



# AGENDA

## CABINET

**MONDAY, 1 FEBRUARY 2010**

**11.00 AM**

**COUNCIL CHAMBER, COUNCIL OFFICES, ST PETERS HILL,  
GRANTHAM**

Beverly Agass, Chief Executive

**MEMBERS:** Councillor Mrs. Linda Neal (Leader/ Portfolio: Strategic Partnerships), Councillor Ray Auger (Portfolio: Access & Engagement), Councillor Paul Carpenter (Deputy Leader & Portfolio: Corporate Governance & Housing), Councillor Mrs Frances Cartwright (Portfolio: Economic Development), Councillor John Smith (Portfolio: Healthy Environment) and Councillor Mike Taylor (Portfolio: Resources and Assets)

**Committee Support Officer:** Lena Shuttlewood 01476 406119  
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**Members of the public are entitled to attend the meeting of the Cabinet at which key decisions will be taken on the issues listed on the following pages. Key decisions are marked \*.**

**4. \*BUDGET 2010/11 AND INDICATIVE BUDGETS FOR 2011/12 AND 2012/13**

- Revenue Estimates 2010/11 and indicative budget 2011/12 to 2012/13
- Capital Estimates 2010/11 to 2012/13
- Reserves Statement
- Fees and Charges

"Listening Learning Delivering"

**South Kesteven District Council**

STAMFORD • GRANTHAM • BOURNE • THE DEEPINGS

- Treasury Management Strategy

Report number CHFCS87 by the Corporate Head of Finance and Customer Services.

**(Enclosure)**

## REPORT TO CABINET

REPORT OF: CORPORATE HEAD OF FINANCE AND CUSTOMER SERVICES

REPORT NO.: CHFCS87

DATE: 1st February 2010

<b>TITLE:</b>	<b>Budget 2010/11 and indicative budgets for 2011/12 and 2012/13</b> <ul style="list-style-type: none"> <li>• Revenue Estimates 2010/11 and indicative budget 2011/12 to 2012/13</li> <li>• Capital Estimates 2010/11 to 2012/13</li> <li>• Reserves Statement</li> <li>• Fees and Charges</li> <li>• Treasury Management Strategy</li> </ul>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	Policy Framework Proposal	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Cllr Mike Taylor Resources and Assets Portfolio Holder	
<b>CONTACT OFFICER:</b>	Richard Wyles Tel: 01476 406210 Email: <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and appended to the report	Full impact assessment Required: N/A
<b>Equality and Diversity</b>		
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Local Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>	CHFCS 84, CHFCS 85, TSE0041	

## 1. RECOMMENDATIONS

It is recommended that the Cabinet:

### General Fund Revenue Estimate

Make recommendations a. to m. to Council:

- a. to set a General Fund budget requirement of £16.416M for 2010/11 (inclusive of special expenses) and note the indicative budget requirement figures of £15.893M for 2011/12 and £16.115M for 2012/13
- b. to set a Council Tax increase of 2.5% for 2010/11 (1.2% inclusive of special expense areas)
- c. to approve the original base estimate for 2010/11 and indicative base estimates for 2011/12 and 2012/13 as detailed in the summary at Appendix A page 1;

- d. to approve the Treasury Management Strategy provided at Appendix E;
- e. to approve increases in Fees and Charges for 2010/11 (in accordance with the Council's Fees and Charges Strategy) as set out in Appendix D
- f. to approve the Revenue and Capital Reserves statement contained at Appendix C
- g. to continue the fundamental review of services where the projected income levels show a continued reduction to ensure the allocated resources are proportionally aligned.
- h. To approve a revised funding allocation of £56K per annum in respect of the town centre partnerships
- i. To approve a service review programme to ensure all services delivered are cost efficient, aligned to priorities and providing value for money to the taxpayer
- j. To approve the growth in the base budgets in respect of the following:
  - o Choice based lettings set up costs
  - o Provision for additional benefits assessor
  - o Civilian parking enforcement set up costs
  - o Creation of priority action plans provision
  - o Efficiency initiatives provision
  - o Service initiatives provision
- k. To set cash releasing efficiency targets for each service area at corporate level in order for the Council to achieve its overall efficiency target
- l. to approve the use of the Housing and Planning Delivery Grant in respect of the works associated with the Local Development Framework
- m. to receive and consider at the meeting, the analysis of the outcome of budget consultation
- n. to approve the use of the priority themes and service improvement reserve to financially support the 'next steps' programme

#### Capital Programme

Make recommendations o.to q. to Council:

- o. to note the forecast outturn Capital Programme for 2009/10 and approve the indicative programme for 2010/11 to 2012/13 detailed at Appendix B pages 1-3
- p. to authorise the funding proposals subject to an annual review of the financing options by the Corporate Head of Finance and Customer Services, in consultation with the Resources and Assets Portfolio Holder, during the preparation of the Statement of Accounts to optimise the use of Council resources.
- q. To approve the setting of a cash releasing efficiency target in respect of the Capital programme

#### Housing Revenue Account (HRA)

Make recommendations r. to v. to Council:

- r. to set dwelling rent increases in accordance with Government guideline rent, of 3.1% providing an average rent of £61.86 (and an actual average rental increase of 1.78%)
- s. to set an increase in garage rents of 3.1%
- t. to increase service charges by 3.1%
- u. to approve the Housing Revenue Account for the year 2010/11 and indicative years 2011/12 and 2012/13 shown at Appendix A page 9
- v. to approve the setting of a cash releasing efficiency target in respect of the Housing Revenue Account

## **2. PURPOSE OF THE REPORT/DECISION REQUIRED**

The purpose of this report is to present the Budget proposals for 2010/11 in relation to:

- Revenue and Capital Expenditure together with the proposed use of reserves
- Proposals regarding the setting of the Council Tax
- The Treasury Management Strategy for the Council
- The level of fees and charges
- Providing advice to Councillors on the robustness of the Budget proposals and adequacy of balances and reserves as required by the Local Government Act 2003.

## **3. DETAILS OF REPORT (SUMMARY – USE APPENDICES FOR DETAILED INFORMATION)**

### Background

3.1 The 2010/11 Budget and indicative budgets for 2011/12 to 2012/13 have been drawn up to take account of the Council's various strategies, policies and the financial context, in particular:

- The Corporate Plan
- The Council's priority theme action plans
- The Medium Term Financial Plan (MTFP)
- Service Strategies and Plans
- The economic downturn
- The 2009/10 forecast outturn

3.2 The 18 months leading up to the budget setting period has been particularly challenging for the Council and it has responded to the economic downturn by protecting and, where necessary, increasing resources at key front line service points. It has managed continuing reductions in traditionally large income services (Building Control, Development Control) and reviewed its Treasury Management Strategy to ensure exposure to investment risk is minimised. These issues, whilst ensuring that priority actions continue to be delivered and quality service delivery is maintained, have set the financial framework of the budget process for 2010/11.

## **4 Accounting Requirements and external factors affecting the budget**

### **4.1 Capital Charges**

Where services benefit from the use of assets, the revenue expenditure includes a charge for the use of the capital in line with standard accounting practices. There is corresponding credit shown in the General Fund summary (Appendix A page 1). A rolling programme of valuations is undertaken by the District Valuer to keep the asset register up to date. Any change in the use of assets, a revised valuation, or additional capital expenditure will affect the capital charge made to the revenue budget.

#### 4.2 Prudential Code

The Council complies with the Prudential Code for controlling Local Government Capital Finance. The key objectives of the code are to ensure that:

- Capital Investment Plans are affordable, prudent and sustainable
- All external borrowings and other long term liabilities are within prudent and sustainable levels
- Treasury Management decisions are taken in accordance with good practice and in a manner that supports prudence, affordability and sustainability
- The Local Authority is accountable for decisions made
- It supports local strategic planning, local asset management planning and proper option appraisal.

The Council's current financial planning systems demonstrate the affordability of the capital programme and the 2010/11 estimates have been prepared in the context of these plans and controls.

#### 4.3 Integrated Service and Financial Planning

Service planning has focused on linking the proposals for service delivery to the Council's vision and priority themes as well as the wider Lincolnshire Sustainable Community Strategy and Local Area Agreement. Priority theme action plans have been produced for the financial year 2010/11 and have been reviewed and updated in order to ensure all actions are achievable and affordable within the budget proposals. Clear resource implications have been determined together with measurable outputs and outcomes that can be demonstrable to the community. To further support the delivery of the actions the budget proposals include a revenue provision to support the actions and will be allocated during the financial year. Further details of this provision are given later in the report.

Service planning has also had regard to the efficiency agenda, an assessment of the service development needs, performance indicators and an overall assessment of potential service risks.

There have been a series of budget briefing and planning meetings involving Cabinet and Strategic Management Team, Management Team and service managers. In addition, policy development work has been undertaken by a working group of the Resources Policy Development Group, one specific area covered by this group is a review of the options for fees and charges which is referred to later in the report.

#### 4.4 Efficiency Agenda

The 2010/11 financial year will be the final year of the local government 3 year grant settlement which included a requirement to identify an on-going efficiency target of 3% for 2008/09 and 2009/10 with an additional 1% from 2010/11. Thereafter the target will be reviewed as part of the comprehensive spending review 2010 (CSR10). This target has been identified under the national indicator NI 179 which is defined as 'the value for money – total net value of on-going cash releasing value for money gains that have impacted since the start of the 2008/09 financial year'. Within the Local Area Agreement (LAA) delivery plan, the priority of improving services across Lincolnshire authorities in order to provide value for money has been agreed. Each authority has agreed to contribute towards this overall priority and deliver value for money savings over the three year period. This

will be achieved through a number of initiatives including shared services, review of business processes and sharing best practice. In order to ensure the Council meets its obligations under NI179, efficiency targets have been identified for each corporate area (including capital and the HRA) and during the course of the year regular monitoring is undertaken against the efficiency action plan in order to track progress with the overall target. The targets are shown in the table below:

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Annual Target	826	820	1,127*

\*Based on 4% to reflect the increase from the current annual 3%

All service budgets include a workforce efficiency target for each service area (totalling £248K in 2010/11 based on a 2% target) in order to ensure the staffing resource is efficiently managed and that business cases are prepared in response to staffing vacancies to assess the need for a like-for-like permanent staffing replacement. Included in the review is the opportunity to share in-house skills within services and promote internal re-deployment.

Zero based budgeting has also been introduced into the budget setting process for all service areas. The concept of this approach is to build budgets from a zero base position and fundamentally challenge the resource levels necessary for service delivery. This approach has identified savings of approximately £250K and this initiative has now become a key feature of the budget setting process as the Council continues to ensure resources are targeted appropriately and that value for money is being delivered.

#### 4.5 National Settlement and Three Year Budget Planning

The Secretary of State for Communities and Local Government introduced three year settlements from 2008/09 and so the next financial is the final year under the current arrangement. The three year settlement has allowed for relatively sound medium term financial planning to be undertaken. The allocation for 2010/11 has been set at £10.147M. In real terms this represents an increase of 1.20% from the 2009/10 settlement. After the financial year 2010/11, there is great uncertainty regarding the future grant settlements and the Council, alongside the majority of the public sector, is bracing itself for potential significant grant reductions. The Medium Term Financial Plan (MTFP) (presented to Council in September 2009) reflects this uncertainty and shows a number of financial scenarios that could materialise. Budget scenario planning will be undertaken during 2010 to model several potential budget gaps and invite stakeholders to express views on where any changes in service delivery can be identified. For the purposes of presenting indicative budgets for 2011/12 and 2012/13 the grant has been reduced by the removal of the concessionary grant element only (based on operational costs of £700K) as it is anticipated that the concessionary travel responsibility will transfer to the County Council from 2011/12. The remainder of the grant has been assumed at a standstill position i.e. no grant growth. This is shown in the 'Summary of General Fund Estimates' at Appendix A under the line 'Formula Grant'.

In accordance with the MTFP a number of actions have already been implemented in order to reduce the budget requirement which has had the effect of eliminating the deficit and enabling a balanced budget for 2010/11 to be produced. These savings will also be carried over and feature in future year's budgets. These actions include:

- The removal of contingency budgets
- An increase in fees and charges in service areas
- A reduction in pay award assumptions over the next 3 financial years
- Zero based budgeting across all service areas

However the Council will potentially be facing a significant grant reduction from 2011/12 and will need to prepare plans in order to ensure that a balanced budget is produced. It is extremely difficult to anticipate the actual grant reduction as no confirmation has been announced but it is prudent to expect that a reduction will be forthcoming. The timing of any reduction is also uncertain as it is possible that an emergency budget could be prepared by the Government following the parliamentary elections. A further difficulty in presenting the medium term financial prospects is in respect of the transfer of the administration arrangements of concessionary travel. At the current time it has been confirmed that the responsibility will be transferred although the financial impact of the transfer has not been identified. The intention is to remove the concessionary travel cost 'element' from the grant settlement although it is recognised that this is not easily identifiable to achieve. Indicative work in respect of this transfer has suggested that the Council could 'lose' more grant than the current service costs thereby creating a further deficit scenario for the Council. The true impact of the issue will only emerge during the summer of 2010 once the discussions in respect of the financial transfer commence. The table below demonstrates in financial terms the effect these grant reductions have in reducing the grant settlement.

2011/12	Worst case scenario	Anticipated outcome
Formula Grant reduction	15% £1.324M	10% £0.950M
Concessionary Travel grant reduction (net of service cost)	£0.900M	£0.300M
Total Grant reduction	£2.224M	£1.250M

## 5. Financial forecasting of Budgets 2009/10

5.1 During the course of the financial year regular monthly budget monitoring is undertaken with service budget holders and Accountancy Services in order to monitor expenditure and income compared with budget prediction. A key element of this monitoring is forecasting the year end outturn position having taken into consideration the actual expenditure and anticipating the future levels of expenditure. This activity enables early indications of potential financial issues and allows remedial action to be implemented to manage the projected outcome. These discussions are further supported by monthly meetings with corporate heads and strategic directors when there is an opportunity to discuss both the financial and performance position.

## 6. Estimates 2010/11

6.1 The budget assumptions used in compiling the 2010/11 estimates are set out below:

<u>Inflation Factors</u>	
Salary Inflation for 2010/11	Any pay award will be in accordance with the national pay settlement
Retail Price Index	2%
National Business Rate	1%
Utility Cost increase	10%
Drainage Board Levies	3%
Fuel costs	10%
<u>Other Assumptions</u>	
Interest Rates	1.5%
Salary Vacancy Factor	2%
Growth in numbers of Band D equivalent properties	1.1%

## 6.2 Analysis of changes to base budget and budget pressures

The budget proposes a net service expenditure of £18.277million broken down by Corporate Head areas as follows:

<b>Summary of Net Service Expenditure</b>				
	Original base 2009/10* £'000	Estimated base 2010/11 £'000	Indicative base 2011/12 £'000	Indicative base 2012/13 £'000
Resources and Organisational Development	1,298	1,912	2,005	2,121
Finance and Customer Services	2,418	2,576	2,078	2,142
Healthy Environment	6,425	6,515	6,714	6,927
Partnerships & Improvements	3,551	3,345	3,450	3,381
Special Expenses	643	578	560	567
Sustainable Communities	3,390	3,351	3,124	3,036
<b>Net Service Expenditure</b>	<b>17,725</b>	<b>18,277</b>	<b>17,931</b>	<b>18,174</b>

\*the original base as approved by Council on 2 March 2009

Key points to note:

- Resources and Organisational Development - the increase from 2010/11 onwards is due to the inclusion of the leisure costs for both the management fee and the business rates following the withdrawal of the Leisure Trust proposal.
- Finance and Customer Services – the reduction from 2011/12 reflects the current proposals to transfer the administration arrangements of concessionary travel from the District Council to the County Council.
- Special Expenses – the reduction from 2010/11 reflects the reduction in costs in respect of Stamford SEA following the removal of Stamford Recreation Ground facilities.

A balanced budget has been produced. However current and future resources are tight reflecting the fact that the four main income streams of Government Grant, specific grant, fees and charges and Council Tax are, and will continue to be, constrained at a time when the economic climate is uncertain and customer expectations are increasing.

### 6.3 2010/11 Bids for Growth and Service Investment

There are a number of bids for growth and service investment which have been included in the proposed budget for 2010/11. The key items are summarised as:

#### Bids for growth

- Choice Based Letting (CBL) – this service aspires to create a more customer focussed and transparent approach to housing allocations as customers are able to make informed decisions about their housing future. There will be one-off costs incurred in respect of the implementation of the CBL service but thereafter the operational costs will fall within the current costs of providing the housing register (waiting list) and the statutory housing advice/homelessness service. The one-off costs in respect of the establishment of the CBL service are £120,000 and will be shared between the General Fund and the Housing Revenue Account.
- Benefits assessor – Over the last 18 months the service has experienced a 20% increase in the benefits caseload as a result of the prevailing economic conditions. This has placed a resource strain on the service which has responded by introducing new ways of working (following a fundamental service review). However in order to ensure quality service delivery is provided and within acceptable performance times it is necessary to provide a more sustainable solution. It is proposed to increase the resource base by 1 FTE (a 6% increase) at a cost of £25K which will be utilised to ensure current service delivery levels are maintained. The service will constantly review the ratio of workload to resource and should there be a change to the ratio then this will be managed through natural wastage over the short to medium term.
- Civilian Parking Enforcement (CPE) - A provisional sum of £25K revenue and £20K capital has been set aside in the budget proposals to meet the necessary one-off costs of introducing CPE in the South Kesteven district should the proposal be implemented in the 2010/11 financial year. However at the present time the full financial impact of introducing CPE has not been modelled and the revenue budgets have been established based on the current operational arrangements.
- Local Development Framework – The Council is required to prepare a Local Development Framework (LDF) to replace it's Local Plan. The LDF establishes the planning policies used to determine planning applications. Preparation of the LDF must follow the statutory processes set out in the Planning and Compulsory Purchase Act 2004 and its associated regulations. The cost of the LDF will be £387k in 2010/11 which will be funded through the Housing Planning Delivery Grant.

Other budget proposals requiring commentary:

- Arts Centres – The arts venues at Grantham and Stamford continue to show a net cost growth when compared to previous financial years. It is therefore proposed that the operation of the venues is fundamentally reviewed in 2010/11 as part of the service review programme to investigate and ensure value for money is being delivered and explore alternative ways of service delivery.
- Investment Income - the financial forecasts in respect of investment income over the next three years have been modelled on the following anticipated levels of interest rates (provided by the investment advisors):

Financial Year	2010/11	2011/12	2012/13
Base Rate	1%	2%	4.5%
Money Market Rate (average.)	1.5%	2.5%	4.8%

This information has been utilised to anticipate the potential levels of interest income the Council will receive for its investment of the reserve balances. This income will be shared between the General Fund and the Housing Revenue Account. However as the spending plans of the reserves progress (thus reducing the reserve levels) then there will be a corresponding reduction in the amount of interest income that will be received. Scenario planning in respect of continuing investment, forecast interest rates and potential for borrowing will be a feature of 2010/11 and will be undertaken within the framework of the Treasury Management Strategy.

- **Fees and charges** – The Resources PDG established a working group to review and consider a range of fees and charges proposals for 2010/11 and presented its findings to Cabinet. These are detailed in report CHFCS85 and the agreed fees and charges have been incorporated into the budget proposals and shown in detail at appendix D.
- **Leisure management fee** – The budget proposals include the current arrangement with the leisure provider in respect of the management fee. However, during the time period of the budget the Council will need to review the contractual arrangement and commence a procurement process in respect of future leisure delivery. There is a financial risk that the management fee included in the budgets will not be sufficient to meet the future fees as this will depend on the market conditions at that time. This is detailed as a financial risk to the budget later in the report.
- **Priority plans initiatives provision** – In order to financially support the delivery of the priority plan actions it is proposed to include a provision of £200K. The use and allocation of this provision will be subject to detailed spending proposals which will demonstrably show the priority action outcome. This provision will be financially supported by the use of the priority themes and service improvement reserve.
- **Efficiency initiatives provision** – A sum of £150K per annum has been included to be utilised to financially support service initiatives that have been prepared on the basis of an ‘invest to save’ framework. This provision is available to encourage entrepreneurial thinking in alternative service delivery that does not compromise service quality but can demonstrate clear financial savings over a period of time following one-off set up costs. These proposals will be prepared utilising a business case template detailing clear service proposals, financial implications and performance outcomes. This provision will be financially supported by the use of the priority themes and service improvement reserve.
- **Service provision initiatives** – The budgets have been prepared within the context of zero based budgeting i.e. all budgets have been built up from a zero position. This approach minimises the risk of over budgeting and ensures that only the most appropriate level of budgets have been provided at service level. However this approach carries the risk that any unforeseen service events that may occur during the course of the financial year may not have sufficient resource available to meet them. Therefore a service provision has been included (£100K per annum) to allow such unforeseen events to be supported without compromising service delivery.

- Local Authority Business Growth Incentive (LABGI) – The Authority received a one-off award during 2009/10 of £194K in recognition of business growth and development in South Kesteven. The remaining balance of £141K has been included in the corporate line of ‘Sustainable Communities’ and will be utilised to support the priority theme of ‘Good for Business’.
- Community Fund – This fund has been replaced with appropriate budget provision in key service areas where community support and engagement is required and therefore it is proposed to withdraw the Community Fund in its current format.
- Building Control – The building control service is required to maintain a statutory account which must breakeven over a rolling 3 year period but has suffered in recent years to maintain a breakeven position due to continuing reductions in income levels. The service costs are split between chargeable and non-chargeable work. A review of officer time has been undertaken and the chargeable split has been updated from 80/20 to 70/30 (i.e. 70% of officer time is spent on chargeable activity and 30% non-chargeable). It is anticipated that the chargeable service will make a deficit of £36K in 2009/10 (which will be charged to the reserve in addition to a £15K commitment for IT related improvements) but will make a surplus of £15K in 2010/11. This is shown in the Reserves statement at appendix C.
- Land Charges - The principle behind the level of fees to be set are based on service cost recovery. Members should be made aware there is currently a national review of the type of fees that can be imposed in respect of the service. If this review concludes certain elements of the service are non-chargeable this will result in income levels being reduced which in turn will necessitate the need to review the current levels of expenditure.
- Development Control – the forecast position of the service is identifying an income reduction of £80,000 which will result in the service costs increasing for 2009/10. It is not anticipated that the income level will improve in the short term and therefore the costs of the service will continue to reflect the reduced income position in 2010/11. In accordance with Council approved decision the service will be undergoing a comprehensive service review during 2010/11 in order to review the service costs.
- Concessionary travel – the budget for 2010/11 has been prepared utilising forecast information on the anticipated growth in customer demand and the likely operational costs of the service. It is also prepared on the basis that South Kesteven will be operating free all day travel from 1 April 2010 and the proposals to withdraw an element of the specific grant (£197K) will be implemented from 1 April 2010. Thereafter it is anticipated that the service will transfer to the County Council and so no service costs are shown from 2011/12.
- Aligning Skills and Resources to deliver the Council’s Vision and Priorities – the ‘next steps’ programme. At the Council meeting on 21<sup>st</sup> January 2010 a presentation was given by the Chief Executive in respect of the next steps programme which is a review of staffing and resources to support the delivery of the priorities. It is proposed to support any one-off financial implications arising from the review from the priority theme and service improvement reserve and the appropriate level of resource will need to be identified once the full impact of the next steps programme is assessed. Thereafter the budget framework will be reviewed to reflect the new staffing resource levels.

#### 6.4 Special Expense Areas (SEA)

Special Expense Areas make use of provisions under the Local Government Finance Act 1992 which provide for different amounts of council tax to be calculated for different parts e.g. parished and unparished areas of the district, depending on what, if any, special items relate to those parts. A special item is an item which relates to only part of the district's area. Treating expenses as special expenses does not affect the overall amount that the council needs to raise through council tax across the whole of the district.

The district seeks to fully recover the net expenditure of the special expense areas and the proposed budget for 2010/11 has been prepared on the basis of full recovery of costs. It should be noted that increases in the special expense precepts count towards the overall council tax capping calculation for the district.

Cabinet has agreed, subject to finalising the transfer details, to the freehold transfer of the Stamford Recreation Ground facilities to Stamford Town Council. Therefore the budgets have been prepared on the basis that there will be no cost to South Kesteven District Council in respect of the Recreation Ground for the 2010/11 financial year as the operational costs will pass to Stamford Town Council. For the District Council this will have the effect of reducing the special expense charge to Stamford from 2010/11 onwards and will result in a significantly lower charge.

