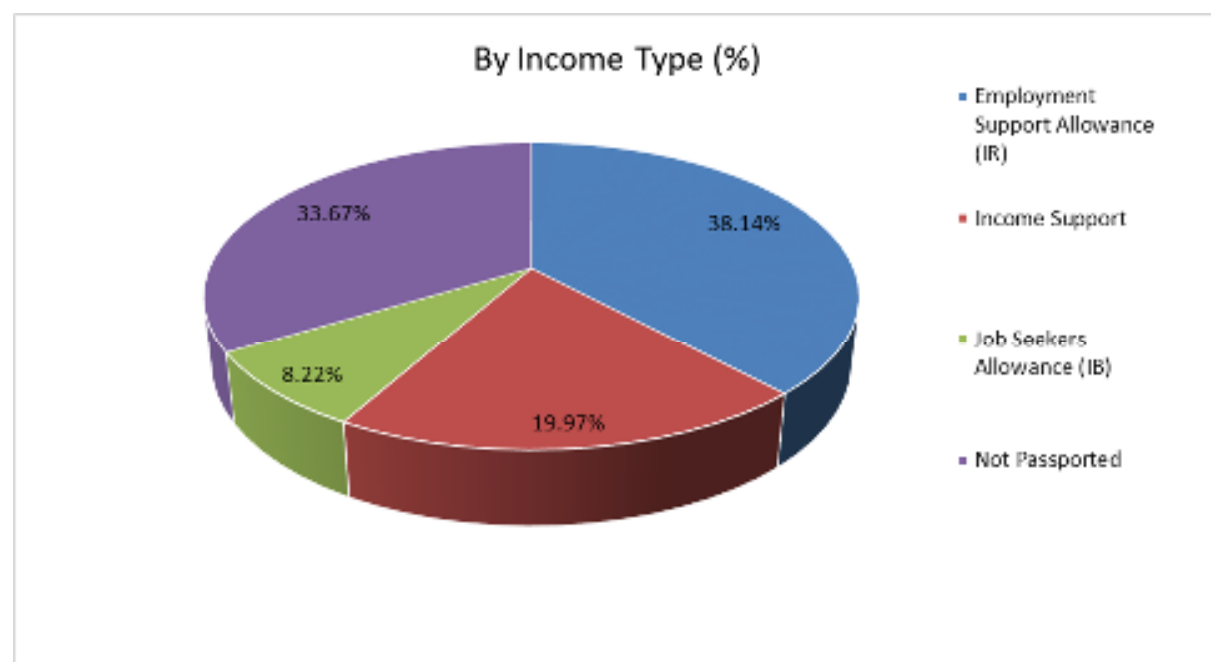


APPENDIX C

The following chart shows the working age Local Council Tax Support caseload at 31st May 2017 broken down by household type:



And the following chart shows working age Local Council Tax Support caseload at 31st May 2017 broken down by income type:



Household and income type ratios have not significantly changed since 2016.

Option 2

- **Option 2a** – 2017/18 Scheme with maximum support capped at 68%
(Estimated Savings £48,631)
- **Option 2b** – 2017/18 Scheme with maximum support capped at 66%
(Estimated Savings £96,320)
- **Option 2c** – 2017/18 Scheme with maximum support capped at 65%
(Estimated Savings £120,309)

These options will directly impact every existing and new Working Age claim.

At 31st May 2017 there were 2,263 existing Working Age claims.

The table below illustrates the financial impact on a household which is:

- entitled to maximum support,
- paying a Full 2017/18 Council Tax charge
- paying a Canvey Island Parish Council precept

Band	2017/18 CT Liability	CTax currently Paid (Option 1) Max LCTS 70%	CTax to Pay (Option 2a) Max LCTS 68%	CTax to Pay (Option 2b) Max LCTS 66%	CTax To Pay (Option 2c) Max LCTS 65%
Band A	£1,102.40	£330.42	£352.76	£374.81	£385.84
Band B	£1,286.40	£385.92	£411.64	£437.37	£450.24
Band C	£1,470.04	£441.01	£470.41	£499.81	£514.51
Band D	£1,791.92	£537.57	£573.41	£609.25	£627.17
Band E	£2,021.24	£766.89	£802.73	£838.57	£856.46
Band F	£2,388.88	£1,134.53	£1,170.37	£1,206.21	£1,224.10
Band G	£2,756.00	£1,501.65	£1,537.49	£1,573.33	£1,591.22
Band H	£3,307.20	£2,052.85	£2,088.69	£2,124.53	£2,142.42

Option 3

- **Option 3a** – 2017/18 Scheme with a Minimum Award of 50p per week.
(Estimated Savings £1,114)
- **Option 3b** – 2017/18 Scheme with a Minimum Award of £1.00 per week
(Estimated Savings £1,347)
- **Option 3c** – 2017/18 Scheme with a Minimum Award of £2.00 per week
(Estimated Savings £2,990)

These options will directly impact all new Working Age claims, so no existing claimants will be worse off unless their current claim ends and they reclaim more than 4 weeks later.