In respect of the Grantham special expense area there are a number of one-off specific expenditure items that are included in the spending proposals for 2010/11 including capital financing charges in respect of cemetery surface water improvement works.

#### 6.5 Overall General Fund Position 2010/11

The overall General Fund position for 2010/11 is shown at Appendix A. The total service expenditure (net of direct income) for 2010/11 is estimated at £18.277M. Interest and investment income has been estimated at £229K based on the proposed use of capital resources whilst also taking into account expected movements in interest rates. Further details of the Council's investment strategy are contained in Appendix D to this report.

In preparing the Budget consideration of the use of reserves has been taken into account. It is proposed to use specific general fund revenue reserves as follows:-

	£'000
• Pension - to cover former employee pension liabilities	65
• Pension – contribution to current employee reserve in respect of future employer contribution increases	(368)
• Building Control – contribution in respect of service	(15)
• Special expense reserve	12
• Priority themes and service improvement reserve	491

The summary of the projected use of Reserves is attached to this report at Appendix C. After adjusting for accounting entries that do not impact on the taxpayer and taking into consideration the reserve movements the budget requirement is £16.416M (including special expense areas).

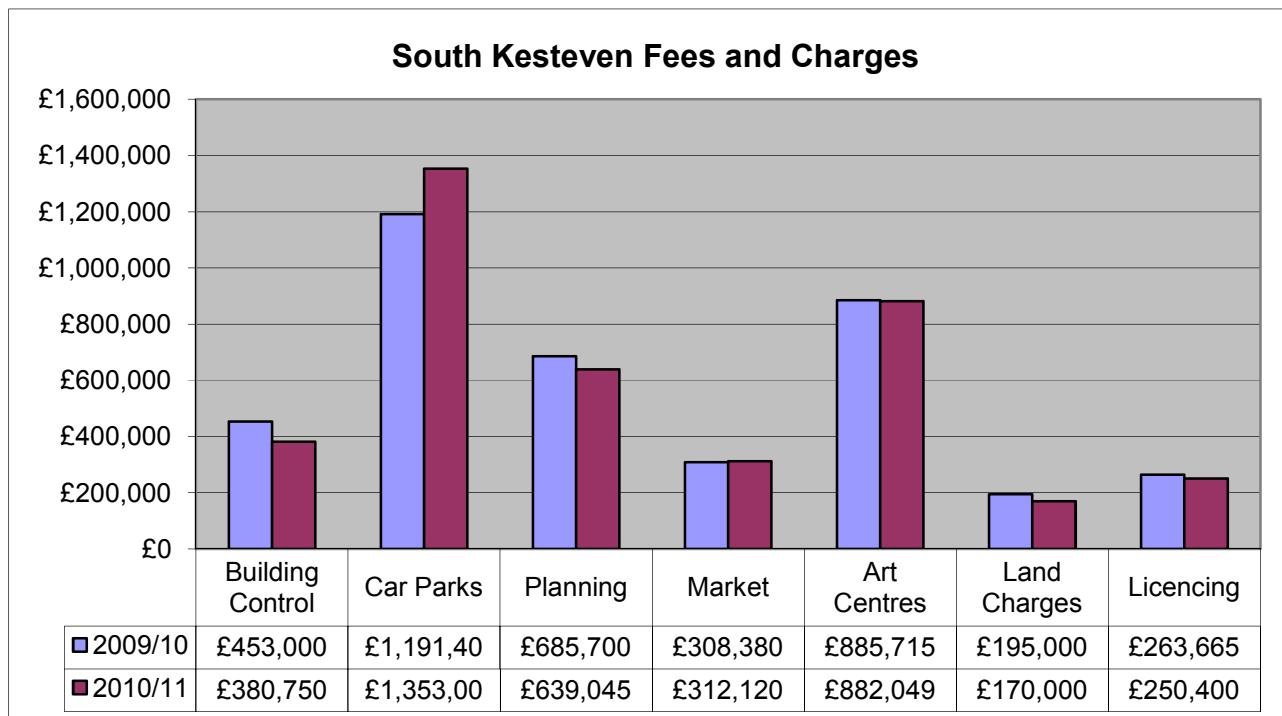
## 7 General Fund Income

### 7.1 Partnership Funding

The Council continues to access partnership funding streams and during the year officers will continue to take advantage of any bidding and partnership opportunities that may arise in order to maximise resources available to the Council. In addition the partnership arrangements have been strengthened through the development of partnership protocol policy which will ensure any partnership is of benefit to the Council and clear outcomes are evidenced.

### 7.2 Fees and Charges

In accordance with the Fees and Charges Strategy, proposals for the level of fees and charges for 2010/11 are shown in detail at Appendix D and have been based on the proposals contained within report CHFCS85. All fees and charges were discussed and proposed by the Resources PDG working group. The chart below shows the level of income budgeted to be received from the Council's main sources of fees and charges; this is compared with the previous year budget.



Members will notice that some areas continue to show a deterioration of income levels for the next financial year, particularly building control and development control. This is based on 2009/10 forecasting information undertaken during the course of the current year. Services that have experienced a reduction in income levels have undergone a review of expenditure headings in order to align the operational costs of delivering the service with the volumes of activity. Given the economic outlook there is no evidence that these income levels will improve in the short to medium term and therefore the Council must continue to ensure that the costs associated with these services is aligned to the income levels.

### 7.3 Area Based Grants

There have been two awards for the district council in respect of community cohesion and climate change. In respect of community cohesion the award is £75,000 for 2010/11. In respect of climate change the allocation is £22,500. Utilisation of these allocations have been incorporated into the budgets and the spend proposals will contribute to the Local Area Agreement outcomes and the Council's priority themes specifically 'Quality Living'. The community cohesion funding allocation will continue to be used to support a number of projects led by the Local Strategic Partnership's Community Cohesion Theme Group. This group is chaired by the Council's LSP Co-Coordinator. In 2010/11 these will include, events at district carnivals; projects for young people; multi-agency projects which deal with community issues in a joined up way and strengthen community development; a support worker and a research project mapping the different communities in the district.

### 7.4 Government Grants

The Council receives funding from the Government by way of Formula Grant and Specific Grants, full details of these funding streams are provided in section 12.

## 8.0 Capital Programme

- 8.1 The recommended Capital Programme (Appendix B pages 1-3) provides a forecast outturn for 2009/10 of £6.651M and an indicative 3 year programme totalling £29.080M for the financial years 2010/11 to 2012/13. This is a significant capital programme in terms of projects and financial investment and the Council will need to ensure it has sufficient officer capacity to ensure the delivery of the programme in the timescales proposed.
- 8.2 The Programme has been compiled based on the Council's priorities, the Council's Asset Management Plan and in accordance with the Council's Capital Strategy and Capital Scoring mechanism. Bids for the Capital Programme have been assessed by members of the Capital Asset Management Group who have provided advice to the Resources and Assets Portfolio Holder, in compiling the programme. The Programme comprises of both General Fund and Housing Revenue Account (HRA) Schemes. The capital programme for the HRA has been compiled using the data from the 100% stock condition survey which has been analysed in order of priority of need and ensuring the Council meets the decent homes standard in 2010. The full details of the HRA business plan and financial model have been approved by Cabinet at its meeting on 4 January 2010.

### 8.3 Forecast Outturn Programme 2009/10

A forecast outturn capital programme for 2009/10 is provided based on the current levels of projected spend for both the General Fund and the Housing Revenue Account.

The preparation of the Capital programme for 2010/11 has taken potential areas of slippage into consideration.

The following key issues should be noted for the general fund:

- Good for Business – During the course of the year a financial contribution of £300K has been agreed to facilitate the development of a business innovation

and incubation centre at the Deepings. Further progress is being made in respect of the Bourne core area development with key strategic sites being identified. Work has also been undertaken in respect of the ground floor layout at the Guildhall Arts Centre including the re-positioning of the entrance point at the front of the building.

- Quality Living – The Council has continued to obtain and provide grants for both regional housing needs and disabled facilities for the private sector and full use of these grants is expected. In respect of waste management, 2 additional freight vehicles have been purchased to support the waste collection service and additional green waste wheelie bins have been purchased in order to meet customer demand during the year. The works in respect of the energy efficiency initiatives have been deferred until 2010/11 to enable detailed proposals to be considered.
- Customer First – the budget provision in respect of area office upgrades will be re-allocated into the 2010/11 financial year to enable plans to be agreed in respect of the Bourne Community access point and the identification of alternative locations in Stamford.
- Quality Organisation – A number of schemes have been undertaken to ensure existing assets are maintained or improved including the purchase of market stall covers, wall maintenance at Ropsley (closed burial ground) and Stamford Arts Centre. To maximise energy efficiency, pool covers have been purchased for the pools at Deepings and Grantham leisure centres – this purchase has been grant funded from the Department for Culture, Media and Sport following a successful bid application.

The following key issues should be noted for the HRA:

- A comprehensive list of schemes have been included in the HRA capital programme for 2009/10 and all schemes are due to be completed within the financial year. There are 2 projects which are forecasting an overspend due to the need to address health and safety issues – these are the passenger lift schemes at Essex Road and Meadows Close Stamford and the boiler replacement programme which has identified an urgent communal boiler replacement at Essex Road Stamford.

#### 8.4 Programme 2010/11 to 2012/13

Key areas to note in relation to the 2010/11 programme include:

##### HRA

The investment in the Council's housing stock over the next three years has been compiled using the analysis data from the 100% stock condition survey. The spending profile reflects the need to achieve decent homes standard by 2010/11 and therefore there is an increase in the capital programme to £6.9M. Thereafter the capital programme will be evenly allocated (in five yearly blocks) over the future years. This will enable the spending programmes to be efficiently procured and delivered within the context of resource capacity. However it should be noted that the overall financing of the capital programme will become extremely challenging in the medium term and the spending plans will need to be scaled downwards to bring it in line with the financing resources available. This may compromise the Council's on-going ability to maintain the decent homes standard.

## General Fund

The General Fund has been compiled following the submission of capital bids and the improvement and investment programme as identified in the Council's Asset Management Plan. The following submissions are proposed:

- Good for business – Budget provision has been included to enable the further feasibility and development work in respect of the town centre development projects of Grantham Growth point and Bourne core area.
- Quality living – Further budget proposals are included in respect of the use of the regional housing grant and the disabled facilities grant. The programme also includes the proposal to purchase the existing waste management fleet which is currently on a lease arrangement (expiring July 2010).
- Customer First – The capital provision in respect of the proposed alterations and improvements to the area offices has been included in the 2010/11 capital programme. The Council is working with other partners to investigate the feasibility of a community access point at Bourne and proposals will be presented in the new financial year.
- Quality Organisation – The Council continues to invest in its assets to ensure effective utilisation in accordance with the Asset Management Plan. Key projects include the introduction of 'pay on exit' at 2 Council car parks (Wharf Road Stamford and Wharf Road multi-storey Grantham), investment at Deepings Leisure Centre and investment in respect of stalls and covers at the markets in Grantham and Stamford.

### **8.5 Proposed method of financing the Capital Programme**

The detailed Capital Programme contained within Appendix B also identifies the proposed method of financing the Capital Programme which will be reviewed by the Corporate Head of Finance and Customer Services when preparing the Statement of Accounts for each financial year to enable the most effective form of financing to be adopted by the Council.

### **8.6 In respect of the capital programme the summary financing statement has been prepared for the General Fund and the Housing Revenue Account. In respect of the General Fund it is proposed to utilise the capital receipts reserve, grant funding and the specific capital reserve together with a contribution from revenue. There is no immediate borrowing requirement within the timescale of the capital programme, however work is being undertaken to determine the most financially advantageous method of capital financing. Therefore the actual method of capital financing may be adapted during the course of the financial year. This will be kept under review by the Corporate Head of Finance and Customer Services when preparing the Statement of Accounts each year. In respect of the HRA capital programme the financing of the programme will be met from the Major Repairs Reserve (MRR) together with contributions from revenue (when available). This will also ensure the HRA working balance is reduced in accordance with the current policy of maintaining a working balance of £5M. It should be noted that the programme currently exceeds the projected levels of annual major repairs allowances (MRA) and therefore the financial difference will need to be met from the MRR. This has the effect of reducing the current level of the MRR by nearly 50% over the medium term capital programme. This will need to be constantly reviewed in order to ensure sufficient resources are available in the medium term to continue to invest in the housing stock.**

8.7 The Council policy in respect of the use of the useable capital receipts reserve is to use the housing capital receipts to contribute towards the financing of both the General Fund and the Housing Revenue Account but the non-housing capital receipts would be used only to finance the General Fund programme. I support the continuation of this policy in order to ensure the financing of the Council's overall capital programme is the most financially advantageous for the Council as a whole. However I recommend that the Corporate Head of Finance and Customer Services in consultation with the Resources and Assets Portfolio holder determine the overall capital financing arrangements. This would then allow the Council the maximum flexibility in determining the most appropriate method of financing the overall capital programme.

#### 8.8 Forecast of Capital Receipts

Estimates of the likely capital receipts to be generated during 2010/11 and subsequent years have been projected based on the Council's Asset Management Plan. The anticipated level of capital receipts during the current financial year has not been achieved due to the difficult economic climate and the inability to realise the forecasted valuations. However it remains an important part of the capital financing decision making process and modest levels of receipt forecasts have been incorporated into the financial model. The anticipated level of receipts during 2010/11 is £570K (made up of £470K General fund and £100K HRA receipts) of which all will be applied to finance the capital programme in 2010/11.

### 9 Treasury Management and Investment Strategy

9.1 In accordance with the requirements of Local Government Act 2003 a Treasury Management Strategy is provided within Appendix E outlining the Council's prudential indicators for 2010/11 – 2012/13 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements as required by the Local Government Act 2003:

- The reporting of the prudential indicators setting out the expected capital activities as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Appendix E Annex A);
- The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year (Appendix E Annex A);
- The treasury management strategy statement which sets out how the Council's treasury service will support the capital decisions taken above in accordance with the CIPFA Code of Practice on Treasury Management (Appendix E Annex B);
- The investment strategy which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss (in accordance with the CLG investment guidance) (Appendix E Annex B);

A review of the Treasury Management strategy has taken place in conjunction with the Council's treasury management advisors to ensure the strategy provides a framework for effective, efficient treasury management activity and ensure the Council's exposure to risk is minimised. Whilst it is widely acknowledged that exposure to risk cannot be removed, good governance and scrutiny arrangements help to ensure the exposure is minimised. A recent Audit Commission publication entitled 'Risk and Return' sets out specific guidance in respect of ensuring local

authorities manages the treasury management activities in a proactive and methodical manner. The Council's arrangements reflect this guidance. Specifically, Governance and Audit Committee ensure the governance and scrutiny function is undertaken on behalf of the Council and during the past year has received specific treasury management training and receives regular quarterly reporting information.

## 10 Reserves and Provisions

10.1 The Local Government Act 2003 requires the Chief Financial Officer (Corporate Head of Finance and Customer Services, section 151 officer) to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year. Under the Local Government Finance Act 1988, all balances held by the Council are at the direct disposal of the General Fund with the exception of the Housing Revenue Account balance, the Collection Fund or any funds held in trust. A statement showing the forecast balances of revenue and capital reserves is provided at Appendix C.

## 10.2 Justification of balances

The **General Fund balance** comprises two elements: the working balance and an amount held as a contingency against unforeseen events. A working balance is required so that the council has sufficient funds available to meet its cash flow requirements. The forecast of revenue reserves reflects the Council's policy of maintaining the General Fund balance, at between 4% to 5% of gross turnover, or at between 10% to 15% of net expenditure, to provide adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year.

It is estimated that the General Fund balance will be £1.917m at 31<sup>st</sup> March 2010 which is equivalent to 10.50% of the estimate service expenditure for 2010/11. This is within the Council's approved policy. It is proposed to contribute a further £100K during 2010/11 to ensure the working balance remains in line with net expenditure spending plans.

The **Insurance Reserve** will be utilised during 2009/10 to meet the costs in respect of any planning determination appeals. This is estimated to be in the region of £100K and this use is in accordance with the Council policy. In order to preserve the balance a contribution will be made to the reserve in 2009/10.

Whilst the Council does not operate a Pension policy with 'added years', the **Former Employee Pension reserve** provides for matching added years payments in respect of former employees when such a policy operated. The requirement to draw on this reserve will continue and the balance as at 31<sup>st</sup> March 2010 is estimated to be £249K which is considered sufficient for the Council's needs in the short to medium term, although this will need to be kept under review.

The **Current Employees Pension Reserve** is held to protect the Council from large changes in Council Tax resulting from unanticipated rises in employer's contribution rate following triennial valuations (the next review is due on 31 March 2010) and also to finance potential one-off capital costs of any future early retirements. The balance as at 31<sup>st</sup> March 2010 is estimated to be £1.480M which will be sufficient in the short to medium term, although I am proposing to contribute £368K in 2010/11 and a further £137K in 2011/12 in readiness for the future triennial valuation of the Pension Fund particularly in light of the current volatility of the financial markets.

Any annual surpluses from the chargeable element of Building Control activities are set aside in the **Building Control reserve** and used to finance service improvements and offset any future deficits. There is a forecast charge of £51K in 2009/10 and this will be charged to the reserve reducing the balance to £167K as at 31 March 2010. Thereafter the service is forecast to make a modest annual surplus and this is reflected in proposed contributions to the reserve.

**The Priority Themes and service improvement reserve** – The balance on this reserve is forecast to be £924K as at 31 March 2010. However this forecast does not reflect any contributions that may be made to the reserve as a result of the outturn position for the financial year 2009/10. The budget proposals for 2010/11 include a contribution from the reserve of £491K (compiled of £200K priority initiatives, £150K efficiency initiatives and £141K LABGI funding). The use of this reserve will be closely monitored to ensure there is a sufficient level to continue the delivery of the priority actions and other one-off service improvement proposals.

**Capital Reserve** – It is anticipated that all of the capital reserve will be used during 2009/10 and 2010/11 in order to contribute towards the funding of the General Fund Capital programme leaving a zero balance as at 31 March 2011. At this stage there are no further contributions anticipated to the reserve as the future financing of the capital programme will be met from useable capital receipts reserve, external grant opportunities, revenue contributions and, potentially, external borrowing. However, it is proposed that this be reviewed during the closure of accounts process in order to ensure the financing of the programme is the most financially advantageous for the Authority.

**HRA Major Repairs Reserve (MRR)** – This is a mechanism whereby the Council is required to account for the resources provided through the major repairs allowance, which is provided through Housing Revenue Account Subsidy and is available to fund capital. A contribution of £3.662M will be made to the reserve from MRA but a contribution from the reserve of £6.485M will be necessary to finance the capital programme leaving a projected balance as at 31<sup>st</sup> March 2011 of £3.795M subject to the final outturn position on the Capital Programme. Thereafter the use of the reserve reflects the proposed capital programme for the remaining period. It should be noted that the reserve balance is reducing at an accelerated speed due to the capital programme been set at a higher level than the projected MRA figure.

**The Working balance on the HRA** – The working balance on the HRA is projected to be £5.431M as at 31<sup>st</sup> March 2010 and will be maintained at a level of £5M in accordance with the policy established in the previous budget report (CHFCS25). This balance is set at an appropriate level in order to meet any in-year unforeseen costs that may arise. This level will be kept under review in accordance with the financial position of the HRA.

**Useable Capital Receipts Reserve** – This reserve is utilised to finance the capital programme and the balance brought forward contains both receipts from the sale of General Fund assets and the sale of HRA properties under the Right to Buy. It is anticipated that the reserve will be used during the medium term in order to contribute towards the financing of the capital programme reducing the balance to a projected balance of £2.477M as at 31 March 2013.

To enable the greatest flexibility in using the Council's resources to finance the Capital Programme it is recommended that the Council authorise the funding proposals subject to an annual review of the financing options by the Corporate

Head of Finance and Customer Services in consultation with the Resources and Assets Portfolio Holder, during the preparation of the Statement of Accounts.

**SEA reserve** – This reserve (which is made up of individual SEA reserve balances) is utilised to financially support transactions and future spending proposals in respect of the special expense areas. The reserve will be used during 2010/11 to finance specific spending proposals in respect of the Grantham SEA.

11 Collection Fund

- 11.1 All transactions associated with Council Tax are shown in the Collection Fund.
- 11.2 To comply with CIPFA's Best Value Accounting Code of Practice authorities are required to forecast the out-turn on the Collection Fund as at 31<sup>st</sup> March 2010 in order to distribute this amount in 2010/11. . In previous years SKDC has not undertaken this approach and has distributed the previous years out-turn.
- 11.3 For this financial year SKDC has forecasted the out-turn for 2009/10 and in 2010/11 will distribute the 2008/09 out-turn and the 2009/10 forecast. In future years the amount to be distributed will therefore only be any difference that has occurred between the forecast and actual for the last financial year together with the forecast outturn for the current financial year.
- 11.4 Any surplus or deficit arising from Council Tax transactions is shared between South Kesteven District Council, Lincolnshire County Council and Lincolnshire Police (the precepting bodies) in proportion to their demands on the Collection Fund.
- 11.5 The accumulated surplus on the Collection Fund at 31<sup>st</sup> March 2009 was £977K of which £511K has already been distributed during 2009/10. The forecast out-turn for 2010/11 is a deficit of £168k. This leaves a total of £298K for distribution in 2010/11. This will be distributed as follows:

	£K
Lincolnshire County Council	209
Lincolnshire Police	46
South Kesteven District Council	<u>43</u>
Total Surplus on Collection Fund	298

- 11.6 The amounts due to Lincolnshire County Council and Lincolnshire Police will be distributed, on a pro rata basis, utilising the precept mechanism.
- 11.7 The council tax income budget for 2009/10 was produced based on an anticipated increase in tax base of 1.1% rather than the previous year's prediction of 1.4%. These changes are made to try to bring the Collection Fund nearer to a breakeven position, rather than generating large surpluses. These changes have resulted in a forecast of a small deficit in 2009/10.
- 11.8 Since 2004/5 Council billing authorities have had the powers to reduce the discount on second homes from 50% to a minimum of 10%, this has the effect of generating additional income for the billing authority and the precepting authorities (the County Council and the Police Authority). In 2005/6 the discount was reduced to the minimum of 10%. The County Council and the Police Authority agreed that the additional income would be spent within the district on agreed schemes of mutual benefit.

11.9 The amount due from the County Council is £85K for 2009/10 and it is estimated that the amount for 2010/11 will be £82K, this will be used to continue to the work of the Local Strategic Partnership including the employment of a Local Strategic Partnership Co-ordinator.

12.1 Specific Grants

Specific grants continue to provide an important source of funding for Local Government, the specific grants notified as payable to South Kesteven District Council are summarised below:

<b>Description</b>	<b>2009/10</b> <b>£k</b>	<b>2010/11</b> <b>£k</b>
Housing Benefit Administration Grant	835	886
Homelessness	55	55
Area Based Grants:		
Community Cohesion	48.5	75
Climate Change	22.5	22.5
Concessionary Fares*	387	190
Housing & Planning Delivery Grant	736	
Total Specific Grants (announced at time of writing report)	2,084	1,228.5

\*subject to the necessary legislative arrangements being agreed

13. Budget Consultation

13.1 The Council has been consulting the community on its budget proposals utilising a variety of consultation techniques including the Local forums, on-line survey, SKtoday feedback article and direct telephone and email feedback. The response has been pleasing with a higher than average number of responses to the consultation process. Three options have been put forward for consultation:

1. Zero i.e. 0% increase
2. 2.5% increase – an increase of £2.99 for the financial year 2010/11 (band D equivalent)
3. 3.5% increase – an increase of £4.19 for the financial year 2010/11 (band D equivalent)

At the time of compiling the report the consultation is still underway and so an analysis of the results of the budget consultation will be reported at the Cabinet meeting and subsequent Council meeting.

14 The District's basic amount of Council Tax 2010/11

14.1 The calculation of the Council's basic amount of Council Tax is made by deducting from the Budget Requirement £16.416million (including special expense areas, but excluding parishes), the external support that will be received from the Government from Formula Grant £10.147million, together with a surplus of £43K on the Collection Fund.

14.2 The result is divided by the Council Tax Base of 46,251.5. The proposed band D Council Tax is £122.76 (excluding special expense areas and parishes), representing an increase of 2.50%. The proposed Band D charge (including special expenses) is

£134.61 (2009/10 £133.08) representing an increase of 1.10%. The national average increase for 2009/10 was 3% and the proposed increase is below this and in keeping with the Local Government minister's announcement that 2010/11 increases should be less than the 2009/10 increase.

## 15 Housing Revenue Account (HRA)

### Housing Revenue Account – Rent Setting in 2010/11

- 15.1 The main element of policy relating to the Housing Revenue account for 2010/11 is once again the setting of rents. The Council's current policy is to keep in line with the Government guidance on rent restructuring and guideline rent increases. The following is an analysis of the Government's proposals for 2010/11.
- 15.2 Following a detailed consultation process relating to rent restructuring and convergence which took place in the summer, Government issued the draft HRA subsidy determination for 2010/11 during mid December, which was the latest it had ever been published.
- 15.3 As it is likely that any changes to the housing finance and subsidy system will not take effect before April 2011, last year's draft was an attempt to provide a two-year settlement and, therefore, provide some measure of stability pending the outcome of the review.
- 15.4 For this reason, the formulae for the expenditure allowances were largely unchanged and a two year settlement was proposed giving guideline rent increases of 6.2% and 6.1% in 2009/10 and 2010/11 respectively. In the event, the rapidly falling RPI caused CLG to limit the 2009/10 increase after the financial year had begun, and it was scaled back to 3.1%.
- 15.5 With RPI turning negative in September, there was clearly no scope for a 6.1% increase in 2010/11. CLG decided that the increase would be 3.1% once again and this was achieved by radically changing the convergence date and reducing it to three years.
- 15.6 The allowance for management has been increased to £456.74 per dwelling (6.4%) and that for maintenance to £964.22 per dwelling (4.5%). However, the increase in major repairs allowance (MRA) to £584.56 per dwelling is only 0.98%.
- 15.7 Guideline rent is the notional figure used in the Housing Revenue Account subsidy calculations, whilst actual rent is that which is actually charged to tenants. Where the increase in actual rent is higher than the increase in guideline rent, there is an overall gain to the HRA and vice versa. In 2010/11, the increase in notional rent will be 3.1%. However, CLG has achieved this by altering the convergence date, not the RPI which was the methodology used when reducing the 2009/10 increase. This has the effect of increasing by 3.1% all of the dwellings for notional rent purposes but, where actual rent on a dwelling is already at or near target, the scope for increase in actual rent is limited. This could result in a loss to the HRA of approximately 1% of the rent income due. For South Kesteven, the average actual rent increase for 2010/11 is 1.78%.
- 15.8 Garage rents are set locally, but in past years have followed the guideline rent increase to avoid charge erosion. Thus, it is proposed to increase garage rents by 3.1% in line with the rental proposals used within the subsidy determination. It is proposed to increase service charges by 3.1% (RPI) and undertake a review of the cost base and charging mechanism during 2010/11.

15.9 There are a number of financial issues facing the HRA over the short to medium term and these have been identified and included in the HRA business plan. Whilst the business plan shows a financially sound revenue position over the medium term, there are a number of significant issues that have yet to be fully determined in terms of the impact on the financial position of the HRA. The most significant of these is the national review of the housing subsidy arrangement and the potential impact any changes will have on the Council's housing revenue account. During the forthcoming year efficiencies and savings will need to be continued to be made in order to maintain a financially solvent HRA. The consultation findings will continue to be analysed in order to assess financial and service impact and will be considered in the future budget proposals.

16 Statement by Chief Finance Officer (s151 officer)

16.1 The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Council's case the Corporate Head of Finance and Customer Services must report on:

- (a) the robustness of the estimates made for the purposes of the budget calculations and
- (b) the adequacy of the proposed financial reserves

16.2 In recommending the budget to the Council, the Cabinet must take account of the advice of the Corporate Head of Finance and Customer Services (s151 officer) in respect of the above. For 2010/11 I can advise that the budget presented to the Council is robust in its formulation and the level of reserves is adequate for the organisation.

16.3 Risks to the budget

In formulating my opinion the following risks and factors have been taken into account.

- a. **The Government will cap the level of Council Tax increase for Local Authorities.** The Government has reserved capping powers and has used them in Lincolnshire in 2008/09. The proposed increase of 2.5% for a band D exclusive of special expenses (1.2% increase inclusive of special expenses) and is below the Government's previous 5% cap threshold. The average increase for authorities last year was 3% and the Government expect any 2010/11 increases to be less than the 2009/10 average. If the Council was capped then the costs associated with re-billing would need to be met from balances.
- b. The budget estimates assume that **efficiency savings** can be found from the revenue and capital budgets (including both General Fund and the Housing Revenue Account). Careful monitoring will be required to ensure savings are forthcoming.
- c. The **grant settlement** for 2011/12 has not yet been announced by the Government and the next three year settlement is expected to be extremely challenging and so the budget for 2011/12 could be particularly difficult for the Council. For this reason the formula grant indicative budget provision has been based on a standstill of the 2010/11 settlement.

- d. Further to the risk identified at c above, there is an additional risk that after the parliamentary election, an emergency budget could be announced by the Government that could impact on the 2010/11 grant settlement.
- e. The impact of the **economic downturn** will place higher demand on particular services in relation to social care and well being, specifically benefit advice and support and homelessness. This may create additional resource pressures in these service areas.
- f. **National Concessionary Fares Scheme** – The budget assumptions have allowed for a further increase in take up of the new National Concessionary Fares scheme and the impact of all day travel. This is particularly important as the costs are based on customer demand and so the Council has limited ability to control the expenditure. Furthermore the specific grant allocation for 2010/11 is anticipated to reduce and the service is expected to transfer to the County Council from 1 April 2011. It is not clear at this time how the cost implications of operating this scheme will be transferred.
- g. **Leisure services** – the Council will need to have long term contractual arrangements in place in respect of the leisure centres. The current arrangements are in place until September 2010 and thereafter it is not known the financial impact of any alternative service delivery.
- h. **Fees and Charges income** – The report has identified a continued shortfall in the projected income levels for next year based on the current year's forecasting. The income forecasts will need to be carefully monitored to identify any further reduction in levels and whether there is any identified improvement in the future years. In the absence of any improvement then the costs associated with these services will require reviewing.
- i. **Building control account** – Although a service review has been undertaken during 2009/10 and costs have been reduced, the service will continue to be carefully monitored to ensure it achieves the required rolling three year breakeven position.
- j. **Investment Income** – the forecast in respect of investment income is included in the budget proposals and shows an improvement over the three year period. Given the current volatility in respect of the economic market there is a risk of investment income not achieving this level.
- k. The future financing level of the **Housing Revenue Account Capital programme** is anticipated to be at a higher level than previous years as the Council aspires to meet decent homes standard during 2010. This increase in expenditure will place further financial pressure on the available funding. It is expected that the full use of the reserve will be undertaken and the reserve will be reduced in the medium term. This has been forecasted in the HRA business plan. Thereafter alternative sources of funding will need to be identified which will place further financial pressure on the HRA and, in addition, the level of capital expenditure will need to be reviewed to align it with the available funding.
- l. **Reserves** – The Reserves statement attached at appendix C shows an anticipated reduction of £10.095M between 1 April 2010 and 31 March 2013. It is essential that the use of reserves is kept under review to ensure they can continue to be applied in a sustainable manner. Particular caution should be exercised where any potential use of the reserve is to grow base service

budgets year on year. This has not been the case in preparing the current three year proposals for the General Fund. In addition, where investment is made on an ongoing basis to support priorities any subsequent review of the level of priority should take account of the need to manage realignment of resources as required, to ensure that the prioritisation process remains sustainable.

- m. **Indicative Budgets for future years** – The indicative General Fund budget requirement for future years has been based on an assumption that future Council Tax increases will be at the levels of 2.5% for 2011/12 and 2012/13. If the principles of capping are varied from those of previous years a review of the base budget will need to be undertaken. Also the assumptions of Service Managers in compiling their budgets for 2010/11 and 2011/12 will need to be kept under review to ensure they remain sustainable, particularly in light that the settlement for 2011/12 has not been determined.
- n. The **Housing Revenue Account** will require an annual review to reflect the changing financial environment in which it needs to operate and to ensure the business plan remains fit for purpose. The HRA will need to balance tenant needs and expectations in the context of its financial situation and have due regard to any anticipated changes to the housing subsidy arrangements.
- o. The costs associated with any planning application appeals will need to be met by the Council and will need to be financed from the **insurance reserve**.

17 Comments of the Monitoring Officer

The budget forms part of the Council's Budgetary Framework. Members should have regard to the comments of the Corporate Head of Finance and Customer Services as the Council's Chief Financial Officer which are set out in section 16 above when making their recommendations to Council in accordance with the Local Government Act 2003.

18. Appendices:

- Appendix A – Revenue Estimate 2010/11 and indicative budgets 2011/12 and 2012/13
- Appendix B – Capital Estimates 2010/11 to 2012/13
- Appendix C – Reserves Statement
- Appendix D – Fees and charges 2010/11
- Appendix E – Treasury Management Strategy

## INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA

Section: Financial Services & Risk Management	Names of those undertaking assessment: Richard Wyles Malcolm Gorringe	
Name of Policy to be assessed: <b>BUDGET 2010/11</b>	Date of Assessment: 18 January 2010	Is this a new or existing policy?: Annual setting of Council Tax
<p>1. Briefly describe the aims, objectives and purpose of the policy: The aim of the budget setting process is to establish the Council Tax base for SKDC residents for 2010/11</p>		
<p>2. What are the key performance indicators? The PI's are covered by service areas covered in the budget</p>		
<p>3. Who will be affected by this policy? All stakeholders</p>		
<p>4. Who is intended to benefit from this policy and in what way? The budget proposals are designed to enable the Authority to deliver on specific service policies which have their own impact assessments</p>		
<p>5. Are there any other organisations involved in the delivery of the service? None</p>		
<p>6. What outcomes are required from this strategy and for whom? The budget provides a financial provision framework Council tax setting purposes for the years 2010/11 and indicative 2011/12 and 2012/13. The budget also includes Housing Revenue Account, Capital Programme and the Treasury Management Strategy.</p>		
<p>7. What factors/forces could contribute/detract from the outcomes? The budget sets out the financial framework to deliver Council priorities. If financial budgets are not fully realized then outcomes could be compromised. The level of grant the Council will receive from Government has been provided but some aspects of funding levels could be subject to review. Other factors such as fees and charges income, levels of collection (bad debt provision) could also impact on outcomes.</p>		
<p>8. Who are the main stakeholders in relation to the policy? Council tax payers, rent payers, business rate payers, parish councils, partners, other local government partners</p>		
<p>9. Who implements the policy, and who is responsible for the policy?</p>		

Council is responsible for setting the policy following advice and lead from the s151 officer

10. Are there concerns that the policy could have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

11. Are there concerns that the policy could have a differential impact on men and women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

12. Are there concerns that the policy could have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

13. Are there concerns that the policy could have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

14. Are there concerns that the policy could have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

15. Are there concerns that the policy could have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

16. Are there concerns that the policy could have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

17. Are there any obvious barriers to accessing the service eg language, physical access?

No

18. Where do you think improvements could be made?
None identified
19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.
No
20. Is there a complaints system?
Corporate complaints system
21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?
N/a
22. Do we have feedback from managers or frontline staff?
N/a
23. Is there any feedback from voluntary/community organisations?
None
24. Is there any research or models of practice that may inform our view?
N/a
25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy?
N/a
26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy?
N/A
27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?
N/A
28. Should the policy proceed to a full impact assessment?
No
29. Date on which Full assessment to be completed by

N/A

Signed (Lead Officer): Richard Wyles.....

Date: 18 January 2010.....

**SUMMARY OF GENERAL FUND ESTIMATES**

**Appendix A**

	2009/10 Estimate Base £'000	2010/11 Estimate Base £'000	2011/12 Indicative Base £'000	2012/13 Indicative Base £'000
Resources and Organisational Development	1,298	1,912	2,005	2,121
Finance and Customer Services	2,418	2,576	2,078	2,142
Healthy Environment	6,425	6,515	6,714	6,927
Partnerships & Organisational Improvement	3,551	3,345	3,450	3,381
Special Expense Areas	643	578	560	567
Sustainable Communities	3,390	3,351	3,124	3,036
	<b>17,725</b>	<b>18,277</b>	<b>17,931</b>	<b>18,174</b>
Interest and Investment Income	(132)	(229)	(250)	(399)
Interest Payable	248	192	152	152
Pension Interest Cost and Expected Return on Pension Assets	250	250	250	250
Minimum Revenue Provision	198	195	188	180
Depreciation Charged to Revenue Accounts	(2,475)	(2,534)	(2,721)	(2,834)
Capital Grants deferred	395	0	0	0
Financing of Capital Expenditure	226	600	565	500
Movement on Reserves				
-Pension Reserve	(250)	(250)	(250)	(250)
-Net Movement in General Fund Specific Reserves	114	(185)	(72)	342
-(Decrease)/Increase in General Fund Working Balance	(128)	100	100	0
	<b>(1,554)</b>	<b>(1,861)</b>	<b>(2,038)</b>	<b>(2,059)</b>
<b><u>BUDGET REQUIREMENT - GENERAL FUND</u></b>	<b>16,171</b>	<b>16,416</b>	<b>15,893</b>	<b>16,115</b>
Formula Grant *	(10,025)	(10,147)	(9,447)	(9,447)
Council Tax Collection Fund Surplus	(59)	(43)	0	0
<b><u>DISTRICT NET EXPENDITURE (EXC. PARISH PRECEPTS)</u></b>	<b>6,087</b>	<b>6,226</b>	<b>6,446</b>	<b>6,668</b>
SKDC Budget Requirement	5,479	5,678	5,878	6,081
Bourne Special Expense Area	24	25	25	26
Deepings Special Expense Area	13	13	13	13
Grantham Special Expense Area	415	431	447	464
Langtoft Special Expense Area	10	11	11	11
Stamford Special Expense Area	146	70	72	73
<b>General Fund Expenditure</b>	<b>6,087</b>	<b>6,226</b>	<b>6,446</b>	<b>6,668</b>

**BAND D CHARGES****Appendix A**

	<b>2009/10 Actual Base £'000</b>	<b>2010/11 Actual Base £'000</b>	<b>2011/12 Estimate Base £'000</b>	<b>2012/13 Estimate Base £'000</b>
Band D Properties on which charges are based	45,738.3	46,251.5	46,714.0	47,181.2
<b>Relating to Special Expense Areas</b>				
Bourne Special Expense Area Charge	4,754.3	4,877.7	4,931.3	4,985.6
Deepings Special Expense Area Charge	4,415.9	4,438.1	4,500.2	4,563.2
Grantham Special Expense Area Charge	10,834.3	10,972.8	11,126.4	11,282.2
Langtoft Special Expense Area Charge	760.1	754.9	763.2	771.6
Stamford Special Expense Area Charge	6,922.1	6,983.2	7,060.0	7,137.6

**BAND D CHARGES**

South Kesteven District Council Charge	£119.79	£122.76	£125.82	£128.88
Bourne Special Expense Area Charge	£4.95	£5.04	£5.13	£5.22
Deepings Special Expense Area Charge	£2.88	£2.88	£2.88	£2.88
Grantham Special Expense Area Charge	£38.34	£39.24	£40.14	£41.13
Langtoft Special Expense Area Charge	£13.77	£14.04	£14.31	£14.58
Stamford Special Expense Area Charge	£21.06	£9.99	£10.17	£10.35
Average Parish Band D Charge	£28.01	£28.71	£29.34	£30.06

**2010/11 - SKDC Band D Charge**

SKDC Band A	£81.84
SKDC Band B	£95.48
SKDC Band C	£109.12
SKDC Band D	£122.76
SKDC Band E	£150.04
SKDC Band F	£177.32
SKDC Band G	£204.60
SKDC Band H	£245.52

**Summary of Revenue Estimates by Service Area****Resources and Organisational Development**

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Alma Park, Grantham	19,000	4,518	4,604	5,221
Awarded Watercourses	27,379	31,079	31,076	31,081
Bourne Leisure Centre	197,390	345,851	347,885	358,015
Bus Stations	63,925	57,695	43,958	47,902
Car Parks	(416,175)	(605,429)	(618,411)	(601,797)
Closed Burial Grounds	56,665	49,343	49,983	50,863
Cycle Centre And Cycleways	11,940	12,822	12,986	13,182
Deepings Leisure Centre	80,700	226,049	230,755	242,260
Fairs	(10,558)	(1,429)	(1,974)	(2,545)
Flood Prevention	122,010	90,874	90,801	90,765
Footway Lighting	193,360	213,158	218,653	224,456
Graham Hill Way, Bourne	(30,813)	(26,479)	(26,671)	(26,339)
Grantham Canal	18,301	3,180	3,194	3,209
Grantham Meres Leisure Centre	481,080	853,656	864,981	893,174
Hollis Road, Grantham	(6,988)	(7,717)	(8,145)	(8,052)
Industrial Estate Management	13,952	0	0	0
Leisure Premises	(16,490)	(10,824)	(11,103)	(10,266)
Markets	4,402	75,272	73,640	76,871
Miscellaneous Property	49,246	50,894	52,745	54,995
Mowbeck Way, Grantham	(17,825)	(17,407)	13,816	14,089
Northfields, Market Deeping	(360,891)	(374,243)	(371,875)	(368,807)
Play Areas & Open Spaces	373,375	346,576	351,040	357,849
Public Conveniences	151,849	135,466	138,448	141,987
Sports Stadium	93,664	144,210	148,455	153,663
Stamford Leisure Centre	177,821	290,932	297,580	306,485
Street Furniture	42,133	44,707	44,737	44,761
Street Grass Cutting	17,026	7,070	8,820	11,496
Travellers Rest Caravan Site	372	(1,065)	(256)	589
Withambrook, Grantham	(37,595)	(26,934)	15,414	15,818
<b>Front-line Services</b>	<b>1,298,255</b>	<b>1,911,823</b>	<b>2,005,134</b>	<b>2,120,923</b>
Assets & Facilities Management	690,981	750,774	757,879	764,201
Human Resources	293,220	286,864	289,653	293,004
Legal Services	331,521	339,562	348,268	354,331
Procurement	41,837	34,192	34,195	34,198
<b>Support Services</b>	<b>1,357,559</b>	<b>1,411,392</b>	<b>1,429,995</b>	<b>1,445,734</b>
<b>Recharged to Services</b>	<b>(1,357,559)</b>	<b>(1,411,392)</b>	<b>(1,429,995)</b>	<b>(1,445,734)</b>
<b>Net General Fund Charge</b>	<b>1,298,255</b>	<b>1,911,823</b>	<b>2,005,134</b>	<b>2,120,923</b>

Summary of Revenue Estimates by Service AreaFinance & Customer Services

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Council Tax & Benefit Admin	1,124,002	1,044,396	1,262,579	1,285,633
Drainage Rates	633,000	622,232	641,235	676,239
Non Domestic Rate Collection	55,034	9,805	27,175	30,003
Pension Costs	80,654	79,218	80,828	83,156
Supported Travel	442,448	767,893	0	0
Treasury Management	83,333	52,724	66,525	67,341
<b>Front-line Services</b>	<b>2,418,471</b>	<b>2,576,268</b>	<b>2,078,342</b>	<b>2,142,372</b>
Customer Services	1,056,680	915,063	918,000	930,292
Financial Services	1,197,297	1,163,448	1,116,063	1,135,105
Revenue Services	475,026	301,434	306,257	310,620
<b>Support Services</b>	<b>2,729,003</b>	<b>2,379,945</b>	<b>2,340,321</b>	<b>2,376,017</b>
<b>Recharged to Services</b>	<b>(2,729,003)</b>	<b>(2,379,945)</b>	<b>(2,340,321)</b>	<b>(2,376,017)</b>
<b>Net General Fund Charge</b>	<b>2,418,471</b>	<b>2,576,268</b>	<b>2,078,342</b>	<b>2,142,372</b>

**Summary of Revenue Estimates by Service Area****Healthy Environment**

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Abandoned Vehicles	10,965	9,442	9,530	9,625
Air Pollution	44,406	53,854	56,900	55,394
Animal Health & Welfare	(1,149)	817	870	915
Arts Development	49,439	52,523	52,541	52,549
Bourne Corn Exchange	140,274	153,505	143,842	145,782
Climate Change	79,724	90,369	91,292	92,128
Community Activities	181,481	182,606	184,649	186,479
Control Of Dogs	57,459	62,497	63,996	65,955
Food Safety	248,143	249,556	251,255	253,442
Gambling Licensing	(1,177)	(1,164)	(1,112)	(988)
Guildhall Arts Centre	431,228	476,307	478,348	485,908
Hackney Carriage Registration	14,027	(2,094)	(3,677)	(5,851)
Health & Safety Enforcement	86,004	89,218	90,763	91,574
Infectious Disease Control	20,705	20,189	20,414	20,607
Leisure Grants & Loans	(7,151)	1,599	1,370	1,410
Liquor Licensing	41,145	71,966	71,753	72,664
Local Licences	(5,979)	(1,638)	(1,337)	(1,087)
Noise Control	88,072	95,465	90,877	96,983
Private Landlords	1,315	1,492	1,485	1,489
Public Health	181,608	195,986	197,535	199,587
Stamford Arts Centre	503,168	628,576	625,320	634,678
Street Scene	1,291,204	1,202,790	1,202,658	1,231,054
Waste Management	2,942,447	2,853,906	3,056,698	3,208,317
Water Quality	27,482	27,484	27,776	28,026
<b>Front-line Services</b>	<b>6,424,841</b>	<b>6,515,251</b>	<b>6,713,745</b>	<b>6,926,637</b>
Contract Monitoring	312,519	307,242	310,396	313,819
Environmental Protection	538,892	498,000	503,741	508,612
Healthy Communities	415,261	367,921	373,081	376,359
<b>Support Services</b>	<b>1,266,672</b>	<b>1,173,163</b>	<b>1,187,218</b>	<b>1,198,790</b>
<b>Recharged to Services</b>	<b>(1,266,672)</b>	<b>(1,173,163)</b>	<b>(1,187,218)</b>	<b>(1,198,790)</b>
<b>Net General Fund Charge</b>	<b>6,424,841</b>	<b>6,515,251</b>	<b>6,713,745</b>	<b>6,926,637</b>

**Summary of Revenue Estimates by Service Area****Partnerships & Improvement**

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Closed Circuit Television	375,745	325,311	328,612	328,659
Community Safety	252,347	243,380	241,781	244,966
Corporate Costs	1,505,371	1,422,105	1,419,503	1,444,505
Democratic Representation	1,117,592	1,009,183	1,041,351	1,055,673
District Elections	45,356	40,814	127,663	29,121
Emergency Planning	40,785	42,922	40,831	41,450
Non-District Elections	94	7,881	7,199	7,908
Partnerships	33,998	36,998	34,555	34,870
Register Of Electors	179,940	216,607	208,191	194,309
<b>Front-line Services</b>	<b>3,551,227</b>	<b>3,345,201</b>	<b>3,449,685</b>	<b>3,381,460</b>
Business & I.T. Management	1,306,264	1,361,177	1,374,597	1,387,498
Communications	327,630	250,392	244,430	247,316
Democratic Services	205,458	198,526	201,104	203,519
Operational Management	477,951	476,912	481,471	486,434
Performance Management	167,909	162,093	156,241	162,154
Strategic Management	535,804	525,955	531,358	536,609
<b>Support Services</b>	<b>3,021,017</b>	<b>2,975,055</b>	<b>2,989,202</b>	<b>3,023,529</b>
<b>Recharged to Services</b>	<b>(3,021,017)</b>	<b>(2,975,055)</b>	<b>(2,989,202)</b>	<b>(3,023,529)</b>
<b>Net General Fund Charge</b>	<b>3,551,227</b>	<b>3,345,201</b>	<b>3,449,685</b>	<b>3,381,460</b>

**Summary of Revenue Estimates by Service Area****Special Expense Areas**

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Bourne Special Expense Area	26,229	24,834	25,030	26,215
Deepings Special Expense Area	12,970	13,491	13,792	14,102
Grantham Special Expense Area	401,786	421,325	401,617	403,642
Langtoft Special Expense Area	23,022	24,150	23,729	25,472
Stamford Special Expense Area	178,580	93,724	95,478	97,545
<b>Net General Fund Charge</b>	<b>642,587</b>	<b>577,523</b>	<b>559,646</b>	<b>566,976</b>
<b>Capital Charges Adjustment</b>	<b>(59,401)</b>	<b>(55,133)</b>	<b>(57,078)</b>	<b>(59,606)</b>
<b>Charged to SEA</b>	<b>594,581</b>	<b>522,390</b>	<b>502,568</b>	<b>507,369</b>

Under the Local Government Finance Act (1992), special expense areas are used to budget for non-strategic services provided for a particular local community as opposed to the whole District. The resulting Special Expense Area charge is levied on only those people living in the relevant parish.