It is difficult to estimate how many new claims this will impact however at 31st May 2017 within the existing caseload there were;

- 11 cases with entitlement under 50p per week
- 21 cases with entitlement under £1.00 per week
- 49 cases with entitlement under £2.00 per week

In terms of the financial impact this means that;

- New Claims that would otherwise have received an award of up to 50p per week, could expect to pay up to £26 per year more than currently.
- New Claims that would otherwise have received an award of up to £1.00 per week, could expect to pay up to £52 per year more than currently.
- New Claims that would otherwise have received an award of up to £2.00 per week, could expect to pay up to £104 per year more than currently.

Option 4

It is not possible to determine the impact of these changes.

Any increase to the level of Council Tax would have to be approved by Full Council and if this exceeded 2% would be subject to public referendum.

CABINET

19th July 2017

Subject: Annual Report on the Treasury Management Service and Actual Prudential Indicators 2016/17

Cabinet member: Councillor Stanley – Finance, Policy and Resources

1 Purpose of Report

The annual treasury report is a requirement of the Council's reporting procedures. It covers both the treasury activity and the actual Prudential Indicators for 2016/17.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

2 Links to Council's priorities and objectives

The scrutiny and approval of the Council's Treasury Management activity is linked to the Council's objective of Improving the Council through sound financial management.

3 Recommendations:

- 1. That following scrutiny, the Treasury Management Activity Report for 2016/17 is approved.**
 - 2. To approve the actual 2016/17 prudential indicators (shown at Annexe D).**
-

4 Background

- 4.1 The 2016/17 Treasury Management Strategy summarises the Council's obligations defined in the Code of Practice for Treasury Management in the Public Services, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).**
- 4.2 During 2016/17 the Council complied with its legislative and regulatory requirements.**

5 Treasury Report for 2016/17 and scrutiny of treasury activity

- 5.1 As required by the Code, the activity report for 2016/17 is submitted at Annexe A for scrutiny by Cabinet.
- 5.2 It is important to ensure that the Council's treasury management activities are subject to a robust process of scrutiny. This report provides Members with information on treasury management activity and variances in order to fulfil this process. The report has already been scrutinised at Audit Committee on 27 June.

6 Corporate Implications

a Legal implications

This report is the responsibility of the Head of Resources – the Officer appointed by the Council as “section 151 Officer” to have responsibility for the Council's financial administration. Submission of such a report is a requirement of CIPFA's Standard of Professional Practice on Treasury Management.

Under the revised Code of Practice, Cabinet was nominated at Special Council 16th February 2010 to ensure effective scrutiny of the treasury management strategy and policies.

b Financial implications

There are no new implications.

c Human resources and equality implications

There are no new implications.

d Timescale for implementation and risk factors

No new targets applicable.

Report Author: Robert Greenfield - Accountant

Background Papers:

Chartered Institute of Public Finance and Accountancy: *Code of Practice for Treasury Management in the Public Services*.

CPBC: *Treasury Management Strategy Statement for 2016/17*.

CPBC: *Working paper: external loan calculation 2016/17*.

Annexe A

Treasury Management Activity Report for 2016/17

1 Introduction

- 1.1 This report summarises the Council's treasury management activity for 2016/17 and compares actual interest transactions with the revised estimates set for 2016/17.
- 1.2 The Council must comply with the Code of Practice on Treasury Management in the Public Services, issued by CIPFA and updated in 2011. The code requires the Council to annually set a Treasury Management Strategy. The Strategy for the 2016/17 financial year was approved by Council on 24 February 2016.
- 1.3 This report confirms that all Treasury Management activity during the year was undertaken in accordance with this strategy and in consultation, where appropriate, with our external advisers, Capita.

2 The Economy

- 2.1 **Short-term interest rates.** The Bank of England base rate remained at just **0.50%** since March 2009 until August 2016 when it reduced again to **0.25%** and the Council therefore continues to earn very low rates on its investments, while facing the challenge of increased counterparty risk, resulting in a significantly reduced number of counterparties that the Council can use.

3 Borrowing

- 3.1 A summary of external borrowing at 31st March 2017 is in Annexe B. The principal amounts are shown in this annexe but in the statement of accounts the amounts for borrowing also include interest outstanding.
- 3.2 The Council operated within treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement throughout the year. The outturn for the Prudential Indicators is shown in Annexe D.
- 3.3 There was no change in borrowings during 2016/17.
- 3.4 Annexe B shows that interest paid on borrowings was exactly as budgeted.

4 Investments

- 4.1 The Council's investment policy is governed by CLG Guidance, which was implemented in the annual Investment Strategy approved by Council on 24 February 2016. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity issues.

4.2 Annexe C summarises the Council's activities for the year relating to the temporary investment of surplus funds. The average daily balance was **£29.0m** in 2016/17 (**£22.4m** in 2015/16). The principal amounts are shown in this annexe but in the statement of accounts investments again include interest outstanding.

4.3 Annexe C also shows that the amount of interest received on these investments was over budget by **£16,331** (18%). The variance was due to prudent budgeting and average interest rates and balances being moderately higher than estimated. The average interest achieved was 0.37% compared to the 7-day LIBID average of 0.20%.

5 Benchmarking

5.1 Three benchmark indicators for 2016/17, explained in the Annual Treasury Management Strategy, are reported as follows:

- **Security – Weighted Credit Rating Score for the year of 6.1 exceeded the target of 4.**
- **Liquidity – Weighted Average Life was at a highly liquid level, averaging 31 days over the year.**
- **Yield – Interest received on investments – income was over budget, as reported in paragraph 4.3 above.**

6 Regulatory Framework, Risk and Performance

6.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance, including:

- The Local Government Act 2003, and associated Statutory Instruments;
- The CIPFA Prudential Code for Capital Finance in Local Authorities;
- The CIPFA Code of Practice for Treasury Management in the Public Services.

6.2 The Council has complied with all of the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

Summary of Loan Transactions and Interest Payable (accrued daily) for the year to 31st March 2017

Loan transactions activity for the year

	Amount o/s 01/04/2016 £	Loans Repaid £	Amount o/s 31/03/2017 £
Public Works Loan Board			
General Fund	5,250,000	0	5,250,000
HRA	36,451,000	0	36,451,000
Totals for the Council	41,701,000	0	41,701,000

Interest payable Comparison of estimate with actual

Budget Profile to 31/03/2017 £	Actual Interest to 31/03/2017 £	Variance 31/03/2017 £	
207,300	207,250	50	0.0%
1,087,400	1,087,440	-40	0.0%
1,294,700	1,294,690	10	0.0%

Interest rates for the year

	Range of loans		Average
	From	To	
General Fund	3.70%	4.10%	3.95%
HRA	2.31%	3.49%	2.98%
Totals for the Council	2.31%	4.10%	3.10%

Base rate history

08/01/2009	1.50%
05/02/2009	1.00%
05/03/2009	0.50%
04/08/2016	0.25%
31/03/2017	0.25%

Summary of Temporary Investments and Interest Received (accrued daily) for the year to 31st March 2017

Type of Borrower	Amount Invested 01/04/2016 £	Made in the Year £	Repaid in the Year £	Amount Invested 31/03/2017 £
Investments by Value:				
Debt Management Office	0	1,000,000	1,000,000	0
Treasury bills	3,001,309	7,846,356	7,450,225	3,397,440
Local Authorities	2,000,000	6,000,000	4,000,000	4,000,000
Money Market Funds	14,120,000	85,107,683	79,907,683	19,320,000
Notice accounts	1,500,000	0	0	1,500,000
Bank deposits	0	500,000	0	500,000
Investments	20,621,309	100,454,039	92,357,908	28,717,440
Lloyds current account	496,875	13,475	0	510,350
Cash equivalents	496,875	13,475	0	510,350
Total	21,118,184	100,467,514	92,357,908	29,227,790
	Number	Number	Number	Number
Number of Investment Transactions:				
Debt Management Office	0	1	1	0
Treasury bills	4	10	9	5
Local Authorities	1	3	2	2
Money Market Funds	36	160	145	51
Notice accounts	2	0	0	2
Bank deposits	0	1	0	1
Investments	43	175	157	61
Lloyds current account	1	0	0	1
Cash equivalents	1	0	0	1
Total	44	175	157	62