Capital Charges are eliminated from the levies in accordance with standard accounting practice.

The increase in the levy from the Special Expense Areas is limited to that agreed for South Kesteven's Council Tax increase.

**Summary of Revenue Estimates by Service Area****Sustainable Communities**

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Building Control	209,451	160,249	161,164	162,973
Citizens Advice Bureau	63,700	59,648	60,459	60,468
Conservation	25,518	29,587	29,341	29,664
Development Control	616,328	607,642	693,343	703,215
Economic Development	399,452	545,578	394,481	396,858
Helpline	207,627	185,569	146,818	100,223
Homelessness	26,321	42,989	43,160	43,723
Housing Solutions	781,600	699,951	662,302	670,240
Land Charges	7,174	4,247	4,500	5,044
Planning Policy	423,530	508,615	321,467	324,805
Private Loans & Mortgages	765	3,415	3,756	4,132
Private Sector Housing	82,348	102,660	178,836	106,056
Street Naming & Numbering	64,582	54,885	55,444	55,986
Town Centre Management	481,263	345,517	369,373	372,397
<b>Front-line Services</b>	<b>3,389,658</b>	<b>3,350,553</b>	<b>3,124,446</b>	<b>3,035,782</b>
<b>Net General Fund Charge</b>	<b>3,389,658</b>	<b>3,350,553</b>	<b>3,124,446</b>	<b>3,035,782</b>

## HOUSING REVENUE ACCOUNT SUMMARY

Appendix A

	Detail	2009/10	2010/11	2011/12	2012/13
		Projected Outturn	Estimate Base	Indicative Base	Indicative Base
		£'000	£'000	£'000	£'001
<b>INCOME</b>					
Dwelling Rents		(19,473)	(19,898)	(20,912)	(21,955)
Non Dwelling Rents		(254)	(254)	(261)	(269)
Charges for Services and Facilities		(1,347)	(1,397)	(1,442)	(1,470)
Other Income		(59)	(59)	(62)	(64)
<b>TOTAL INCOME</b>		<b>(21,133)</b>	<b>(21,608)</b>	<b>(22,677)</b>	<b>(23,758)</b>
<b>EXPENDITURE</b>					
Repair and Maintenance		6,579	6,098	5,950	5,984
Supervision and Management - General		2,804	2,852	2,830	2,878
Supervision and Management - Special		1,982	2,059	2,090	2,107
Housing Revenue Account Subsidy		9,829	10,028	10,435	10,845
Major Repairs Allowance		(3,628)	(3,662)	(3,735)	(3,810)
HRA share of Corporate and Democratic Costs		243	293	296	296
Depreciation and Impairment of Fixed Assets		4,405	4,202	4,442	4,665
Debt Management Expenses		20	28	28	28
Provision for deferred charges		250	0	0	0
Provision for bad debts		50	50	50	50
Transfer to General Fund in respect of Rent Rebates		165	200	200	200
<b>TOTAL EXPENDITURE</b>		<b>22,699</b>	<b>22,148</b>	<b>22,586</b>	<b>23,243</b>
<b>NET COST OF HRA SERVICES</b>					
		1,566	540	(91)	(515)
Interest Payable and Similar Charges		150	130	125	140
Interest and Investment Income		(194)	(209)	(257)	(393)
<b>DEFICIT (SURPLUS) FOR THE YEAR ON THE HRA</b>		<b>1,522</b>	<b>461</b>	<b>(223)</b>	<b>(768)</b>
<b>MOVEMENT ON THE HRA BALANCE</b>					
(Deficit)/Surplus for the Year		(1,522)	(461)	223	768
Transfer from Major Repairs Reserve (Depn less MRA)		777	540	707	855
Revenue Contributions to Capital		(1,000)	(400)	(1,000)	(1,500)
<b>Housing Revenue Account balance at start of Year</b>		<b>7,176</b>	<b>5,431</b>	<b>5,110</b>	<b>5,040</b>
<b>Housing Revenue Account Balance at end of year</b>		<b>5,431</b>	<b>5,110</b>	<b>5,040</b>	<b>5,163</b>

	<b>Major Repairs Reserve balance at start of Year</b>	<b>6,173</b>	<b>6,618</b>	<b>3,795</b>	<b>3,369</b>
	Transfer from Major Repairs Reserve (Depn less MRA)	(777)	(540)	(707)	(855)
	Depreciation	4,405	4,202	4,442	4,665
	Capital Financing	(3,183)	(6,485)	(4,161)	(3,695)
	<b>Major Repairs Reserve balance at end of Year</b>	<b>6,618</b>	<b>3,795</b>	<b>3,369</b>	<b>3,484</b>

## CAPITAL PROGRAMME

Appendix B

### SUMMARY FINANCING STATEMENT

	Description	2009/2010 Revised Base June £'000	2009/2010 Forecast Outturn £'000	2010/2011 Estimate Base £'000	2011/2012 Indicative Base £'000	2012/2013 Indicative Base £'000
	<b>HOUSING REVENUE ACCOUNT</b>					
1	Stock Improvements	4,156	3,856	6,842	4,995	5,120
2	IT Software	113	63	85	-	-
3	Purchase of Vehicles	362	362	56	166	75
4	<b>TOTAL - HOUSING REVENUE ACCOUNT</b>	<b>4,631</b>	<b>4,281</b>	<b>6,983</b>	<b>5,161</b>	<b>5,195</b>
	<b>OTHER SERVICES</b>					
5	Good for Business	1,748	478	1,500	1,000	1,500
6	Quality Living	1,768	1,359	2,618	1,419	1,411
7	Customer First	270	-	305	-	-
8	Quality Organisation	803	533	793	645	550
9	<b>TOTAL - OTHER SERVICES</b>	<b>4,589</b>	<b>2,370</b>	<b>5,216</b>	<b>3,064</b>	<b>3,461</b>
10	<b>TOTAL - CAPITAL PROGRAMME</b>	<b>9,220</b>	<b>6,651</b>	<b>12,199</b>	<b>8,225</b>	<b>8,656</b>
	<b>GENERAL FUND FINANCED BY:</b>					
11	Supported Borrowing	-	-	-	-	-
12	Unsupported Borrowing	-	-	118	-	-
13	Specific Reserve - Capital	2,051	1,054	1,892	-	-
14	Usable Capital Receipts	1,402	-	1,304	2,245	2,707
15	Capital Grants and Contributions					
	- Housing Planning Delivery Grant	50	50	433	-	-
	- Disabled Facility Grant	254	254	254	254	254
	- Regional Housing Grant	606	606	575	-	-
	- Department for Culture (Pool Blankets)	-	-	40	-	-
16	Direct Revenue Financing					
	- IT Hardware Replacement Programme	-	-	-	-	-
	- Grantham Christmas Lights	10	20	30	-	-
	- Allotment Works		5	15	5	-
	- Cemetery works	-	15	25	60	-
	- Contribution from Revenue	216	366	530	500	500
17	<b>TOTAL - GF CAPITAL PROGRAMME</b>	<b>4,589</b>	<b>2,370</b>	<b>5,216</b>	<b>3,064</b>	<b>3,461</b>
	<b>HRA FINANCED BY:</b>					
18	Major Repair Reserve	4,469	3,183	6,485	4,161	3,695
19	Contribution from Revenue	-	1,000	400	1,000	1,500
20	Capital Grants (Ground Source Heat Pumps)	162	98	98	-	-
21	<b>TOTAL - HRA CAPITAL PROGRAMME</b>	<b>4,631</b>	<b>4,281</b>	<b>6,983</b>	<b>5,161</b>	<b>5,195</b>
22	<b>TOTAL - CAPITAL PROGRAMME</b>	<b>9,220</b>	<b>6,651</b>	<b>12,199</b>	<b>8,225</b>	<b>8,656</b>

**CAPITAL PROGRAMME**

**Appendix B**

**GENERAL FUND**

	Description	2009/2010	2009/2010	2010/2011	2011/2012	2012/2013
		Revised Base June £'000	Forecast Outturn £'000			
<b>GOOD FOR BUSINESS</b>						
1	Town Centre Development					
1	Town Centre Projects - Bourne Core Area	1,000	-	1,000	500	-
2	Town Centre Projects - Bourne Core Area (Consultancy/Advice)	75	5	-	-	-
3	Economic Development Infrastructure Initiatives	-	-	-	-	1,000
4	Grantham Growth Point Delivery Initiatives	50	50	500	500	500
5	Innovation and Enterprise Centre Projects	500	300	-	-	-
6	Capital Grant					
6	Economic Grant - Northfields Market Deeping	73	73	-	-	-
7	Guildhall Arts Centre Entrance and Box Office Works	50	50	-	-	-
		<b>1,748</b>	<b>478</b>		<b>1,500</b>	<b>1,000</b>
<b>QUALITY LIVING</b>						
8	Private Sector Renewal	100	40	100	100	100
9	Regional Housing Grant	106	106	-	-	-
10	Better Homes Grant	300	300	475	-	-
11	Warm Front Top Ups	140	40	15	-	-
12	Empty Homes Grant	50	50	75	-	-
13	Handy Person Scheme	10	10	10	-	-
14	Disabled Facilities Grant	500	500	500	500	500
15	Energy Efficiency Initiatives	250	-	395	-	-
16	Waste Management					
16	Demountable Vehicles	-	99	-	-	-
17	Expansion of Green Waste Collection Service - 2 Freighters	147	154	-	-	-
18	Replacement Freighter for Waste Collection	120	-	-	-	-
19	Replacement of Street Scene Fleet	-	-	915	698	690
20	Wheelie Bin Replacements	-	15	98	98	98
21	Litter and Recycling Bins	-	-	35	23	23
22	MOT Implementation	45	45	-	-	-
		<b>1,768</b>	<b>1,359</b>		<b>2,618</b>	<b>1,419</b>
<b>CUSTOMER FIRST</b>						
23	Web Site Self-Serve Enhancements	-	-	65	-	-
24	Area Offices Customer Service Centre Upgrades	240	-	240	-	-
25	Customer Services - Access to Self-Service Facilities	30	-	-	-	-
		<b>270</b>	<b>-</b>		<b>305</b>	<b>-</b>
<b>QUALITY ORGANISATION</b>						
26	Financial System Upgrade	50	45	-	-	-
27	Grantham Christmas Lights - SEA	50	50	-	-	-
28	Car Parking					
28	Replacement of car parking machines	30	25	30	-	-
29	Pay on Exit infrastructure	-	-	95	95	-
30	Civil Parking Enforcement set up costs	-	-	20	-	-
31	Provision for Existing Assets					
31	Specified Works	250	212	-	-	-
32	Cemetery Surface Water (SEA)	-	-	100	-	-
33	Market Stall Covers	-	38	45	-	-
34	Deeping Leisure Centre	-	-	60	-	-
35	Provision (unspecified)	-	-	150	500	500
36	Lift Installation - Main Council Sites	-	-	150	-	-
37	Car Parking Infrastructure	100	-	-	-	-
38	Document Image Processing	200	40	60	-	-
39	Purchase of Pool Vehicles	73	73	33	-	-
40	IT Hardware Replacement Programme	50	50	50	50	50
		<b>803</b>	<b>533</b>		<b>793</b>	<b>645</b>
41	<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>				<b>5,216</b>	<b>3,064</b>
						<b>3,461</b>

**CAPITAL PROGRAMME**

**Appendix B**

**HOUSING INVESTMENT PROGRAMME**

	Description	2009/2010 Revised Base June £'000	2009/2010 Forecast Outturn £'000	2010/2011 Estimate Base £'000	2011/2012 Indicative Base £'000	2012/2013 Indicative Base £'000
<b><u>HOUSING REVENUE ACCOUNT</u></b>						
<b>Tenancy Services</b>						
<b>Repairs and Improvements</b>						
1	Upgrading Sheltered Housing Scheme	210	116	179	-	-
2	Structural Repairs	62	68	115	100	105
3	Passenger Lifts, Supported Housing Schemes	240	283	60	-	-
<b>Energy Efficiency Initiatives:</b>						
4	Windows	112	112	-	100	100
5	Central Heating and Ventilation	500	526	1,190	1,035	1,065
6	Boiler Replacements	-	-	340	295	305
7	Ground Source Heating Pumps	299	294	299	-	-
<b>Refurbishment and Improvement:</b>						
8	Property Refurbishments	115	101	115	100	100
9	Re-roofing	55	61	165	145	145
10	Re-wiring	201	202	820	715	735
11	Kitchen & Bathroom Refurbishments	1,900	1,669	2,230	1,940	1,990
12	Communal Doors	80	66	30	25	25
13	Chimney works	-	-	25	20	20
14	Wall Finishes	-	-	25	20	20
15	DDA compliance and fire risk assessment work	282	258	670	-	-
16	Essential Works	-	-	280	245	250
17	Disabled Adaptations	100	100	100	100	100
18	Contingency	-	-	199	155	160
		4,156	3,856	6,842	4,995	5,120
<b>IT Software</b>						
19	Housing System Enhancements	50	-	20	-	-
20	Asset Management System	63	63	-	-	-
21	Housing Repairs Project Planner Module	-	-	18	-	-
22	Mobilisation of Craft Working	-	-	47	-	-
		113	63	85	-	-
<b>Purchase of Vehicles</b>						
23	Tenancy and Care Services	362	362	56	166	75
		362	362	56	166	75
24	<b>TOTAL - HOUSING INVESTMENT PROGRAMME</b>	4,631	4,281	6,983	5,161	5,195

## RESERVES STATEMENT

	Balance as at 31 March 2009 £'000	Transfer to Reserve in year £'000	Forecast from Reserve in year £'000	Balance as at 31 March 2010 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2011 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2012 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2013 £'000
<b>General Fund</b>										
<b>Capital Reserve</b>										
General Fund Capital Reserve	2,946	-	(1,054)	1,892	(1,892)	-	-	-	-	-
<b>Revenue Reserves</b>										
Insurance Reserve	546	110	-	656	-	656	-	656	-	656
Pensions Reserve - Former Employees	314	-	(65)	249	(65)	184	(65)	119	35	154
- Current Employees	1,480	-	-	1,480	368	1,848	137	1,985	95	2,080
Building Control	218	-	(51)	167	15	182	16	198	17	215
SEA Reserve	28	11	-	39	(12)	27	(4)	23	18	41
Priority Themes and Service Improvements	1,006	169	(251)	924	(491)	433	(156)	277	177	454
	3,592	290	(367)	3,515	(185)	3,330	(72)	3,258	342	3,600
<b>Working Balance</b>	<b>2,239</b>		<b>(322)</b>	<b>1,917</b>	<b>100</b>	<b>2,017</b>	<b>100</b>	<b>2,117</b>	<b>0</b>	<b>2,117</b>
<b>Total General Fund Reserves</b>	<b>8,777</b>	<b>290</b>	<b>(1,743)</b>	<b>7,324</b>	<b>(1,977)</b>	<b>5,347</b>	<b>28</b>	<b>5,375</b>	<b>342</b>	<b>5,717</b>
<b>Net Movement in General Fund Specific Reserves</b>			<b>(1,453)</b>		<b>(1,977)</b>		<b>28</b>		<b>342</b>	
<b>Housing Revenue Account(HRA)</b>										
<b>Capital Reserve</b>										
Major Repairs Reserve	6,173	3,628	(3,183)	6,618	(2,823)	3,795	(426)	3,369	115	3,484
<b>Working Balance</b>										
Housing Revenue Account	7,176	777	(2,522)	5,431	(321)	5,110	(70)	5,040	123	5,163
<b>Total HRA Reserves</b>	<b>13,349</b>	<b>4,405</b>	<b>(5,705)</b>	<b>12,049</b>	<b>(3,144)</b>	<b>8,905</b>	<b>(496)</b>	<b>8,409</b>	<b>238</b>	<b>8,647</b>
<b>Other Capital Reserves</b>										
Useable Capital Receipts Reserve	7,413	150	0	7,563	(734)	6,829	(1,945)	4,884	(2,407)	2,477
<b>Total Other Capital Reserves</b>	<b>7,413</b>	<b>150</b>	<b>0</b>	<b>7,563</b>	<b>(734)</b>	<b>6,829</b>	<b>(1,945)</b>	<b>4,884</b>	<b>(2,407)</b>	<b>2,477</b>
<b>Total Reserves</b>	<b>29,539</b>	<b>4,845</b>	<b>(7,448)</b>	<b>26,936</b>	<b>(5,855)</b>	<b>21,081</b>	<b>(2,413)</b>	<b>18,668</b>	<b>(1,827)</b>	<b>16,841</b>

CAR PARK CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>CAR PARKS - GRANTHAM</b>		£	£	
1	SHORT STAY				
	Up to 30 mins	01/04/10	-	0.50	Inclusive
	Up to 1 hour	01/04/10	0.80	1.00	Inclusive
	Up to 2 hours	01/04/10	1.30	1.50	Inclusive
	Up to 3 hours	01/04/10	1.80	2.00	Inclusive
	Up to 4 hours	01/04/10	6.00	6.00	Inclusive
	Over to 4 hours	01/04/10	8.00	8.00	Inclusive
2	LONG STAY				
	Up to 3 hours	01/04/10	1.60	2.00	Inclusive
	Up to 4 hours	01/04/10	2.10	2.50	Inclusive
	All Day	01/04/10	2.60	3.00	Inclusive
3	Evening Parking - after 6pm	TBC	-	1.00	Inclusive
4	Sunday Parking - all day or part thereof	TBC	-	1.00	Inclusive
5	LONG STAY SEASON TICKETS (Monday to Friday)				
	Per Quarter	01/04/10	90.00	99.00	Inclusive
	Per 6 months	01/04/10	175.00	190.00	Inclusive
6	LONG STAY SEASON TICKETS (Monday to Saturday)				
	Per Quarter	01/04/10	110.00	120.00	Inclusive
	Per 6 months	01/04/10	210.00	230.00	Inclusive
	Season Ticket Discount Offer	Purchase	Additional Tickets Free		
		4	1		
		8	2		
		15	5		
7	EXCESS CHARGE NOTICES				
	Failure to display	01/04/10	80.00	80.00	O/Scope
	Fine after discount for Payment in 7 Days	01/04/10	40.00	40.00	O/Scope
	Parking for longer etc.	01/04/10	60.00	60.00	O/Scope
	Fine after discount for Payment in 7 Days	01/04/10	30.00	30.00	O/Scope

NOTES

SHORT STAY CAR PARKS  
 Guildhall Street  
 St Catherine's Road (Council Offices)  
 Watergate  
 Wharf Road (Multi-storey)

LONG STAY CAR PARKS  
 Conduit Lane  
 Welham Street (multi storey)

CAR PARK CHARGES

	Detail	Effective Date	2009/10	2010/11
	<b>CAR PARKS - STAMFORD</b>		£	£
1	SHORT STAY			
	Up to 30 mins	01/04/10	-	0.50
	Up to 1 hour	01/04/10	0.80	1.00
	Up to 2 hours	01/04/10	1.30	1.50
	Up to 3 hours	01/04/10	1.80	2.00
	Up to 4 hours	01/04/10	6.00	6.00
	Over to 4 hours	01/04/10	8.00	8.00
2	LONG STAY			
	Up to 3 hours	01/04/10	1.60	2.00
	Up to 4 hours	01/04/10	2.10	2.50
	All Day	01/04/10	2.60	3.00
3	Evening Parking - after 6pm	TBC	-	1.00
4	Sunday Parking - all day or part thereof	TBC	-	1.00
5	COACH PARKING (ALL DAY)			
	Cattle Market	01/04/10	6.00	10.00
6	LONG STAY SEASON TICKETS (Monday to Friday)			
	Per Quarter	01/04/10	90.00	99.00
	Per 6 months	01/04/10	175.00	190.00
7	LONG STAY SEASON TICKETS (Monday to Saturday)			
	Per Quarter	01/04/10	110.00	120.00
	Per 6 months	01/04/10	210.00	230.00
	Season Ticket Discount Offer	Purchase	Additional Tickets Free	
		4	1	
		8	2	
		15	5	
8	EXCESS CHARGE NOTICES			
	Failure to display	01/04/10	80.00	80.00
	Fine after discount for Payment in 7 Days	01/04/10	40.00	40.00
	Parking for longer etc.	01/04/10	60.00	60.00
	Fine after discount for Payment in 7 Days	01/04/10	30.00	30.00

**NOTES**

SHORT STAY CAR PARKS  
 Bath Row  
 North Street  
 St Leonard's Street  
 Scotgate

LONG STAY C  
 Cattle Market (   
 Wharf Road

CAR PARK CHARGES

VAT	
Inclusive	
O/Scope	
O/Scope	
O/Scope	
O/Scope	

CAR PARKS  
(and Coach Park)

MARKET CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>MARKETS - GRANTHAM</b>		£	£	
1	Standard Stall (3.05m x 1.22m)	01/04/10	20.50	21.00	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/10	-	23.00	Exempt
2	Pitch (3.05m x 3.05m)	01/04/10	19.00	19.50	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/10	-	20.00	Exempt
	Hot food units	01/04/10	-	23.00	Exempt
3	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/07	6.20	6.20	Exempt
	Large vehicles	01/04/07	9.50	9.50	Exempt
	<b>MARKETS - STAMFORD</b>				
4	Standard Stall (3.05m x 1.22m)	01/04/10	21.50	22.50	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/10	-	25.00	Exempt
5	Pitch (3.05m x 3.05m)	01/04/10	19.50	20.00	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/10	-	22.00	Exempt
	Hot food units	01/04/10	-	25.00	Exempt
6	Craft Fair - Table	01/04/10	22.00	23.00	Exempt
7	Craft Fair - Stall	01/04/10	27.00	28.00	Exempt
8	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/07	6.20	6.20	Exempt
	Large vehicles	01/04/07	9.50	9.50	Exempt
	<b>MARKETS - BOURNE</b>				
9	Standard Stall (3.05m x 1.22m)	01/04/10	16.00	18.00	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/10	-	19.00	Exempt
10	Pitch (3.05m x 3.05m)	01/04/07	15.00	15.00	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/10	-	15.00	Exempt
11	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/07	6.20	6.20	Exempt
	Large vehicles	01/04/07	9.50	9.50	Exempt
12	Hire of stall for private function (collection only)*	01/04/10	7.00	10.00	Exempt
13	<b>FOR ALL MARKETS</b>				
	Farmers Markets - supply of stall cover in addition to standard stall charge	01/04/07	1.00	1.00	Exempt
	Fruit and Veg Excessive Waste Surcharge	01/04/10	-	£5 per stall	
14	Stamford Pedistrian Precinct Moible Stall - per day	01/04/10	20.00	21.00	O/Scope

\* any associated costs with delivery and set up will be charged accordingly

**BUS CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>BUS STATION - GRANTHAM</b>					
1	Per departure	01/04/10	0.44	0.64	Exempt
2	<u>Minimum Charge</u> 1-75 departures per annum	01/04/10	30.00	45.00	Exempt
<b>BUS STATION - STAMFORD</b>					
3	Per departure	01/04/10	0.44	0.64	Exempt
4	<u>Minimum Charge</u> 1-75 departures per annum	01/04/10	30.00	45.00	Exempt
<b>BUS STATION - BOURNE</b>					
5	Per departure	01/04/10	0.40	0.64	Exempt
6	<u>Minimum Charge</u> 1-75 departures per annum	01/04/10	30.00	45.00	Exempt

\*Please note this is a stepped increase towards cost recovery in line with Council policy

**CYCLE CENTRE CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>PEDAL PARK ST CATHERINE'S ROAD GRANTHAM</b>					
1	<u>13 weeks charge</u>				
	Small locker	01/04/10	20.00	25.00	Inclusive
	Large locker	01/04/10	25.00	30.00	Inclusive
2	<u>26 weeks charge</u>				
	Small locker	01/04/10	35.00	40.00	Inclusive
	Large locker	01/04/10	44.00	49.00	Inclusive
3	<u>52 weeks charge</u>				
	Small locker	01/04/10	52.00	57.00	Inclusive
	Large locker	01/04/10	65.00	70.00	Inclusive
4	Deposit for entry key and locker key	01/04/10	5.00	10.00	Inclusive

**TRAVELLERS REST SITE CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
1	<b>Travellers Rest Site</b>		£	£	
	Electricity (per unit)	01/04/10	0.11	0.09	Inclusive
	Double pitch (per week)	01/04/10	27.25	43.00	Exempt
	Single pitch (per week)	01/04/10	23.70	37.00	Exempt

\* pitch rent is set by Lincolnshire County Council as the land Owner and includes costs towards water and sewage charges

The Travellers rest site is located in Grantham at the Spitlegate Level

FAIR CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£		
1	<b>FAIR - GRANTHAM</b> Mid Lent Fair - 2009* Grantham Autumn Fair	01/03/09	13,254.00 525.00	13,642.00 535.00	Exempt Exempt
2	<b>FAIR - STAMFORD</b> Mid Lent Fair - 2009* Stamford Autumn Fair	01/03/09 01/03/09	20,429.00 420.00	20,665.00 600.00	Exempt Exempt
3	<b>FAIR - BOURNE</b> Bourne Autumn Fair	01/03/09	320.00	326.00	Exempt

\*please note the final charge will be based on the actual costs incurred

NOTES

Mid-Lent Fair dates 2010  
Stamford - 15 to 20 March  
Grantham - 21 March to 24 March

BOURNE LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b><u>BOURNE LEISURE CENTRE</u></b>		£	£	
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/10	4.30	4.43	Inclusive
	Swimming - concession	01/04/10	2.65	2.73	Inclusive
	Under 5's	01/04/10	0.70	0.72	Inclusive
	Parent and toddler session	01/04/10	4.30	4.43	Inclusive
	Exclusive pool hire (per hour)	01/04/10	117.50	121.03	Inclusive
	LCC Schools (per individual)	01/04/10	0.60	1.00	Inclusive
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/10	47.70	49.13	Inclusive
	Commercial	01/04/10	Negotiable	Negotiable	Inclusive
	Badminton - full rate	01/04/10	11.90	12.26	Inclusive
	Cricket nets - full rate	01/04/10	47.70	49.13	Inclusive
	Table tennis - full rate per hour	01/04/10	5.70	5.87	Inclusive
3	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/10	7.35	7.57	Inclusive
4	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/10	2.65	2.73	Inclusive
	Activity room/meeting room - full rate	01/04/10	20.40	21.01	Inclusive
	Spectator (per individual)	01/04/10	1.05	1.08	Inclusive
5	<u>Hire of equipment</u>				
	Racket and balls (all types of rackets and balls)	01/04/10	1.90	2.21	Inclusive

BOURNE LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b><u>BOURNE LEISURE CENTRE</u></b>					
6	<u>Outdoor pitches</u> per pitch (2 hours) - full rate includes marking out and changing	01/04/10	54.35	47.85	Inclusive
<b><u>Membership</u></b>					
7	Adult member	01/04/10	24.60	25.34	Inclusive
	Junior (U16)	01/04/10	12.30	12.67	Inclusive
	Club	01/04/10	49.15	50.62	Inclusive
	Concessionary	01/04/10	12.30	12.67	Inclusive
	Family membership	01/04/10	57.35	59.07	Inclusive
<b>CONCESSIONARY RATES ARE AVAILABLE ON THESE ACTIVITIES AND ARE CHARGED AT 60% OF THE FULL PRICE LISTED.</b>					
<b>THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS</b>					
<b>THE CHARGES SHOWN ARE THE MAXIMUM . THE CONTRACTOR IS NOT OBLIGED TO INCREASE THE CHARGES TO THIS LEVEL.</b>					

DEEPINGS LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b><u>DEEPINGS LEISURE CENTRE</u></b>					
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/10	3.80	3.91	Inclusive
	Swimming - concession	01/04/10	2.25	2.32	Inclusive
	Under 5's	01/04/10	0.60	0.62	Inclusive
	Parent and toddler session	01/04/10	3.80	3.91	Inclusive
	Exclusive pool hire (per hour)	01/04/10	115.50	118.97	Inclusive
	LCC Schools (per individual)	01/04/10	0.60	1.00	Inclusive
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/10	48.35	49.80	Inclusive
	Commercial	01/04/10	Negotiable	Negotiable	Inclusive
	Badminton - full rate	01/04/10	12.10	12.46	Inclusive
	Climbing wall - full rate	01/04/10	12.10	12.40	Inclusive
	Roller skating - per person	01/04/10	3.60	3.71	Inclusive
	Cricket nets - full rate	01/04/10	48.35	49.80	Inclusive
	Table tennis - full rate per hour	01/04/10	6.10	6.28	Inclusive
3	<u>Squash Court (per 40 mins) - full rate</u>	01/04/10	7.70	7.93	Inclusive
4	<u>Second Hall (per hour)</u>				
	Sporting - full rate	01/04/10	24.20	24.93	Inclusive
	Commercial	01/04/10	Negotiable	Negotiable	Inclusive
5	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/10	4.60	4.74	Inclusive
6	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/10	FREE	2.73	Inclusive
	Activity room/meeting room - full rate	01/04/10	13.30	13.70	Inclusive
	Sports bar - full rate	01/04/10	13.30	13.70	Inclusive
	Committee room - full rate	01/04/10	6.55	6.75	Inclusive
	Whole bar area - full rate	01/04/10	32.90	33.89	Inclusive
	Spectator (per individual)	01/04/10	1.05	1.08	Inclusive

DEEPINGS LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b><u>DEEPINGS LEISURE CENTRE</u></b>		£	£	
7	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/10	1.15	2.21	Inclusive
	Skate Hire / Shuttlecock	01/04/10	-	2.21	
	Badminton/tennis/squash racket	01/04/10	1.80	2.21	Inclusive
8	<u>Synthetic Pitch(per hour)</u>				
	Full synthetic pitch - full rate	01/04/10	46.65	46.65	Inclusive
	Six-a-side - full rate	01/04/10	15.60	16.07	Inclusive
	Floodlights (full pitch) - full rate	01/04/10	17.50	18.37	Inclusive
	Floodlights (six-a-side) - full rate	01/04/10	5.85	6.15	Inclusive
9	<u>Outdoor Facilities (per hour)</u>				
	Floodlights - full rate	01/04/10	6.95	7.29	Inclusive
	Tennis court - full rate	01/04/10	11.65	12.00	Inclusive
	Netball - full rate	01/04/10	17.50	18.03	Inclusive
10	<u>Outdoor pitches</u>				
	per pitch (2 hours) - full rate	01/04/10	58.60	43.26	Inclusive
	Includes marking our and accomodation				
	<b>CONCESSIONARY RATES ARE AVAILABLE ON THESE ACTIVITIES AND ARE CHARGED AT 60% OF THE FULL PRICE LISTED</b>				

MERES LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b><u>THE GRANTHAM MERES LEISURE CENTRE</u></b>		£	£	
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/10	4.30	4.43	Inclusive
	Swimming - concession	01/04/10	2.65	2.73	Inclusive
	Under 5's	01/04/10	0.70	0.72	Inclusive
	Parent and toddler session	01/04/10	4.30	4.43	Inclusive
	Exclusive pool hire (per hour)	01/04/10	122.65	126.33	Inclusive
	LCC Schools (per individual)	01/04/10	0.60	1.00	Inclusive
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/10	71.50	73.65	Inclusive
	Commercial	01/04/10	Negotiate	Negotiate	Inclusive
	Badminton - full rate	01/04/10	11.90	12.26	Inclusive
	Climbing wall - full rate	01/04/10	7.70	7.93	Inclusive
	Table Tennis Centre Hall	01/04/10	47.70	49.13	Inclusive
	Table tennis - full rate per hour	01/04/10	5.70	5.87	Inclusive
3	<u>Second Hall (per hour)</u>				
	Sporting - full rate	01/04/10	30.65	31.57	Inclusive
	Commercial	01/04/10	Negotiable	Negotiable	Inclusive
4	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/10	7.35	7.57	Inclusive
5	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/10	2.65	2.73	Inclusive
	Activity room/meeting room - full rate	01/04/10	14.45	14.88	Inclusive
	Sports bar - full rate	01/04/10	25.55	26.32	Inclusive
	Function room - full rate	01/04/10	14.45	14.88	Inclusive
	Spectator (per individual)	01/04/10	1.05	1.08	Inclusive
6	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/10	1.90	2.21	Inclusive
	Badminton/tennis/squash racket	01/04/10	2.15	2.21	Inclusive

MERES LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>7</b>	<b>THE GRANTHAM MERES LEISURE CENTRE</b>				
7	<u>Synthetic Pitch(per hour)</u>				
	Full synthetic pitch - full rate	01/04/10	46.55	47.95	Inclusive
	Six-a-side - full rate	01/04/10	15.50	15.97	Inclusive
	Floodlights (full pitch) - full rate	01/04/10	17.45	18.32	Inclusive
	Floodlights (six-a-side) - full rate	01/04/10	5.85	6.15	Inclusive
8	<u>Outdoor Facilities (per hour)</u>				
	Floodlights - full rate	01/04/10	7.00	7.35	Inclusive
	Tennis court - full rate	01/04/10	11.65	12.00	Inclusive
	Netball - full rate	01/04/10	17.45	17.97	Inclusive
9	<u>Membership</u>				
	Adult member	01/04/10	24.60	25.34	Inclusive
	Junior (U16)	01/04/10	12.30	12.67	Inclusive
	Club	01/04/10	49.15	50.62	Inclusive
	Concessionary	01/04/10	12.30	12.67	Inclusive
	Family membership	01/04/10	57.35	59.07	Inclusive
	<b>CONCESSIONARY RATES ARE AVAILABLE ON THESE ACTIVITIES AND ARE CHARGED AT 60% OF THE FULL PRICE LISTED.</b>				
	<b>THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS.</b>				
	<b>THE CHARGES SHOWN ARE THE MAXIMUM . THE CONTRACTOR IS NOT OBLIGED TO INCREASE THE CHARGES TO THIS LEVEL.</b>				

STAMFORD LEISURE CENTRE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>STAMFORD LEISURE CENTRE</b>		£	£	
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/10	4.30	4.43	Inclusive
	Swimming - concession	01/04/10	2.65	2.73	Inclusive
	Under 5's	01/04/10	0.70	0.72	Inclusive
	Parent and toddler session	01/04/10	4.30	4.43	Inclusive
	Exclusive pool hire (per hour)	01/04/10	117.50	121.03	Inclusive
	LCC Schools (per individual)	01/04/10	0.60	1.00	Inclusive
	Spectator (per individual)	01/04/10	1.05	1.08	Inclusive
2	<u>Membership</u>				
	Adult member	01/04/10	24.60	25.34	Inclusive
	Junior (U16)	01/04/10	12.30	12.67	Inclusive
	Concessionary	01/04/10	12.30	12.67	Inclusive
	Family membership	01/04/10	57.35	59.07	Inclusive
	<b>CONCESSIONARY RATES ARE AVAILABLE ON THESE ACTIVITIES AND ARE CHARGED AT 60% OF THE FULL PRICE LISTED.</b>				
	<b>THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS.</b>				
	<b>THE CHARGES SHOWN ARE THE MAXIMUM . THE CONTRACTOR IS NOT OBLIGED TO INCREASE THE CHARGES TO THIS LEVEL.</b>				

SPORTS STADIUM CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>SOUTH KESTEVEN SPORTS STADIUM</b>		£	£	
1	<u>Track Hire</u>				
	Adult	01/04/10	42.20	43.47	Inclusive
	Concession	01/04/10	25.80	26.57	Inclusive
	Floodlights	01/04/10	29.35	30.82	Inclusive
	Commercial	01/04/10	Negotiable	Negotiable	Inclusive
	Non sporting/non commercial	01/04/10	45.85	47.23	Inclusive
2	<u>Individual use (per hour)</u>				
	Adult	01/04/10	3.75	3.86	Inclusive
	Concession	01/04/10	2.25	2.32	Inclusive
	Spectator (per individual)	01/04/10	1.05	1.08	Inclusive
	Hire of equipment (per booking)	01/04/10	20.20	20.81	Inclusive
	Setting up time - by SKDC	01/04/10	20.20	20.81	Inclusive
3	<u>Football pitch hire</u>				
	Pitch hire (up to 2 hours):				
	Adult	01/04/10	106.50	109.70	Inclusive
	Concession	01/04/10	63.90	65.82	Inclusive
	Floodlights (per match)	01/04/10	58.80	61.74	Inclusive
	Commercial (per hour)	01/04/10	Negotiable	Negotiable	Inclusive
4	<u>Individual room hire (per hour)</u>				
	P.A. room	01/04/10	13.30	13.70	Inclusive
	Fitness room	01/04/10	13.30	13.70	Inclusive
	Committee room	01/04/10	13.30	13.70	Inclusive
	<b>THE CHARGES SHOWN ARE THE MAXIMUM . THE CONTRACTOR IS NOT OBLIGED TO INCREASE THE CHARGES TO THIS LEVEL.</b>				

**CULTURAL SERVICES CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
<b>ARTSCENE MEMBERSHIP - ARTS CENTRES</b>					
1	<u>Annual membership</u>		£	£	
	Individual	01/04/10	17.00	17.00	Inclusive
	Double	01/04/10	22.00	22.00	Inclusive
<b>STAGED PERFORMANCES</b>					
	The theatres and ballrooms are available for hire for theatrical productions, concerts, lectures, demonstrations, films and other performing arts events. <b>Minimum</b> prices are as below.				
2	<b>Guildhall Arts Centre, Grantham</b>		£	£	
	<u>Theatre Hire</u>				
	Performances	01/04/10	220.00	225.00	Exempt
	Dress rehearsals	01/04/10	165.00	170.00	Exempt
	Rehearsals inc technical	01/04/10	110.00	110.00	Exempt
	Daytime setting up (up to 8 hrs)	01/04/10	110.00	110.00	Exempt
	Lecture/demonstrations - up to 2 hours	01/04/10	75.00	80.00	Exempt
	Ballroom - evening performance 6 to 11pm	01/04/10	190.00	200.00	Exempt
3	<b>Stamford Arts Centre</b>		£	£	
	<u>Theatre Hire</u>				
	Performances	01/04/10	275.00	280.00	Exempt
	Dress rehearsals	01/04/10	165.00	170.00	Exempt
	Rehearsals inc technical	01/04/10	105.00	110.00	Exempt
	Daytime setting up (up to 8 hrs)	01/04/10	105.00	110.00	Exempt
	Lecture/demonstrations	01/04/10	170.00	175.00	Exempt
	Ballroom - evening performance 6 to 11pm	01/04/10		200.00	Exempt
4	<b>Bourne Corn Exchange</b>		£	£	
	<u>Theatre Hire</u>				
	Performances	01/04/10	105.00	110.00	Exempt
	Dress rehearsals	01/04/10	80.00	85.00	Exempt
	Rehearsals	01/04/10	70.00	70.00	Exempt
	Daytime setting up (up to 8 hrs)	01/04/10	80.00	110.00	Exempt
	Hire conditions are available giving details of equipment and support offered; quotations provided on request.				
<b>WEDDING RECEPTIONS AND PARTIES</b>					
	All three venues are available for wedding parties and similar functions.				
	Packages are available to include provision of bars and catering. Minimum prices are as below.				
5	<b>Guildhall Arts Centre, Grantham</b>		£	£	
	Ballroom	01/04/10	380.00	390.00	3%
	Ballroom - evening only	01/04/10	190.00	250.00	32%
6	<b>Bourne Corn Exchange</b>		£	£	
	Main Hall	01/04/10	380.00	390.00	3%
	Main Hall - evening only	01/04/10	190.00	250.00	32%
	Upstairs function room	01/04/10	320.00	320.00	0%
	Upstairs function room - evening only	01/04/10	165.00	180.00	9%
7	<b>Stamford Arts Centre</b>		£	£	
	Ballroom/Blue room/Anteroom	01/04/10	700.00	700.00	0%
	Ballroom - evening only	01/04/10	380.00	380.00	0%
	<b>ROOM HIRE</b>				
	Meeting Rooms and function halls are available for hire at each venue, from £10 per hour				

STREET SCENE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
1	Wheelie Bins				
	Green Waste wheelie bin (new bin)	01/04/10	20.00	26.00	O/Scope
	Replacement of damaged wheelie bins*	01/04/10	-	26.00	O/Scope
	Replacement of damaged wheels and axles*	01/04/10	-	20.00	O/Scope
	Replacement of bin lid pegs*	01/04/10	-	5.00	O/Scope
2	Domestic Refuse Collection				
	Bulk household items - first item	01/04/03	10.00	10.00	O/Scope
	- each additional item	01/04/03	5.00	5.00	O/Scope
	Fridge collection	01/04/03	10.00	10.00	O/Scope
	Provision of additional recycling bags (per pack - 14 bags)	01/04/10	-	5.00	O/Scope
3	MOT testing				
	MOT testing for cars	01/04/10	45.00	50.00	O/Scope
	MOT testing for motorbikes	01/04/09	27.00	30.00	O/Scope
	MOT testing for vehicles up to 3.5 tonnes	01/04/09	55.00	58.00	O/Scope
4	Dog Fouling Penalty	01/04/09	75.00	75.00	O/Scope
5	Private Street Cleansing	01/04/10	Based on cost recovery		
	*where bins have been damaged by the resident				

ENVIRONMENTAL PROTECTION CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
1	<b>Premise Registration Fees</b>				
	Acupuncture	01/04/10	112.00	120.00	O/Scope
	Tattooing	01/04/10	112.00	120.00	O/Scope
	Ear Piercing	01/04/10	112.00	120.00	O/Scope
	Electrolysis	01/04/10	112.00	120.00	O/Scope
2	Additional activity at premise	01/04/10	-	60.00	O/Scope
3	<b>Additional Individual Registration Fees</b>				
	Acupuncture	01/04/10	-	60.00	O/Scope
	Tattooing	01/04/10	-	60.00	O/Scope
	Ear Piercing	01/04/10	-	30.00	O/Scope
	Electrolysis	01/04/10	-	60.00	O/Scope
4	Star Rating re-inspection if requested by customer	01/04/10	-	200.00	O/Scope

ENVIRONMENTAL PROTECTION CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>ENQUIRIES IN CONNECTION WITH CONTAMINATED LAND</b>		£	£	
1	Enquiries	01/04/10	98.00	105.00	O/Scope
	<b>LICENCES</b>				
2	Small lotteries - Registration	01/09/07	40.00	40.00	O/Scope
3	Small lotteries - Renewal	01/09/07	20.00	20.00	O/Scope
4	<u>Hackney Carriage and Private Hire</u>				
	Driver's licence - annual	01/04/09	74.00	74.00	O/Scope
	Driver's licence - Replacement	01/04/09	11.00	11.00	O/Scope
	Dual licence - supplementary charge	01/04/09	86.00	86.00	O/Scope
	Charge for CRB verification (if not part of licence application)	01/04/09	12.00	12.00	O/Scope
	Criminal Record Bureau Check	01/04/04	Reimbursement	Reimbursement	O/Scope
	Annual vehicle licence:				
	Private Hire	01/04/09	179.00	179.00	O/Scope
	Hackney Carriage	01/04/09	195.00	195.00	O/Scope
	Lost plate replacement fee	01/04/09	33.00	33.00	Inclusive
	Private Hire operators licence - annual	01/04/09	96.00	96.00	O/Scope
5	Monthly refund for unexpired months due to replacement of vehicle				
	Private Hire	01/04/09	14.92	14.92	O/Scope
	Hackney Carriage	01/04/09	16.25	16.25	O/Scope
6	One-off admin charge in respect of refund				
	Hackney Carriage	01/04/09	17.00	17.00	O/Scope
	Private Hire	01/04/09	16.00	16.00	O/Scope
7	Re-test of applicant's knowledge examination - following previous failure to reach required standard	01/04/10		20.00	O/Scope

NOTES

**ENVIRONMENTAL PROTECTION CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>ENVIRONMENTAL HEALTH &amp; LICENCING CHARGES</b>					
1	<u>Unsound Food</u> Voluntary Surrender Certificate	01/04/10	31.00	31.50	Inclusive
2	<u>Frozen Food Exports</u> Inspection and Certification Certification only	01/04/10 01/04/10	63.00 23.00	64.00 23.50	Inclusive Inclusive
3	<u>Licences</u> Animal Boarding Establishments Dog Breeding Establishments Pet Shops Riding Establishments Dangerous Wild Animals Sex Establishments	01/04/10 01/04/10 01/04/10 01/04/10 01/04/10 01/04/10	81.00 81.00 81.00 81.00 81.00 1,313.00	83.00 83.00 83.00 83.00 83.00 1,340.00	O/Scope O/Scope O/Scope O/Scope O/Scope O/Scope
4	<u>Control of dogs</u> Collecting and detaining stray dogs Kenneling charge Dog Fouling Penalty	01/04/96 01/04/10 01/04/10	25.00 13.00 75.00	25.00 14.00 76.50	O/Scope O/Scope O/Scope
5	<u>Vehicle Salvage Operators</u> Application Renewal	01/04/10 01/04/10	71.00 60.00	72.50 61.00	O/Scope O/Scope
6	<u>Sunday Trading Act 1994</u> Application for consent to load or unload before 9.00am	01/04/10	225.00	229.00	O/Scope
7	<u>Stamford Pedestrian Precinct</u> Other than Stamford High Street:- Daily (payable monthly in advance) Per calendar month (payable in advance)	01/04/10 01/04/10	15.50 350.00	16.00 365.00	O/Scope O/Scope

**ENVIRONMENTAL PROTECTION CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>ENVIRONMENTAL HEALTH &amp; LICENCING CHARGES</b>					
1	<b>Premise Licences*</b>				
	<b>New application and variation</b>				
	Non-domestic RV				
	0-£4300	24/11/05	100.00	100.00	O/Scope
	£4301-£33000	24/11/05	190.00	190.00	O/Scope
	£33001-£87000	24/11/05	315.00	315.00	O/Scope
	£87001-£125000	24/11/05	450.00	450.00	O/Scope
	£125001+	24/11/05	635.00	635.00	O/Scope
2	<b>multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises</b>				
	Non-domestic RV				
	0-£4300	24/11/05	n/a	n/a	O/Scope
	£4301-£33000	24/11/05	n/a	n/a	O/Scope
	£33001-£87000	24/11/05	n/a	n/a	O/Scope
	£87001-£125000	24/11/05	900.00	900.00	O/Scope
	£125001+	24/11/05	1,905.00	1,905.00	O/Scope
3	<b>Annual charge*</b>				
	Non-domestic RV				
	0-£4300	24/11/05	70.00	70.00	O/Scope
	£4301-£33000	24/11/05	180.00	180.00	O/Scope
	£33001-£87000	24/11/05	295.00	295.00	O/Scope
	£87001-£125000	24/11/05	320.00	320.00	O/Scope
	£125001+	24/11/05	350.00	350.00	O/Scope
4	<b>multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises</b>				
	Non-domestic RV				
	0-£4300	24/11/05	n/a	n/a	O/Scope
	£4301-£33000	24/11/05	n/a	n/a	O/Scope
	£33001-£87000	24/11/05	n/a	n/a	O/Scope
	£87001-£125000	24/11/05	640.00	640.00	O/Scope
	£125001+	24/11/05	1,050.00	1,050.00	O/Scope

**NOTES**

Fees fixed by Government- these will be confirmed by April 2010

\* There are additional fees for premises licence applications, and the annual fee for exceptionally large scale events (5000+), unless certain conditions apply. Please refer to Regulation 4(4) and 4(5) of the Licensing Act 2003 (Fees) Regulations 2005