Interest Received on Temporary Investments for the year to 31st March 2017

	£
Actual Interest Received	106,331
Revised estimate	90,000
Variance	16,331 18%

Temporary Investments

Average Balance for the Period	29,048,947
Average Interest Rate for the Period	0.37%
Benchmark: Average 7-Day LIBID Rate	0.20%

Prudential Indicators

Indicator 1 - Key indicator of prudence - Gross Debt and the Capital Financing Requirement

"In order to ensure that over the medium term debt (i.e. gross external borrowing) will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The requirement is met for the current year and is expected to be met for the forthcoming two financial years.

Indicator 2 - Capital Expenditure

	2016/17 Revised Estimate £000s	2016/17 Actual £000s
General Fund	662	632
Housing Revenue Account	2,022	1,362
Total	2,684	1,994

Indicator 3 - Indicator of Ratio of Financing Costs to Net Revenue Stream

	2016/17 Revised Estimate %	2016/17 Actual %
General Fund	7	7
Housing Revenue Account	36	37

This indicator shows financing costs such as interest charges and the minimum revenue provision as a percentage of the net General Fund and HRA revenue budgets.

Indicator 3B - Local Indicator of Ratio of Financing Costs to Net Revenue Stream

	2016/17 Revised Estimate %	2016/17 Actual %
General Fund	10	9
Housing Revenue Account	37	37

This is a variation on the above indicator, which includes in the financing costs any revenue contributions made to fund capital expenditure.

Indicator 4 - Indicator of Capital Financing Requirement (CFR)		
	2016/17 Revised Estimate £000s	2016/17 Actual £000s
General Fund	6,064	6,058
Housing Revenue Account	36,451	36,418
The CFR is a measure of the capital expenditure incurred historically by the Council that has yet to be financed.		

Indicator 5 - Incremental Impact of Capital Investment		
	2016/17 Revised Estimate £	2016/17 Actual £
Band D Council Tax	11.94	10.73
Average Weekly Housing Rents	-5.40	-6.40
This indicator shows how the changes in capital financing charges to revenue from year to year affect the Council Tax and Housing Rent for the year in question.		

Indicator 6 - Authorised Limit for External Debt		
	2016/17 Revised Estimate £000s	2016/17 Final £000s
Borrowing	46,510	46,428
Other Long -Term Liabilities	0	0
	46,510	46,428
This indicator shows the overall limit for total external debt, including allowances for changes in the CFR, contingencies, risks, unusual cash flow movements and so on.		

Indicator 7 - Operational Boundary for External Debt		
	2016/17 Revised Estimate £000s	2016/17 Final £000s
Borrowing	43,769	44,205
Other Long -Term Liabilities	0	0
	43,769	44,205
This indicator shows a similar calculation to the previous indicator, without all of the above allowances for contingencies, etc.		

Indicator 8 - Upper Limits of Fixed and Variable Exposure		
	2016/17 Revised Estimate £m	2016/17 Actual £m
Upper Limit - Fixed Rates	47	42
Upper Limit - Variable Rates	(16)	(23)
This indicator identifies upper limits for net investment / borrowing at variable and fixed rates. Currently all borrowings are at fixed rates and our investments are generally at variable rates. Because of this the fixed rate limit is a positive amount and the variable rate is a negative amount. Both indicators were within the limits at year end.		

Indicator 9 - Maturity Structure of Fixed Rate Borrowing			
	Upper Limit cumulative %	Lower Limit %	Actual cumulative total %
Less than one year	50	0	1
Between one and two years	50	0	1
Between two and five years	60	0	18
Between five and ten years	80	0	32
More than ten years	100	0	100
These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.			

Indicator 10 - Housing Revenue Account limit on indebtedness
The debt limit imposed by the Department for Communities and Local Government as at the date of implementation of self financing is £37,470,000. This limit of indebtedness exceeds the value of the HRA self financing settlement and therefore allows some flexibility to accommodate additional future investment.

For further information on prudential indicators including revised estimates for 2016/17 please refer to sections 11 and 12 of the Policy Framework and Budget Setting report for 2017/18, presented to the Special Meeting of the Council on 15 February 2017
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