**ENVIRONMENTAL PROTECTION CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>ENVIRONMENTAL HEALTH &amp; LICENCING CHARGES</b>					
<b>Additional Fees</b>					
<b>1</b>	<b>Additional Premises Licence Fee</b>				
	Number in attendance at any one time				
	5000-9999	24/11/05	1,000.00	1,000.00	O/Scope
	10000-14999	24/11/05	2,000.00	2,000.00	O/Scope
	15000-20109	24/11/05	4,000.00	4,000.00	O/Scope
	20000-29999	24/11/05	8,000.00	8,000.00	O/Scope
	30000-39999	24/11/05	16,000.00	16,000.00	O/Scope
	40000-49999	24/11/05	24,000.00	24,000.00	O/Scope
	50000-59999	24/11/05	32,000.00	32,000.00	O/Scope
	60000-69999	24/11/05	40,000.00	40,000.00	O/Scope
	70000-79999	24/11/05	48,000.00	48,000.00	O/Scope
	80000-89999	24/11/05	56,000.00	56,000.00	O/Scope
	90000 and over	24/11/05	64,000.00	64,000.00	O/Scope
<b>2</b>	<b>Additional annual fee payable if applicable</b>				
	Number in attendance at any one time				
	5000-9999	24/11/05	500.00	500.00	O/Scope
	10000-14999	24/11/05	1,000.00	1,000.00	O/Scope
	15000-20109	24/11/05	2,000.00	2,000.00	O/Scope
	20000-29999	24/11/05	4,000.00	4,000.00	O/Scope
	30000-39999	24/11/05	8,000.00	8,000.00	O/Scope
	40000-49999	24/11/05	12,000.00	12,000.00	O/Scope
	50000-59999	24/11/05	16,000.00	16,000.00	O/Scope
	60000-69999	24/11/05	20,000.00	20,000.00	O/Scope
	70000-79999	24/11/05	24,000.00	24,000.00	O/Scope
	80000-89999	24/11/05	28,000.00	28,000.00	O/Scope
	90000 and over	24/11/05	32,000.00	32,000.00	O/Scope

**NOTES**

These charges are statutory set by Government and will be confirmed in April 2010

ENVIRONMENTAL PROTECTION CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>ENVIRONMENTAL HEALTH &amp; LICENCING CHARGES</b>					
<b>Other Fees</b>					
3	<b>Application for the grant or renewal of a personal licence</b>	24/11/05	37.00	37.00	O/Scope
	Temporary Event Licence	24/11/05	21.00	21.00	O/Scope
	Theft, loss etc of premises licence or summary	24/11/05	10.50	10.50	O/Scope
	Application for a provisional statement where premises being built etc	24/11/05	315.00	315.00	O/Scope
	Notification of change of name or address	24/11/05	10.50	10.50	O/Scope
	Application to vary licence to specify individual as premises supervisor	24/11/05	23.00	23.00	O/Scope
	Application for transfer of premises licence	24/11/05	23.00	23.00	O/Scope
	Interim authority notice following death etc of licence holder	24/11/05	23.00	23.00	O/Scope
	Theft, loss etc of certificate or summary	24/11/05	10.50	10.50	O/Scope
	Notification of change of name or alteration to club rules	24/11/05	10.50	10.50	O/Scope
	Change of relevant registered address of club	24/11/05	10.50	10.50	O/Scope
	Theft, loss etc of temporary event notice	24/11/05	10.50	10.50	O/Scope
	Theft, loss etc of personal licence	24/11/05	10.50	10.50	O/Scope
	Duty to notify change of name or address	24/11/05	10.50	10.50	O/Scope
	Right of freeholder etc to be notified of licensing matters	24/11/05	21.00	21.00	O/Scope

**NOTES**

These charges are statutory set by Government and will be confirmed in April 2010

**ENVIRONMENTAL PROTECTION CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>ENVIRONMENTAL HEALTH &amp; LICENCING CHARGES</b>					
<b>Gambling Fees</b>					
1	<b>Bingo Premises License</b>				
	Fast Track Advance Application*	01/04/10	245.00	250.00	O/Scope
	Non - Fast Track Advance Application	01/04/10	560.00	570.00	O/Scope
	Application Fee for Provisional Status	01/04/10	580.00	590.00	O/Scope
	License for Provisional Statement Premises	01/04/10	390.00	395.00	O/Scope
	Application Fee New Premises	01/04/10	610.00	620.00	O/Scope
	Annual Fee	01/04/10	410.00	420.00	O/Scope
	Variation of Licence	01/04/10	560.00	570.00	O/Scope
	Transfer Fee	01/04/10	465.00	475.00	O/Scope
	Application For Reinstatement	01/04/10	465.00	475.00	O/Scope
2	<b>Adult Gaming Centre</b>				
	Fast Track Advance Application*	01/04/10	245.00	250.00	O/Scope
	Non - Fast Track Advance Application	01/04/10	515.00	525.00	O/Scope
	Application Fee for Provisional Status	01/04/10	535.00	545.00	O/Scope
	License for Provisional Statement Premises	01/04/10	340.00	345.00	O/Scope
	Application Fee New Premises	01/04/10	560.00	570.00	O/Scope
	Annual Fee	01/04/10	360.00	365.00	O/Scope
	Variation of Licence	01/04/10	515.00	525.00	O/Scope
	Transfer Fee	01/04/10	420.00	430.00	O/Scope
	Application For Reinstatement	01/04/10	420.00	430.00	O/Scope
3	<b>Family Entertainment Centre</b>				
	Fast Track Advance Application*	01/04/10	245.00	250.00	O/Scope
	Non - Fast Track Advance Application	01/04/10	515.00	525.00	O/Scope
	Application Fee for Provisional Status	01/04/10	535.00	545.00	O/Scope
	License for Provisional Statement Premises	01/04/10	340.00	345.00	O/Scope
	Application Fee New Premises	01/04/10	560.00	570.00	O/Scope
	Annual Fee	01/04/10	360.00	365.00	O/Scope
	Variation of Licence	01/04/10	515.00	525.00	O/Scope
	Transfer Fee	01/04/10	420.00	430.00	O/Scope
	Application For Reinstatement	01/04/10	420.00	430.00	O/Scope
4	<b>Betting Premises</b>				
	Fast Track Advance Application*	01/04/10	245.00	250.00	O/Scope
	Non - Fast Track Advance Application	01/04/10	515.00	525.00	O/Scope
	Application Fee for Provisional Status	01/04/10	535.00	545.00	O/Scope
	License for Provisional Statement Premises	01/04/10	340.00	345.00	O/Scope
	Application Fee New Premises	01/04/10	560.00	570.00	O/Scope
	Annual Fee	01/04/10	360.00	365.00	O/Scope
	Variation of Licence	01/04/10	515.00	525.00	O/Scope
	Transfer Fee	01/04/10	420.00	430.00	O/Scope
	Application For Reinstatement	01/04/10	420.00	430.00	O/Scope
5	<b>Miscellaneous</b>				
	Change of Circumstances	01/04/10	25.00	25.50	O/Scope
	Fee for copy of licence	10/09/07	15.00	15.00	O/Scope

Fast track applications only available for establishments who are able to transfer pre-legislative licenses to the new regime

Not available for new premises.

## ENVIRONMENTAL PROTECTION CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>POLLUTION PREVENTION AND CONTROL ACT 2010</b>		£	£	
	<b>AIR POLLUTION</b>				
	<b>FEES AND CHARGES SCHEME</b>				
1	<b>Initial application for permitting</b>	01/04/10	1,561.00	1,579.00	O/Scope
	<b>Where paid quarterly the total is increased by</b>	01/04/09	36.00	36.00	O/Scope
	<b>Additional fee for operating without a permit</b>	01/04/10	1,124.00	1,137.00	O/Scope
	<b>except:-</b>				
	- where the process comprises one or more waste oil burning appliance under 0.4MW	01/04/10	146.00	148.00	O/Scope
	Additional fee for operating without a permit	01/04/10	67.00	68.00	O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10	146.00	148.00	O/Scope
	Additional fee for operating without a permit	01/04/10	67.00	68.00	O/Scope
	-where the process relates to Dry Cleaners	01/04/10	146.00	148.00	O/Scope
	Additional fee for operating without a permit	01/04/10	67.00	68.00	O/Scope
	PVR I & II combined	01/04/10	243.00	246.00	O/Scope
	Vehicle refinishers (VR's)	01/04/10	342.00	346.00	O/Scope
	- mobile screening and crushing plant	01/04/10	1,561.00	1,579.00	O/Scope
	- for the third to seventh application	01/04/10	932.00	943.00	O/Scope
	- for the eighth and subsequent applications	01/04/10	472.00	477.00	O/Scope
	Where an application for any of the above is for a combined Part B and waste application, add an extra £294 to the above amounts				
2	<b>Substantial changes to permits (Schedule 7)</b>	01/04/10	994.00	1,005.00	O/Scope
	<b>except:-</b>				
	- where the process comprises one or more waste oil burning appliance under 0.4MW	01/04/10	97.00	98.00	O/Scope
	- where the charge is to implement an upgrading plan	01/04/10	141.00	141.00	O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10	97.00	98.00	O/Scope
	-where the process relates to Dry Cleaners	01/04/10	97.00	98.00	O/Scope
	Transfer of a permit	01/04/10	160.00	162.00	O/Scope
	- in respect of a waste oil burner less than 0.4 MW	01/04/10	nil	nil	
	-where the process relates to Dry Cleaners	01/04/10	nil	nil	
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10	nil	nil	
	Partial transfer of a permit	01/04/10	471.00	476.00	O/Scope
	- in respect of a waste oil burner less than 0.4 MW	01/04/10	44.00	45.00	O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10	44.00	45.00	O/Scope
	-where the process relates to Dry Cleaners	01/04/10	44.00	45.00	O/Scope
3	<b>Temporary transfer for mobiles</b>				
	First transfer	01/04/10	50.00	51.00	O/Scope
	Repeat transfer	01/04/09	10.00	10.00	O/Scope
	Repeat following enforcement or warning	01/04/10	50.00	51.00	O/Scope
4	<b>Annual Subsistence Charge</b>				
	Standard Process LOW	01/04/10	731.00	739.00	*
	Standard Process MEDIUM	01/04/10	1,098.00	1,111.00	*
	Standard Process - HIGH	01/04/10	1,653.00	1,672.00	*
	<b>except:-</b>				
	oil burning appliance under 0.4MW	01/04/10	75.00	76.00	O/Scope
	- where the process relates to the unloading of				
	PVR I & II combined	01/04/10		108.00	O/Scope
	Vehicle refinishers	01/04/10	216.00	218.00	O/Scope
	petrol into storage tanks at a service station	01/04/10	75.00	76.00	O/Scope
	-where the process relates to Dry Cleaners	01/04/10	75.00	76.00	O/Scope
	- odourising of natural gas	01/04/10	75.00	76.00	O/Scope
	- mobile screening and crushing plant	01/04/10	611.00	618.00	O/Scope
	- for the third to seventh authorisation	01/04/10	364.00	368.00	O/Scope
	- for the eighth and subsequent authorisation	01/04/10	187.00	189.00	O/Scope
	Change due to implementation of upgrade plan	01/04/10		-	O/Scope

**NOTES**

The above fees are those currently proposed by DEFRA, a full copy of which can be viewed on their website

[www.defra.gov.uk](http://www.defra.gov.uk)

**ENVIRONMENTAL PROTECTION CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>POLLUTION PREVENTION AND CONTROL ACT 2010</b>		£	£	
	<b>AIR POLLUTION</b>				
	<b>FEES AND CHARGES SCHEME</b>				
5	<b>LA-IPPC</b>				
	Application (LA element)	01/04/10	3,181.00	3,218.00	O/Scope
	Additional fee for operating without a permit	01/04/10	1,124.00	1,137.00	O/Scope
	Annual subsistence LOW	01/04/10	1,368.00	1,384.00	O/Scope
	Annual subsistence MEDIUM	01/04/10	1,524.00	1,541.00	O/Scope
	Annual subsistence HIGH	01/04/10	2,208.00	2,233.00	O/Scope
	<u>except:-</u>				
	Substantial variation	01/04/10	1,294.00	1,309.00	O/Scope
	Transfer	01/04/10	222.00	225.00	O/Scope
	Partial transfer	01/04/10	660.00	668.00	O/Scope
	Surrender	01/04/10	660.00	668.00	O/Scope

**NOTES**

The above fees are those currently proposed by DEFRA, a full copy of which can be viewed on their website

OUTDOOR RECREATION AREAS

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>OUTDOOR RECREATION</b>		£	£	
1	<u>Pitches - Football/Rugby/Cricket</u> Senior pitch letting (2 hrs) and marking out: Full rate Concession (under 16's, OAP's, students in full time education)	01/04/10 01/04/10	36.00 21.00	36.70 21.40	Inclusive Inclusive
2	Junior pitch (ages 11-16) letting (2 hrs) and marking out: Full rate (price reduced as an incentive to usage)	01/04/10	16.00	16.30	Inclusive
3	Mini pitch letting (ages 8-11) (1 hr) and marking out: Full rate	01/04/10	5.25	5.35	Inclusive
4	<u>Changing accommodation</u> Full rate Concession	01/04/09 01/04/09	11.85 7.50	11.85 7.50	Inclusive Inclusive
5	<u>Tennis Court</u> Per Grass Court/Per Hour Concession Hard Courts	01/04/10 01/04/10	6.10 3.70 Free	6.20 3.75 Free	Inclusive Inclusive
6	<u>Cricket</u> Per Match	01/04/10	36.00	36.70	Inclusive

**NOTES**Grantham

Dysart Park - tennis  
Harrowby Lane - football  
Wyndham Park - tennis

Stamford

Empingham Road - football, rugby, cricket  
Uffington Road - football, cricket

Bourne

Recreation Road - football

CEMETERY CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b>1</b>	<b>GRANTHAM CEMETERY TRADITIONAL BURIAL GROUND</b>				
1	Exclusive Right of Burial (Not exceeding 50 years)				
	Standard grave space - Parishioners	01/04/10	425.00	433.00	O/Scope
<b>2</b>	<b>Interment</b>				
	Person aged 16 years or over - single depth	01/04/10	435.00	443.00	O/Scope
	Person aged 16 years or over - double depth	01/04/10	483.00	492.00	O/Scope
	Child stillborn or below 16 years	01/04/05	190.00	193.00	O/Scope
	Each additional coffin space	01/04/05	150.00	153.00	O/Scope
<b>3</b>	<b>Erection of Memorials</b>				
	Headstone (not exceeding 3 feet in height)	01/04/10	105.00	107.00	O/Scope
	Headstone (each additional 6 inches)	01/04/10	105.00	107.00	O/Scope
	Metal faced tablet	01/04/10	73.00	74.00	O/Scope
	Additional inscription	01/04/10	42.00	42.00	O/Scope
<b>4</b>	<b>Re Open Graves</b>				
	Interment Fee - single depth	01/04/10	435.00	443.00	O/Scope
	Interment Fee - double depth	01/04/10	483.00	492.00	O/Scope
	Interment ashes into grave	01/04/10	126.00	128.00	O/Scope
<b>5</b>	<b>WOODLAND BURIAL GROUND</b>				
	All inclusive charge covering standard grave space, single depth interment, tree and plaque - Parishioners	01/04/10	998.00	1,016.00	O/Scope

\*Please note there is a 50% additional charge for Non Parishioners (i.e. outside of Grantham boundary)

BUILDING CONTROL CHARGES**SCHEDULE 1 - CHARGES FOR SMALL DOMESTIC DWELLINGS**

	Full Plans Applications (Using Form BR1)						Building Notice Applications (Using Form BR2)		
	Plan Charge			Inspection Charge			Building Notice Charge		
Number of Dwellings	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £
1	150.00	26.25	176.25	377.00	65.98	442.98	527.00	92.23	619.23
2	205.00	35.88	240.88	522.00	91.35	613.35	727.00	127.23	854.23
3	270.00	47.25	317.25	663.00	116.03	779.03	933.00	163.28	1,096.28
4	335.00	58.63	393.63	766.00	134.05	900.05	1,101.00	192.68	1,293.68
5	405.00	70.88	475.88	848.00	148.40	996.40	1,253.00	219.28	1,472.28
6	475.00	83.13	558.13	953.00	166.78	1,119.78	1,428.00	249.90	1,677.90
7	495.00	86.63	581.63	1,018.00	178.15	1,196.15	1,513.00	264.78	1,777.78
8	515.00	90.13	605.13	1,187.00	207.73	1,394.73	1,702.00	297.85	1,999.85
9	535.00	93.63	628.63	1,356.00	237.30	1,593.30	1,891.00	330.93	2,221.93
10	540.00	94.50	634.50	1,541.00	269.68	1,810.68	2,081.00	364.18	2,445.18
11	545.00	95.38	640.38	1,688.00	295.40	1,983.40	2,233.00	390.78	2,623.78
12	550.00	96.25	646.25	1,834.00	320.95	2,154.95	2,384.00	417.20	2,801.20
13	555.00	97.13	652.13	1,982.00	346.85	2,328.85	2,537.00	443.98	2,980.98
14	560.00	98.00	658.00	2,103.00	368.03	2,471.03	2,663.00	466.03	3,129.03
15	565.00	98.88	663.88	2,249.00	393.58	2,642.58	2,814.00	492.45	3,306.45
16	570.00	99.75	669.75	2,395.00	419.13	2,814.13	2,965.00	518.88	3,483.88
17	575.00	100.63	675.63	2,541.00	444.68	2,985.68	3,116.00	545.30	3,661.30
18	580.00	101.50	681.50	2,687.00	470.23	3,157.23	3,267.00	571.73	3,838.73
19	585.00	102.38	687.38	2,800.00	490.00	3,290.00	3,385.00	592.38	3,977.38
20	590.00	103.25	693.25	2,944.00	515.20	3,459.20	3,534.00	618.45	4,152.45
21	600.00	105.00	705.00	3,011.00	526.93	3,537.93	3,611.00	631.93	4,242.93
22	610.00	106.75	716.75	3,113.00	544.78	3,657.78	3,723.00	651.53	4,374.53
23	620.00	108.50	728.50	3,215.00	562.63	3,777.63	3,835.00	671.13	4,506.13
24	630.00	110.25	740.25	3,317.00	580.48	3,897.48	3,947.00	690.73	4,637.73
25	640.00	112.00	752.00	3,420.00	598.50	4,018.50	4,060.00	710.50	4,770.50
26	650.00	113.75	763.75	3,522.00	616.35	4,138.35	4,172.00	730.10	4,902.10
27	660.00	115.50	775.50	3,624.00	634.20	4,258.20	4,284.00	749.70	5,033.70
28	670.00	117.25	787.25	3,726.00	652.05	4,378.05	4,396.00	769.30	5,165.30
29	680.00	119.00	799.00	3,828.00	669.90	4,497.90	4,508.00	788.90	5,296.90
30	690.00	120.75	810.75	3,885.00	679.88	4,564.88	4,575.00	800.63	5,375.63
31	700.00	122.50	822.50	3,940.00	689.50	4,629.50	4,640.00	812.00	5,452.00
for each dwelling over 31 add	5.00	0.88	5.88	75.00	13.13	88.13	80.00	14.00	94.00

For dwellings up to 350 m<sup>2</sup> floor area. Greater area then estimated cost.Number  
of  
dwellings

41

10	750.00	112.50	<b>862.50</b>	4,690.00	703.50	<b>5,393.50</b>	5,440.00	816.00	<b>6,256.00</b>
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BUILDING CONTROL CHARGES
**SCHEDULE 2 - CHARGES FOR CERTAIN SMALL DOMESTIC BUILDINGS UP TO 40m<sup>2</sup>  
AND DOMESTIC EXTENSIONS UP TO 60m<sup>2</sup>**

	Full Plans Applications (Using Form BR1)						Building Notice Applications (Using Form BR2)		
	Plan Charge			Inspection Charge			Building Notice Charge		
Type of Work	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £
Erection or extension of a detached or attached building which consists of a garage or carport or both having a total floor area not exceeding 40m <sup>2</sup> and intended to be used in common with an existing building and which is not an exempt building	130.44	22.83	153.27				130.44	22.83	153.27
Erection or extension of a detached or attached building which consists of a garage or carport or both having a total floor area exceeding 40m <sup>2</sup> but does not exceed 60m <sup>2</sup> in total and is intended to be used in common with an existing building and which is n	120.00	21.00	141.00	151.09	26.44	177.53	271.09	47.44	318.53
Any extension of a dwelling (not listed below) the total floor area of which does not exceed 10m <sup>2</sup> including means of access and work in connection with that extension	120.00	21.00	141.00	151.09	26.44	177.53	271.09	47.44	318.53
Any extension of a dwelling (not listed below) the total floor area of which exceeds 10m <sup>2</sup> but does not exceed 40m <sup>2</sup> including means of access and work in connection with that extension	120.00	21.00	141.00	260.12	45.52	305.64	380.12	66.52	446.64
Any extension of a dwelling (not listed below) the total floor area of which exceeds 40m <sup>2</sup> but does not exceed 60m <sup>2</sup> including means of access and work in connection with that extension	120.00	21.00	141.00	394.80	69.09	463.89	514.80	90.09	604.89
Any extension or alteration consisting of the provision of one or more rooms in a roof space including means of access	120.00	21.00	141.00	260.12	45.52	305.64	380.12	66.52	446.64
Where building work is carried out to an existing dwelling and the work consists of replacement windows, rooflights, and or external doors	62.61	10.96	73.57	0.00	0.00	0.00	62.61	10.96	73.57
Any extension of a dwelling the total floor area of which exceeds 60m <sup>2</sup>	Please provide an estimate for the proposed work and calculate the fee using Schedule 3 overleaf								
Any alterations to a dwelling which are not in connection with an extension but form part of the same application	Please provide an estimate for the alterations part of the proposed work and calculate the fee using Schedule 3 overleaf and add this to the fee required under this schedule								
Where the work consists of domestic alterations only	Please provide an estimate for the proposed work and calculate the fee using Schedule 3 overleaf								

## BUILDING CONTROL CHARGES

## SCHEDULE 3 - CHARGES FOR ALL OTHER WORK

	Full Plans Applications (Using Form BR1)						Building Notices Applications (Using Form BR2)		
	Plan Charge			Inspection Charge			Building Notice Charge		
Estimated cost of work	Net Charge	VAT	Gross Charge	Net Charge	VAT	Gross Charge	Net Charge	VAT	Gross Charge
0-2000	110.00	19.25	129.25	0.00	0.00	0.00	110.00	19.25	129.25
2001-5000	180.00	31.50	211.50	0.00	0.00	0.00	180.00	31.50	211.50
5001-6000	47.50	8.31	55.81	142.50	24.94	167.44	190.00	33.25	223.25
6001-7000	50.00	8.75	58.75	150.00	26.25	176.25	200.00	35.00	235.00
7001-8000	52.50	9.19	61.69	157.50	27.56	185.06	210.00	36.75	246.75
8001-9000	55.00	9.63	64.63	165.00	28.88	193.88	220.00	38.51	258.51
9001-10000	57.50	10.06	67.56	172.50	30.19	202.69	230.00	40.25	270.25
10001-11000	60.00	10.50	70.50	180.00	31.50	211.50	240.00	42.00	282.00
11001-12000	62.50	10.94	73.44	187.50	32.81	220.31	250.00	43.75	293.75
12001-13000	65.00	11.38	76.38	195.00	34.13	229.13	260.00	45.51	305.51
13001-14000	67.50	11.81	79.31	202.50	35.44	237.94	270.00	47.25	317.25
14001-15000	68.75	12.03	80.78	206.25	36.09	242.34	275.00	48.12	323.12
15001-16000	70.00	12.25	82.25	210.00	36.75	246.75	280.00	49.00	329.00
16001-17000	71.25	12.47	83.72	213.75	37.41	251.16	285.00	49.88	334.88
17001-18000	72.50	12.69	85.19	217.50	38.06	255.56	290.00	50.75	340.75
18001-19000	73.75	12.91	86.66	221.25	38.72	259.97	295.00	51.63	346.63
19001-20000	75.00	13.13	88.13	225.00	39.38	264.38	300.00	52.51	352.51
20001-21000	77.00	13.48	90.48	231.00	40.43	271.43	308.00	53.91	361.91
21001-22000	79.50	13.91	93.41	238.50	41.74	280.24	318.00	55.65	373.65
22001-23000	81.00	14.18	95.18	243.00	42.53	285.53	324.00	56.71	380.71
23001-24000	83.00	14.53	97.53	249.00	43.58	292.58	332.00	58.11	390.11
24001-25000	85.00	14.88	99.88	255.00	44.63	299.63	340.00	59.51	399.51
25001-26000	87.00	15.23	102.23	261.00	45.68	306.68	348.00	60.91	408.91
26001-27000	89.00	15.58	104.58	267.00	46.73	313.73	356.00	62.31	418.31
27001-28000	91.00	15.93	106.93	273.00	47.78	320.78	364.00	63.71	427.71
28001-29000	93.00	16.28	109.28	279.00	48.83	327.83	372.00	65.11	437.11
29001-30000	95.00	16.63	111.63	285.00	49.88	334.88	380.00	66.51	446.51
30001-31000	97.00	16.98	113.98	291.00	50.93	341.93	388.00	67.91	455.91
31001-32000	99.00	17.33	116.33	297.00	51.98	348.98	396.00	69.31	465.31
32001-33000	101.00	17.68	118.68	303.00	53.03	356.03	404.00	70.71	474.71
33001-34000	103.00	18.03	121.03	309.00	54.08	363.08	412.00	72.11	484.11
34001-35000	105.00	18.38	123.38	315.00	55.13	370.13	420.00	73.51	493.51
35001-36000	107.00	18.73	125.73	321.00	56.18	377.18	428.00	74.91	502.91
36001-37000	109.00	19.08	128.08	327.00	57.23	384.23	436.00	76.31	512.31
37001-38000	111.00	19.43	130.43	333.00	58.28	391.28	444.00	77.71	521.71
38001-39000	113.00	19.78	132.78	339.00	59.33	398.33	452.00	79.11	531.11
39001-40000	115.00	20.13	135.13	345.00	60.38	405.38	460.00	80.51	540.51
40001-41000	117.00	20.48	137.48	351.00	61.43	412.43	468.00	81.91	549.91
41001-42000	119.00	20.83	139.83	357.00	62.48	419.48	476.00	83.31	559.31
42001-43000	121.00	21.18	142.18	363.00	63.53	426.53	484.00	84.71	568.71
43001-44000	123.00	21.53	144.53	369.00	64.58	433.58	492.00	86.11	578.11
44001-45000	125.00	21.88	146.88	375.00	65.63	440.63	500.00	87.51	587.51
45001-46000	127.00	22.23	149.23	381.00	66.68	447.68	508.00	88.91	596.91
46001-47000	129.00	22.58	151.58	387.00	67.73	454.73	516.00	90.31	606.31
47001-48000	131.00	22.93	153.93	393.00	68.78	461.78	524.00	91.71	615.71
48001-49000	133.00	23.28	156.28	399.00	69.83	468.83	532.00	93.11	625.11
49001-50000	135.00	23.63	158.63	405.00	70.88	475.88	540.00	94.51	634.51

Where the estimated cost exceeds £50,000 please contact the Building Control Services Section to discuss the appropriate charges applicable to your particular project.

**BUILDING CONTROL CHARGES**

	Detail	Effective Date	2010/11	VAT
				£
	<b>BUILDING CONTROL CHARGES</b>			
1	<u>Ordnance Survey Plans</u>			
	Building Regs application site plans (2 no.)	01/04/10	26.00	Zero rated
	Building Regs application involving designated use under Fire Precautions Act (4 no.)	01/04/10	26.00	Zero rated
2	<u>Plans and drawings produced in Dept. - Copies</u>			
	Building Regulations Decision Notice:			
	Application number provided	01/04/05	16.00	Inclusive
	Application number not provided	01/04/05	26.00	Inclusive
	Acknowledgement of Exempt Buildings	01/04/96	4.00	Inclusive

**LAND CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
	<b>LOCAL LAND CHARGE FEES</b>		£	£	
1	Registration of a Charge on Part II of Register	01/04/2008	73.00 *	73.00	O/Scope
2	Filing a Definitive Certificate of Lands Tribunal	03/11/03	2.50 *	2.50	O/Scope
3	Filing adjustment etc. for variation - cancellation of entry in Part II	03/11/03	7.00 *	7.50	O/Scope
4	Inspection of documents filed under Rule 10	03/11/03	2.50 *	2.50	O/Scope
5	Personal search - in whole/part of Register - each extra parcel of land	03/11/03 03/11/03	11.00 1.00	11.00 1.00	O/Scope O/Scope
6	Official search (including issue of Certificate) - whole of register	01/04/10	6.00	12.00	O/Scope
7	Office copy of entry in Register	01/04/10	10.00 *	11.00	O/Scope
8	Con 29 Part I enquiries - one parcel of land - each additional parcel	01/04/10 01/04/10	73.00 11.50	80.00 13.00	O/Scope O/Scope
9	Supplementary Part II enquiries - each printed enquiry except question 5 - Question 5 optional enquiry - Solicitor/Clients own enquiry - Question 22 common land	01/04/10 01/04/10 01/04/10 01/04/10	10.00 12.00 12.00 14.00	11.00 14.00 14.00 14.00	O/Scope O/Scope O/Scope O/Scope
10	Enquiries by personal searchers (per item)	01/04/02	12.00 *	14.00	O/Scope
11	Commercial Basic Search LLC1 and CON 29R	01/04/10	-	120.00	O/Scope
12	Expedited Search - 3 Day Turnaround	01/04/10	-	27.00	O/Scope

\* These charges are statutory set by Government and will be confirmed in April 2010

## SUSTAINABLE COMMUNITIES

### PLANNING CHARGES

<b>A. OUTLINE APPLICATIONS</b> (residential, commercial and agricultural)	
1. Where the site area does not exceed 2.5 hectares.	£335 for each 0.1 hectare (or part thereof) of site area.
2. Where the site area exceeds 2.5 hectares.	£8,285 and an additional £100 for each 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £125,000.
<b>B. FULL APPLICATIONS AND RESERVED MATTERS</b>	
1. Extensions or alterations to a dwelling and works within the curtilage, eg domestic outbuildings, garages, fences, walls etc.	£150 per dwelling (where the applications relate to 2 or more dwelling houses, £295).
2. Erection of new dwellings (a) 50 or fewer (b) 51 or more	£335 for each dwelling £16,565 and an additional £100 for each dwelling in excess of 50, up to a maximum of £250,000.
3. Erection of buildings other than dwellings, glasshouses, or plant and machinery.	(a) Where no floor space is to be created, or works not creating more than 40 sq m. of additional floor space £170. (b) Works creating more than 40 sq m. but not exceeding 75 sq m. of additional floor space £335, (c) Works creating more than 75 sq m. but not exceeding 3750 sq m. of additional floor space £335 for each 75 sq m of that area (or part thereof). (d) Works creating more than 3750 sq m. of additional floor space, £16,565 and an additional £100 for each 75 sq m. (or part thereof) in excess of 3750 sq m. up to a maximum of £250,000.
4. Erection, on land for the purposes of agriculture, of buildings to be used for agricultural purposes (other than buildings in section 5 below).	(a) Where gross floor space created does not exceed 465 sq m., £70 (b) Where floor space created is between 465 sq m. and 540 sq m., £335 (c) Where floor space created is between 540 sq m. and 4215 sq m., £335 for the first 540 sq m. and an additional £335 for each 75 sq m. (or part thereof) in excess of 540 sq m. (d) Where the floor space created exceeds 4215 sq m., £16,565 and an additional £100 for each 75 sq m. (or part thereof) in excess of 4215 sq m. up to a maximum £250,000.
5. Erection of glasshouses on land used for the purposes of agriculture.	(a) Works creating floor space not exceeding 465 sq m., £70. (b) Works creating floor space exceeding 465 sq m. £1870.
6. The construction of car parks, service roads and other means of access on land used for the purpose of a single undertaking, where the development is required for a purpose incidental to the existing use of land.	£170.00
7. The erection, alteration or replacement of plant machinery.	(a) Where the site area does not exceed 5 hectares, £335 for each 0.1 hectare (or part thereof) of the site area. (b) Where the site area exceeds 5 hectares, £16,565, and an additional £100 for each 0.1 hectares (or part thereof) in excess of 5 hectares, up to a maximum of £250,000.
8. The carrying out of any operations associated with exploratory drilling for oil or natural gas.	(a) Where the site area does not exceed 7.5 hectares, £335 for each 0.1 hectare (or part thereof) of the site area. (b) Where the site area exceeds 7.5 hectares, £25,000 and an additional £100 for each 0.1 hectares (or part thereof) in excess of 7.5 hectares, up to a maximum of £250,000.

## SUSTAINABLE COMMUNITIES

### PLANNING CHARGES

<b>C. CHANGES OF USE (land and buildings)</b>	
1. Change of use or subdivision of an existing single dwelling house.	(a) Where the change of use is to use as 50 or fewer dwelling houses, £335 for each additional dwelling. (b) Where the change of use is to use as more than 50 dwelling houses, £16,565 and an additional £100 for each dwelling house in excess of 50, up to a maximum of £250,000.
2. Change of use to one or more dwelling houses of any other building.	(a) Where the change of use is to use as 50 or fewer dwelling houses, £335 for each dwelling. (b) Where the change of use is to use as more than 50 dwelling houses, £16,565 and an additional £100 for each dwelling house in excess of 50, up to a maximum of £250,000.
3. The making of a material change in the use of a building or of land (other than a material change of use coming within any of the above categories).	£335
<b>D. CERTIFICATE OF LAWFULNESS</b>	
1. For existing use.	Same fee as if a planning application was being submitted.
2. For proposed use.	Half the equivalent planning fee.
<b>E. OTHER OPERATIONS/APPLICATIONS</b>	
1. For non-compliance with, or variation of conditions including retention of temporary buildings, continuation of temporary use etc.	£170.00
2. The carrying out of any other operations not coming in any of the above categories.	£170 for each 0.1 hectare (or part thereof) of the site area, up to a maximum of £250,000.
<b>F. ADVERTISEMENTS</b>	
1. Relating to a business on the premises or advance signs directing the public to a business.	£95.00
2. Other advertisements.	£335.00
<b>G. APPROVAL OF DETAILS</b>	
1. Agricultural or forestry development.	£70.00
2. Demolition of buildings.	£70.00
3. Development by telecommunications code system operators.	£335.00
<b>H. CONCESSIONARY FEES AND EXEMPTIONS</b>	
<b>1. NO FEE REQUIRED</b>	
(a) Works to improve the disabled persons access to a public building or alterations to accommodate a registered disabled persons access, safety, health or comfort at that persons dwelling house.	
(b) Application requires because of the removal of permitted development rights by a condition, Article 4 direction or local development order.	
(c) Revised or fresh application for development (or advertisement) of the same character, description, site and applicant within 12 months of refusal or of the making of the earlier application if withdrawn, or within 12 months of expiry of the statutory	
(d) Revised or fresh application for development of the same character, description, site and applicant within 12 months of receiving permission.	
2. Applications by Parish Councils etc. (including advertisement applications)	Half the normal fee.
3. Alternative applications for one site	Highest of the fees applicable for each alternative and sum equal to half the rest.
4. Development crossing planning authority boundaries.	Only one fee paid to the authority having the larger site but calculated for the whole scheme to special ceiling.
5. Reserved matters where applicants earlier reserved matters applications have incurred total fees equaling that for a full application for the entire scheme.	£335.00

This is only a summary of scales of fees, listing only the most common types of application.

**PLANNING CHARGES**

	Detail	Effective Date	2010/11	VAT
				£
<b>PLANNING CHARGES</b>				
<b>1 Ordnance Survey Plans</b>				
1	Planning application site plans (5 no.)	01/04/10	26.00	Zero rated
	Advertisement consent site plans (4 no.)	01/04/10	26.00	Zero rated
	Listed Building consent site plans (7 no.)	01/04/10	28.00	Zero rated
	.....(9 no.)	01/04/10	32.00	Zero rated
	.....(11 no.)	01/04/10	36.00	Zero rated
<b>2 Charges in connection with land/property transactions</b>				
2	Request for decision notices etc.*	01/04/01	10.00	Inclusive
	Detailed queries on consents involving search for relevant information*	01/04/10	25.00	Inclusive
	* stated charge plus relevant copying charges			
	Check involving site inspection*	01/04/01	20.00	Inclusive
	* stated charge plus mileage plus officer hourly rates			
	Weekly list of planning applications received (annual charge)	01/04/10	200.00	Inclusive

**PLANNING CHARGES**

	Detail	Effective Date	2010/11	VAT
			£	
<b>PLANNING CHARGES</b>				
1	<u>Plans and drawings produced in Dept. - Copies</u>			
	Planning application (form only)	01/04/10	1.00	Inclusive
	Listed Building Consent application (form only)	01/04/10	1.00	Inclusive
	Drawing submitted with applications (up to A2)	01/04/96	6.00	Inclusive
	Drawing submitted with applications (over A2)	01/04/10	12.00	Inclusive
	Planning Decision Notice (each)	01/04/96	4.00	Inclusive
	+ handling charge	01/04/10	10.00	Inclusive
	Tree Preservation Orders/Conservation areas	01/04/96	4.00	Inclusive
	Other documents per sheet (plans extra)	01/04/10	1.00	Inclusive
	South Kesteven Local Plan (collected)	01/04/96	25.00	Inclusive
	South Kesteven Local Plan (posted)	01/04/10	28.45	Inclusive
	Stamford shop front design guide	01/03/94	2.50	Inclusive
	Grantham shop front design guide	01/04/10	2.50	Inclusive
	South Kesteven fact file	01/04/10	30.00	Inclusive
	Review of flat conversions	01/04/95	2.00	Inclusive
	Schedule of housing commitments	01/01/01	25.00	Inclusive
2	<u>Census Data</u>			
	Standard tables (each table)	01/04/96	2.50	Inclusive
	Re-zoning of areas (each table)	01/04/96	5.00	Inclusive
3	<u>Plain paper copies</u>			
	A0	01/04/96	4.00	Inclusive
	A1	01/04/96	2.50	Inclusive
	A2	01/04/96	2.00	Inclusive
	A3	01/04/96	1.50	Inclusive
	A4	01/04/96	1.00	Inclusive

**HELPLINE CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
	<b>HELPLINE SERVICE PRIVATE AND PUBLIC SECTOR</b>				
1	<u>Purchase Costs</u> Portal unit	01/02/95	155.25	158.63	Inclusive
2	<u>Monitoring Costs (per week)</u> Purchased Helpline or Portal unit Monitoring only Monitoring and Mobile Warden	01/04/10 01/04/10	1.46 4.27	1.53 4.45	Inclusive Inclusive
3	<u>Rented Helpline (per week)</u> Monitoring only Monitoring and Mobile Warden	01/04/10 01/04/10	3.48 6.30	3.63 6.57	Inclusive Inclusive
4	<u>Rented Portal unit (per week)</u> Monitoring only Monitoring and Mobile Warden	01/04/10 01/04/10	3.04 5.86	3.17 6.11	Inclusive Inclusive
5	Daily call-out from the Care Centre	01/04/10	1.46	1.53	Inclusive
6	Responsive visit by Mobile Warden	01/04/10	10.67	11.12	Inclusive
7	Rental of Lifeline Fall Detector	01/04/10	0.54	0.56	Inclusive
8	<u>O.P.D Schemes - Guest bedroom charges</u> Bedroom with one single bed per night Bedroom with two single beds or a double Folding bed per night (50% discount for pensioners)	01/04/09 01/04/09 01/04/09	7.50 10.00 3.00	7.50 10.00 3.00	Inclusive Inclusive Inclusive

## **Appendix E**

### **Treasury Management Strategy Report 2010/11**

This report outlines the Council's prudential indicators for 2010/11 – 2012/13 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements as required by the Local Government Act 2003:

- The reporting of the prudential indicators setting out the expected capital activities as required by the CIPFA Prudential Code for Capital Finance in Local Authorities. The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Code of Practice (Annex A);
- The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year – as required by Regulation under the Local Government and Public Involvement in Health Act 2007 (Annex A);
- The treasury management strategy statement which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix (Annex B);
- The investment strategy which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss (in accordance with the CLG (Communities for Local Government) investment guidance) (Annex B);

Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. The CLG is currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes has been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current Guidance. If necessary the Investment Strategy contained in Appendix B will be revised if any elements of the final CLG Investment Guidance have not already been covered.

The main changes initiated in the revisions above increase the Members' responsibility in this area. This would require greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information. The Council has already incorporated these changes within its constitution by delegating responsibility for monitoring and revisions to the Treasury Management Strategy to Governance and Audit Committee. In addition to this the committee has undertaken specific Treasury Management training in September 2009. In addition to this the Council has adopted quarterly reporting on performance in conjunction with an annual report which is presented to the Governance and Audit Committee.

## **Appendix E - Annex A**

### **The Prudential Indicators 2009/10 – 2012/13**

#### **Introduction**

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. This report revises the indicators for 2009/10, 2010/11 and 2011/12, and introduces new indicators for 2012/13. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the outcome of the Council's underlying capital appraisal systems.
2. Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the treasury management strategy for 2010/11 is included as Annex B to complement the indicators, and this report includes the prudential indicators relating to the treasury activity.
3. A number of Prudential Indicators covering treasury management have been moved to the Treasury Management Code of Practice. These Treasury Management indicators are contained within this report.

#### **The Capital Expenditure Plans**

4. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This unsupported capital expenditure needs to have regard to:
  - Service objectives (e.g. strategic planning);
  - Stewardship of assets (e.g. asset management planning);
  - Value for money (e.g. option appraisal);
  - Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
  - Affordability (e.g. implications for the council tax and rents);
  - Practicality (e.g. the achievability of the forward plan).
5. The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources.
6. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc., or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.
7. The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some of estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance anticipated asset sales may be postponed due to impact of the recession on the property market.

8. The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

£m	2009/10 Revised £	2010/11 Estimated £	2011/12 Estimated £	2012/13 Estimated £
Capital Expenditure	6.651m	12.199m	8.225m	8.656m
Non-HRA	2.370m	5.216m	3.064m	3.461m
HRA	4.281m	6.983m	5.161m	5.195m
Financed by:				
Supported Borrowing	0	0.118m	0	0
Capital receipts reserve	0	1.304m	2.245m	2.707m
Capital grants	1.008m	1.400m	0.254m	0.254m
Capital reserves	4.237m	8.377m	4.161m	3.695m
Revenue	1.406m	1.000m	1.565m	2.000m
Net financing need for the year	0	0	0	0

#### **The Council's Borrowing Need (the Capital Financing Requirement)**

9. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

10. The Council is asked to approve the CFR projections below:

£m	2009/10 Revised	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
<b>Capital Financing Requirement</b>				
CFR – Non Housing	4.883m	4.806m	4.614m	4.429m
CFR - Housing	2.159m	2.159m	2.519m	2.159m
Total CFR	7.042m	6.965m	6.773m	6.588m
Movement in CFR	0.212m	0.077m	0.192m	0.185m

11. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP). The MRP is the reason for the negative year on year movements in the CFR forecasts shown above.

12. CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

13. For capital expenditure incurred before 1 April 2008 or which in the future will be Supported capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outline in former CLG Regulations.

14. From 1 April 2008 for all new unsupported borrowing the MRP policy will be:

- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Directive).

### The Use of the Council's resources and the Investment Position

15. The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £m	2009/10 Revised £	2010/11 Estimated £	2011/12 Estimated £	2012/13 Estimated £
Fund balances	7.324m	5.347m	5.375m	5.717m
Capital receipts	7.563m	6.829m	4.884m	2.477m
HRA reserve	5.398m	5.077m	5.007m	5.130m
Major Repairs Reserve	6.618m	3.795m	3.369m	3.484m
<b>Total Core Funds</b>	<b>26.903m</b>	<b>21.048m</b>	<b>18.635m</b>	<b>16.808m</b>
Working Capital*	(1.560m)	(1.560m)	(1.560m)	(1.560m)
Expected Investments	25.343m	19.488m	17.075m	15.248m

\* Working capital balances shown are estimated year end; these may be higher mid year

### Affordability Prudential Indicators

16. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the overall Council's finances. The Council is asked to approve the following indicators:

17. **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 obligation costs net of investment income) against the net revenue stream.

%	2009/10 Revised	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
Non-HRA	0.72%	(0.23%)	(0.63%)	(1.55%)
HRA	(0.19%)	(0.36%)	(0.58%)	(1.09%)

18. The estimates of financing costs include current commitments and the proposals in this budget report.

19. **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of government support, which are not published over a three year period.

20. **Incremental impact of capital investment decisions on the Band D Council Tax**

£	Original 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
Council Tax - Band D	0.00	1.27	(0.58)	2.20

21. **Estimates of the incremental impact of capital investment decisions on Housing Rent levels** – Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

22. **Incremental impact of capital investment decisions Housing Rent levels**

£	Original 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
Weekly Housing Rent levels	0.00	295.61	(16.71)	826.97

23. This indicator shows the revenue impact on any newly approved schemes if there was no rent restructuring in place. However, there is no actual impact on rent levels through any decisions on capital investments due the operation of rent restructuring currently.

## **Appendix E - Annex B**

### **Treasury Management Strategy 2010/11 – 2012/13**

1. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex A consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets balanced budget requirement under the Local Government Finance Act 1992.
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2009). This Council adopted the Code of Practice on Treasury Management on 23 June 2004, and will adopt the revised Code.
3. As a result of adopting the Code the Council also adopted a Treasury Management Policy Statement (23 June 2004). This adoption is the requirements of one of the prudential indicators. However the revised Code of Practice has amended the Treasury Management Policy Statement and this is appended at Annex B3 for approval
4. The Constitution requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury reports are produced after the year-end to report on actual activity for the year as was in year reporting of at least half-yearly.
5. This strategy covers:
  1. The Council's debt and investment projections;
  2. The Council's estimates and limits on future debt levels;
  3. The expected movement in interest rates;
  4. The Council's borrowing and investment strategies;
  5. Treasury performance indicators; and
  6. Specific limits on treasury activities.

### **Debt and Investment Projections 2010/11 – 2012/13**

6. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. The expected maximum debt position during each year represents the Operational Boundary prudential indicator, and so may be different from the year end position. The table also highlights the expected change in investment balances

£m	2009/10 Revised £	2010/11 Estimated £	2011/12 Estimated £	2012/13 Estimated £
<b>External Debt</b>				
Debt at 1 April	(6.000m)	(4.000m)	(2.597m)	(2.576m)
Expected change in debt	2.000m	1.403m	0.021m	0.021m
Debt at 31 March	(4.000m)	(2.597m)	(2.576m)	(2.555m)
Operational Boundary	4.000m	3.000m	3.000m	3.000m
<b>Total Investments at 31 March</b>				
Total Investments at 31 March	<b>26.903m</b>	<b>21.048m</b>	<b>18.635m</b>	<b>16.808m</b>
Investment change	2.636m	5.855m	2.413m	1.827m

7. The related impact of the above movements on the revenue budget are:

£m	2009/10 Revised £	2010/11 Estimated £	2011/12 Estimated £	2012/13 Estimated £
<b>Revenue Budgets</b>				
Interest on Borrowing	0.398m	0.322m	0.277m	0.292m
Related HRA Charge	(0.150m)	(0.130m)	(0.125m)	(0.140m)
Net General Fund Borrowing Cost	0.248m	0.192m	0.152m	0.152m
Investment income	0.326m	0.437m	0.509m	0.854m

### Limits to Borrowing Activity

8. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
9. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2010/11 and the following two financial years (the relevant comparative figures are highlighted). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

£m	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Gross Borrowing	4.000m	2.597m	2.576m	2.555m
Investments	(25.343m)	(19.488m)	(17.075m)	(15.248m)
Net Borrowing	<b>(21.343m)</b>	<b>(16.891m)</b>	<b>(14.499m)</b>	<b>(12.693m)</b>
CFR*	<b>7.042m</b>	<b>6.965m</b>	<b>6.773m</b>	<b>6.588m</b>

\* - Under the Prudential Code revision any falls in the CFR are ignored.

10. The Corporate Head of Finance and Customer Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

11. The Authorised Limit for External Debt – A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

12. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

13. The Council is asked to approve the following Authorised Limit:

Authorised limit £m	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Borrowing	<b>18.000m</b>	<b>18.000m</b>	<b>18.000m</b>	<b>18.000m</b>
Other long term liabilities	-	-	-	-
Total	<b>18.000m</b>	<b>18.000m</b>	<b>18.000m</b>	<b>18.000m</b>

- Borrowing in advance of need – The Council has some flexibility to borrow funds this year for use in future years. The Corporate Head of Finance and Customer Services may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Corporate Head of Finance and Customer Services will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that
- Would not look to borrow more than 24 months in advance of need.

14. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

### Expected Movement in Interest Rates

#### Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	Money Rates		PWLB Rates*		
		3 month	1 year	5 year	20 year	50 year
<b>2008/09</b>	<b>3.9</b>	<b>5.0</b>	<b>5.3</b>	<b>4.2</b>	<b>4.8</b>	<b>4.5</b>
<b>2009/10</b>	<b>0.5</b>	<b>0.8</b>	<b>1.4</b>	<b>3.2</b>	<b>4.4</b>	<b>4.6</b>
<b>2010/11</b>	<b>1.0</b>	<b>1.5</b>	<b>2.3</b>	<b>4.0</b>	<b>5.0</b>	<b>5.2</b>
<b>2011/12</b>	<b>2.0</b>	<b>2.5</b>	<b>3.3</b>	<b>4.3</b>	<b>5.3</b>	<b>5.3</b>
<b>2012/13</b>	<b>4.5</b>	<b>4.8</b>	<b>5.3</b>	<b>5.3</b>	<b>5.5</b>	<b>5.3</b>

\* Borrowing Rates

15. Short-term rates are expected to remain low for a considerable time. The recovery in the economy has commenced but it will remain insipid and there is a danger that early reversal of monetary ease, could trigger a dip back to negative growth.
16. Credit extension to the corporate and personal sectors has improved modestly but banks remain nervous about the viability of counterparties.
17. The main drag upon the economy is expected to be weak consumers' expenditure growth. The combination of the desire to reduce the level of personal debt and job uncertainty is likely to weigh heavily upon spending. This will be amplified by the prospective increases in taxation already scheduled for 2010 – VAT and National Insurance. Without a rebound in this key element of UK GDP growth, any recovery in the economy is set to be weak and protracted.
18. With inflation set to remain subdued in the next few years, the pressure upon the MPC to hike rates will remain moderate. But some increase will be seen as necessary in 2010 to counter the effects of external cost pressures (as commodity prices begin to rise again) and to avoid damage that sterling could endure if the UK is seen to defy an international move to commence policy exit strategies.

#### **Borrowing Strategy 2010/11 – 2012/13**

19. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
20. Long-term fixed interest rates are expected to be higher over the medium term and short term rates are expected to rise, although more modestly. The Corporate Head of Finance and Customer Services, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.
21. With the likelihood of long term rates increasing, debt restructuring is likely to focus on switching from longer term fixed rates to cheaper short term debt, although the Corporate Head of Finance and Customer Services will monitor prevailing rates for any opportunities during the year.
22. The option of postponing borrowing and running down investment balances will also be considered. This would reduce counterparty risk and hedge against the expected fall in investments returns.

## Investment Strategy 2010/11 – 2012/13

23. **Key Objectives** - The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background above, the current investment climate has one over-riding risk consideration, that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy.

24. **Risk Benchmarking** – A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. Additional background in the approach taken is attached at Annex B2.

25. These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

26. Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.1% historic risk of default when compared to the whole portfolio.

27. Liquidity – In respect of this area the Council seeks to maintain:

- Bank overdraft - £0.25m
- Liquid short term deposits of at least £3m available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.25 years, with a maximum of 1 years.

28. **Yield - Local measures of yield benchmarks are :**

- Investments – Internal returns above the 7 day LIBID rate
- Investments – External fund managers - returns 10% above 7 day compounded LIBID.

29. **And in addition that the security benchmark for each individual year is:**

	1 year	2 years	3 years	4 years	5 years
<b>Maximum</b>	<b>0.006%</b>	<b>0.006%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Note: This benchmark is an average risk of default measure (potential loss on investments), and would not constitute an actual expectation of loss against a particular investment.

30. **Investment Counterparty Selection Criteria** - The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

31. The Corporate Head of Finance and Customer Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to either Council or Governance and Audit for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.

32. The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution (where rated). For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

33. Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

34. The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

- **Banks & Building Societies** – the Council will use a criteria based system covering Banks & Building Societies. (see Annex C for specific criteria).
- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity)
- A local authority
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.

The proposed criteria for Specified and Non-Specified investments are shown in Annex C for approval.

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the investment prudential indicator below

35. The proposed criteria for Specified and Non-Specified investments are shown in Annex B1 for approval.
36. **Economic Investment Considerations** - Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
37. There is an operational difficulty arising from the previous banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
38. The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Corporate Head of Finance and Customer Services may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.
39. Examples of these restrictions would be the greater use of the Debt Management Account Deposit Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

### **Sensitivity to Interest Rate Movements**

40. Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

£m	2010/11 Estimated + 1%	2010/11 Estimated - 1%
Revenue Budgets		
<b>Interest on Borrowing</b>	0.322m	0.322m
<b>Related HRA Charge</b>	(0.130m)	(0.130m)
<b>Net General Fund Borrowing Cost</b>	0.192m	0.192m
<b>Investment income</b>	<b>0.225m</b>	<b>(0.114m)</b>

### **Treasury Management Limits on Activity**

41. There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

**42. The Council is asked to approve the limits:**

£m	2010/11	2011/12	2012/13
<b>Interest rate Exposures</b>			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	<b>7.000m</b>	<b>7.000m</b>	<b>7.000m</b>
Limits on variable interest rates based on net debt	<b>2.000m</b>	<b>2.000m</b>	<b>2.000m</b>
<i>Limits on fixed interest rates:</i>			
• <i>Debt only</i>	100%	100%	100%
• <i>Investments only</i>	100%	100%	100%
<i>Limits on variable interest rates</i>			
• <i>Debt only</i>	30%	30%	30%
• <i>Investments only</i>	30%	30%	30%
<b>Maturity Structure of fixed interest rate borrowing 2010/11</b>			
	Lower	Upper	
Under 12 months	0%	<b>30%</b>	
12 months to 2 years	0%	<b>40%</b>	
2 years to 5 years	0%	<b>60%</b>	
5 years to 10 years	0%	<b>75%</b>	
10 years and above	0%	<b>100%</b>	
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	<b>£12m</b>	<b>£8m</b>	<b>£5m</b>

*Indicators for debt only and investments only as well as fixed and variable debt maturity profile have been included as local indicators.*

**Performance Indicators**

43. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – Internal returns above the 7 day LIBID (London Interbank Bid Rate)
- Investments – External fund managers - returns 110% above 7 day compounded LIBID.

The results of these indicators will be reported in the Treasury Annual Report.

### **Treasury Management Advisers**

44. The Council uses Butlers as its treasury management advisers. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies;

45. Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

### **Member and Officer Training**

46. The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by:

1. Carrying out specific Treasury Management training with the members of the Governance and Audit Committee
2. Treasury Management officer has signed up to the new CIPFA treasury management qualification – Certificate in Treasury Management (Public Finance)
3. Improved Governance arrangements through quarterly performance reports, annual report and midyear strategy revisions had aided the development and knowledge of committee members.

## Appendix E - Annex C

### Treasury Management Practice (TMP) 1 – Credit and Counterparty Risk Management

CLG issued Investment Guidance on 12<sup>th</sup> March 2004, and this forms the structure of the Council's policy below. The CLG is currently consulting over revisions to the Guidance and where applicable the Consultation recommendations have been included within this policy. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 23 June 2004 and will apply its principles to all investment activity. In accordance with the Code, the Corporate Head of Finance and Customer Services has produced its treasury management practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

**Strategy Guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.

The criteria enable the Council to choose Specified and Non Specified investments. The rating criteria is based on the Lowest Common Denominator method (LCD - this includes ratings by Standard and Poor's, Moody's and Fitch) and institutions must meet all criteria (where rated) in order for the Council to place investments with them.

**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 low risk assets where the possibility of loss of principal or investment income is small. The Council's Treasury Management Officer is restricted to placing Specified Investment funds with:

	<b>Specified Investments Category</b>								<b>Limit</b>																											
a	<b>A body of high credit quality</b> , this category includes the following - <ul style="list-style-type: none"> <li><input type="checkbox"/> A UK bank or building society awarded a high credit rating by a credit rating agency, meeting the following criteria using the LCD method               <table border="1" data-bbox="271 669 1139 815"> <thead> <tr> <th colspan="4">Fitch</th> <th colspan="3">Moody's</th> <th colspan="2">Standard and Poor's</th> </tr> <tr> <th>Short Term</th> <th>Long Term</th> <th>Individual</th> <th>Support</th> <th>Short Term</th> <th>Long Term</th> <th>Financial Strength</th> <th>Short Term</th> <th>Long Term</th> </tr> </thead> <tbody> <tr> <td>F1</td> <td>AA-</td> <td>C</td> <td>3</td> <td>P1</td> <td>Aa3</td> <td>C</td> <td>A-1</td> <td>AA-</td> </tr> </tbody> </table> </li> <li><input type="checkbox"/> A body of high credit quality by being an Eligible Institution under the UK Government's Asset protection scheme, and with minimum criteria of F1, A+ and equivalent from Moody's and Standard &amp; Poor's using the LCD method.</li> <li><input type="checkbox"/> A body of high credit quality by being under the UK government guarantee.</li> </ul>								Fitch				Moody's			Standard and Poor's		Short Term	Long Term	Individual	Support	Short Term	Long Term	Financial Strength	Short Term	Long Term	F1	AA-	C	3	P1	Aa3	C	A-1	AA-	£5m per institution, £5m per corporate group
Fitch				Moody's			Standard and Poor's																													
Short Term	Long Term	Individual	Support	Short Term	Long Term	Financial Strength	Short Term	Long Term																												
F1	AA-	C	3	P1	Aa3	C	A-1	AA-																												
b	<b>The UK Government</b> (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity)								no amount limit																											
c	<b>UK local authorities</b>								£5m per LA, £10m all LAs																											
d	<b>Pooled investment vehicles</b> (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This category covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies. CLG Investment Guidance specifies that Money Market Funds with high credit ratings are classified as Specified Investment. These funds are instant access investment. There is possibility that part of the investment may be exposed to counterparties the Council would not approve normally or invest directly. The counterparty risk is mitigated by that – <ul style="list-style-type: none"> <li>• The Fund Managers diversify investment in a range of counterparties;</li> <li>• The Funds are instant access;</li> <li>• The Council only invests in funds rated AAA;</li> <li>• DCLG Investment Guidance classifying such funds as Specified Investment.</li> </ul>								£5m per fund, £10m all funds																											

**Non-Specified Investments** – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

Amounts invested with any one institution shall not exceed £2m for periods of more than 2 years. Amounts invested with any one corporate group shall not exceed £5m.

Amounts invested in non specified fixed term investment would normally not exceed 25% of total funds placed in fixed term deposit. The Corporate Head of Finance and Customer Service has the discretion to exceed the limit within reasons. If these circumstances are required this will be reported back to the appropriate committee.

	<b>Non Specified Investment Category</b>	<b>Limit</b>
a.	<b>Any institutions meeting the criteria set out for Specified Investments</b> , with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£2m maximum of 2 years per institution
b.	<b>Councils Bank</b> – Should its rating fall below that required for specified investment, monies will be restricted to instant access.	£7m
c.	<b>Top 10 building societies, by asset value.</b>	£2m, 2 years per institution, £5m for all B/S sector,

**The Monitoring Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating advice from its advisers, Butlers, on a daily basis and as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Corporate Head of Finance and Customer Services, and if required new counterparties which meet the criteria will be added to the list.

Investments for periods exceeding 364 days limited to 25% of Fixed Term Deposit fund held, and forward commitment investments limited to 25% of Fixed Term Deposit fund held; and Notice Accounts are classified as Fixed Term Deposit before the notice expires.

**Use of External Fund Managers** –The Council currently uses external fund managers for part of its investment portfolio. The Council is not restricted to placing funds with cash managers, and will manage funds in house, use fund managers, or brokers if it is appropriate to do so.

The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep to the Council's investment strategy. Currently the Council has an agreement with Tradition UK and Sterling International. The fund managers are required to adhere to the following:

- All investments restricted to sterling denominated instruments;
- Amounts invested with any one institution or Corporate Group should not exceed the limits specified in Table A and Table B.
- Portfolio management is measured against the return provided by the 3 month sterling LIBID, or in accordance with the measures specified in the contract.

The performance of investment managed by Fund Managers is reviewed at least quarterly by the Corporate Head of Finance and Customer Services.

## **Security, Liquidity and Yield Benchmarking**

**Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service** - A proposed development for Member reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

**Yield** – These benchmarks are currently widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate
- Investments – External fund managers - returns 10% above 7 day compounded LIBID.

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. However they have not previously been separately and explicitly set out for Member consideration. Proposed benchmarks for the cash type investments are below and these will form the basis of future reporting in this area. In the other investment categories appropriate benchmarks will be used where available.

**Liquidity** – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - £0.25m
- Liquid short term deposits of at least £5m available with a week's notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark is to be used:

- WAL benchmark is expected to be 1 years, with a maximum of 2 years.

**Security of the investments** – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. The table beneath shows average defaults for differing periods of investment grade products for each Fitch long term rating category over the period 1990 to 2007.

Long term rating	1 year	2 years	3 years	4 years	5 years
<b>AAA</b>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>AA</b>	0.00%	0.00%	0.00%	0.03%	0.06%
<b>A</b>	0.03%	0.15%	0.30%	0.44%	0.65%
<b>BBB</b>	0.24%	0.78%	1.48%	2.24%	3.11%

The Council's minimum long term rating criteria is currently "A" (amend as necessary), meaning the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.03% of the total investment (e.g. for a £1m investment the average loss would be £300). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- 0.1% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
<b>Maximum</b>	<b>0.03%</b>	<b>0.12%</b>	<b>0.10%</b>	<b>0.08%</b>	<b>0.06%</b>

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

Annex B3

Treasury Management Clauses to form part of Standing Orders/Financial Regulations/Constitution

1. This Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - Suitable TMPs, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Governance and Audit Committee, and for the execution and administration of treasury management decisions to the Corporate Head of Finance and Customer Services, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The organisation nominates the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

**Appendix A - Annex D**

**Risk Management** – The Council undertakes risk assessment for all fixed term deposits. The risk assessment uses the following template –

**Risk assessment of new investment (last updated August 2009)**

<b>Investment</b>	<b>Institution</b>	<b>Risk Assessment</b>																				
Investment Product	Institution name	<i>Risk of the counterparty defaulting on investment</i>																				
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th><th style="text-align: center;"><i>Likelihood</i></th><th></th></tr> </thead> <tbody> <tr> <td>Counterparty on our specified list: Instant access</td><td style="text-align: center;">1.4</td><td></td></tr> <tr> <td>Counterparty only on non specified list: Instant access</td><td style="text-align: center;">1.7</td><td></td></tr> <tr> <td>Counterparty on our specified list: &lt;=364 days</td><td style="text-align: center;">2</td><td>Unlikely</td></tr> <tr> <td>Counterparty only on non specified list: &lt;=364 days</td><td style="text-align: center;">2.4</td><td></td></tr> <tr> <td>Counterparty only on non specified list: &gt;364 days</td><td style="text-align: center;">3</td><td>Likely</td></tr> </tbody> </table>				<i>Likelihood</i>		Counterparty on our specified list: Instant access	1.4		Counterparty only on non specified list: Instant access	1.7		Counterparty on our specified list: <=364 days	2	Unlikely	Counterparty only on non specified list: <=364 days	2.4		Counterparty only on non specified list: >364 days	3	Likely
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Counterparty only on non specified list: >364 days	3	Likely																				
Principal Value	Eligibility																					
Term	Limit with this institution																					
Rate	Existing investment value	<i>Impact of losing the investment</i>																				
Rate %	Value inc new investment	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th><th style="text-align: center;"><i>Impact</i></th><th></th></tr> </thead> <tbody> <tr> <td>Total principal less than £700,000</td><td style="text-align: center;">1</td><td>Negligible</td></tr> <tr> <td>Total principal between £700,000 and £1.4m</td><td style="text-align: center;">2</td><td>Minor</td></tr> <tr> <td>Total principal between 1.4m and £3.5m</td><td style="text-align: center;">3</td><td>Major</td></tr> <tr> <td>Total principal greater than £3.5m</td><td style="text-align: center;">4</td><td>Critical</td></tr> </tbody> </table>				<i>Impact</i>		Total principal less than £700,000	1	Negligible	Total principal between £700,000 and £1.4m	2	Minor	Total principal between 1.4m and £3.5m	3	Major	Total principal greater than £3.5m	4	Critical			
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Total principal between £700,000 and £1.4m	2	Minor																				
Total principal between 1.4m and £3.5m	3	Major																				
Total principal greater than £3.5m	4	Critical																				
Internal Reference	Is it within the limit?	<b>Risk Score :</b>																				
		Risk assessed by:																				
		Risk assessment date:																				

## ADDENDUM TO REPORT CHFCS87

### CABINET 1st FEBRUARY 2010

#### BUDGET CONSULTATION RESULTS

The findings of the consultation in respect of proposed increases to Council Tax for 2010/11 are:

##### Forums

	Grantham	Stamford	Bourne	Deepings	Rural North	Rural South	Total	% Total
Option 1 -no increase	0	4	0	5	1	1	11	14%
Option 2 - 2.5% increase	5	9	6	4	6	2	32	40%
Option 3 - 3.5% increase	7	6	10	8	2	4	37	46%
Total	12	19	16	17	9	7	80	100%

##### Other

	SKToday	On-line	Telephone	Email	Total	% Total
Option 1 -no increase	13	44	22	7	86	60%
Option 2 - 2.5% increase	7	9	7	10	33	23%
Option 3 - 3.5% increase	8	9	0	7	24	17%
Total	28	62	29	24	143	100%



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## Summary of Revenue Estimates by Service Area

### Resources and Organisational Development

Corporate Area	2009/10 Original Base	2010/11 Estimate Base	2011/12 Indicative Base	2012/13 Indicative Base
Alma Park, Grantham	19,000	4,518	4,604	5,221
Awarded Watercourses	27,379	31,079	31,076	31,081
Bourne Leisure Centre	197,390	345,851	347,885	358,015
Bus Stations	63,925	57,695	43,958	47,902
Car Parks	(416,175)	(605,429)	(618,411)	(601,797)
Closed Burial Grounds	56,665	49,343	49,983	50,863
Cycle Centre And Cycleways	11,940	12,822	12,986	13,182
Deepings Leisure Centre	80,700	226,049	230,755	242,260
Fairs	(10,558)	(1,429)	(1,974)	(2,545)
Flood Prevention	122,010	125,874	125,801	125,765
Footway Lighting	193,360	213,158	218,653	224,456
Graham Hill Way, Bourne	(30,813)	(26,479)	(26,671)	(26,339)
Grantham Canal	18,301	18,180	18,194	18,209
Grantham Meres Leisure Centre	481,080	853,656	864,981	893,174
Hollis Road, Grantham	(6,988)	(7,717)	(8,145)	(8,052)
Industrial Estate Management	13,952	0	0	0
Leisure Premises	(16,490)	(10,824)	(11,103)	(10,266)
Markets	4,402	25,272	23,640	26,871
Miscellaneous Property	49,246	50,894	52,745	54,995
Mowbeck Way, Grantham	(17,825)	(17,407)	13,816	14,089
Northfields, Market Deeping	(360,891)	(374,243)	(371,875)	(368,807)
Play Areas & Open Spaces	373,375	346,576	351,040	357,849
Public Conveniences	150,622	135,466	138,448	141,987
Sports Stadium	93,664	144,210	148,455	153,663
Stamford Leisure Centre	177,821	290,932	297,580	306,485
Street Furniture	42,133	44,707	44,737	44,761
Street Grass Cutting	17,026	7,070	8,820	11,496
Travellers Rest Caravan Site	372	(1,065)	(256)	589
Withambrook, Grantham	(37,595)	(26,934)	15,414	15,818
<b>Front-line Services</b>	<b>1,297,028</b>	<b>1,911,823</b>	<b>2,005,134</b>	<b>2,120,923</b>
Assets & Facilities Management	690,981	750,774	757,879	764,201
Human Resources	293,220	286,864	289,653	293,004
Legal Services	331,521	339,562	348,268	354,331
Procurement	41,837	34,192	34,195	34,198
<b>Support Services</b>	<b>1,357,559</b>	<b>1,411,392</b>	<b>1,429,995</b>	<b>1,445,734</b>
<b>Recharged to Services</b>	<b>(1,357,559)</b>	<b>(1,411,392)</b>	<b>(1,429,995)</b>	<b>(1,445,734)</b>
<b>Net General Fund Charge</b>	<b>1,297,028</b>	<b>1,911,823</b>	<b>2,005,134</b>	<b>2,120,923</b>

**RESOURCES AND ORGANISATIONAL DEVELOPMENT**

**BOURNE LEISURE CENTRE CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
<b><u>BOURNE LEISURE CENTRE</u></b>					
6	<u>Outdoor pitches</u> per pitch (2 hours) - full rate	01/04/10	54.35	55.98	Inclusive
<b><u>Membership</u></b>					
7	Adult member	01/04/10	24.60	25.34	Inclusive
	Junior (U16)	01/04/10	12.30	12.67	Inclusive
	Club	01/04/10	49.15	50.62	Inclusive
	Concessionary	01/04/10	12.30	12.67	Inclusive
	Family membership	01/04/10	57.35	59.07	Inclusive
<b>CONCESSIONARY RATES ARE AVAILABLE ON THESE ACTIVITIES AND ARE CHARGED AT 60% OF THE FULL PRICE LISTED.</b>					
<b>THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS</b>					
<b>THE CHARGES SHOWN ARE THE MAXIMUM . THE CONTRACTOR IS NOT OBLIGED TO INCREASE THE CHARGES TO THIS LEVEL.</b>					

**RESOURCES AND ORGANISATIONAL DEVELOPMENT**

**DEEPINGS LEISURE CENTRE CHARGES**

	Detail	Effective Date	2009/10	2010/11	VAT
	<b><u>DEEPINGS LEISURE CENTRE</u></b>		£	£	
7	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/10	1.15	2.21	Inclusive
	Skate Hire / Shuttlecock	01/04/10	-	2.21	
	Badminton/tennis/squash racket	01/04/10	1.80	2.21	Inclusive
8	<u>Synthetic Pitch(per hour)</u>				
	Full synthetic pitch - full rate	01/04/10	46.65	46.65	Inclusive
	Six-a-side - full rate	01/04/10	15.60	16.07	Inclusive
	Floodlights (full pitch) - full rate	01/04/10	17.50	18.37	Inclusive
	Floodlights (six-a-side) - full rate	01/04/10	5.85	6.15	Inclusive
9	<u>Outdoor Facilities (per hour)</u>				
	Floodlights - full rate	01/04/10	6.95	7.29	Inclusive
	Tennis court - full rate	01/04/10	11.65	12.00	Inclusive
	Netball - full rate	01/04/10	17.50	18.03	Inclusive
10	<u>Outdoor pitches</u>				
	per pitch (2 hours) - full rate	01/04/10	58.60	60.35	Inclusive
	<b>CONCESSIONARY RATES ARE AVAILABLE ON THESE ACTIVITIES AND ARE CHARGED AT 60% OF THE FULL PRICE LISTED</b>				

## HEALTHY ENVIRONMENT

### STREET SCENE CHARGES

	Detail	Effective Date	2009/10	2010/11	VAT
			£	£	
1	Wheelie Bins and Sacks				
	Green Waste Joining Fee (including bin)	01/04/10	20.00	26.00	O/Scope
	Additional Green Waste Bin	01/04/10	-	26.00	O/Scope
	Additional Silver Recycling Bin	01/04/10	-	26.00	O/Scope
	Additional clear recycling sacks (pack of 15)	01/04/10	-	1.25	O/Scope
	Replacement of damaged wheelie bins*	01/04/10	-	26.00	O/Scope
	Replacement of damaged wheels and axles*	01/04/10	-	20.00	O/Scope
	Replacement of bin lid pegs*	01/04/10	-	5.00	O/Scope
2	Domestic Refuse Collection				
	Bulk household items - first item	01/04/03	10.00	10.00	O/Scope
	- each additional item	01/04/03	5.00	5.00	O/Scope
	Fridge collection	01/04/03	10.00	10.00	O/Scope
	Provision of additional recycling bags (per pack - 14 bags)	01/04/10	-	5.00	O/Scope
3	MOT testing				
	MOT testing for cars	01/04/10	45.00	50.00	O/Scope
	MOT testing for motorbikes	01/04/09	27.00	30.00	O/Scope
	MOT testing for vehicles up to 3.5 tonnes	01/04/09	55.00	58.00	O/Scope
4	Dog Fouling Penalty	01/04/09	75.00	75.00	O/Scope
5	Private Street Cleansing	01/04/10	Based on cost recovery		

\*where bins have been damaged by the resident