

AGENDA



For a meeting of the
COUNCIL
to be held on
MONDAY, 3 MARCH 2014
at
2.00 PM
in the
COUNCIL CHAMBER - COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM. NG31 6PZ
Beverly Agass, Chief Executive

Members of the Council are invited to attend the above meeting to consider the items of business listed below.

For those Councillors who wish to attend, prayers will be held in the Council Chamber at 1:55pm before the commencement of the meeting. Please be seated by 1:50pm.

1. PUBLIC OPEN FORUM

The public open forum will commence at **2.00 p.m.** and the following formal business of the Council will commence at **2.30 p.m.** or whenever the public open forum ends, if earlier.

2. APOLOGIES FOR ABSENCE

3. DISCLOSURE OF INTERESTS

Members are asked to disclose any interests in matters for consideration at the meeting.

4. MINUTES OF THE MEETING HELD ON 23 JANUARY 2014

(Enclosure)

5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ANNOUNCEMENTS)

(Enclosure)

6. AMENDMENT TO STANDING ORDERS

Report number LDS120 by the Head of Legal and Democratic Services.

(Enclosure)

7. DETERMINATION OF BUDGET 2014/15 (AND INDICATIVE FOR 2015/16 AND 2016/17) - GENERAL FUND, HOUSING REVENUE ACCOUNT AND ASSOCIATED CAPITAL PROGRAMMES

Report number HOF267 by the Leader, Strategic Resources –Well Run Council Portfolio Holder and the Good Housing Portfolio Holder.

(Enclosure)

8. REPRESENTATIVES ON OUTSIDE BODIES

Report number LDS119 of the Chief Executive.

(Enclosure)

The deadline for notices of motion for the Council meeting on Thursday, 17 April 2014 is 2pm on Friday 4 April 2014.

MINUTES

COUNCIL

THURSDAY, 23 JANUARY 2014

2.00 PM



PRESENT

Councillor David Nalson Chairman

Councillor Bob Adams
Councillor Mark Ashberry
Councillor Ray Auger
Councillor Pam Bosworth
Councillor Robert Broughton
Councillor Teri Bryant
Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor Ibis Channell
Councillor George Chivers
Councillor Michael Cook
Councillor Kelham Cooke
Councillor Paul Cosham
Councillor Nick Craft
Councillor Alan Davidson
Councillor Phil Dilks
Councillor Breda Griffin
Councillor Reginald Howard
Councillor Mrs Rosemary Kaberry-Brown
Councillor Vic Kerr
Councillor Jock Kerr
Councillor Michael King
Councillor Charmaine Morgan
Councillor Mrs. Linda Neal
Councillor John Nicholson
Councillor Alan Parkin

Councillor Helen Powell
Councillor Nick Robins
Councillor Graddon Rowlands
Councillor Bob Russell
Councillor Bob Sampson
Councillor Susan Sandall
Councillor Bob Sandall
Councillor Trevor Scott
Councillor Ian Selby
Councillor Mrs Judy Smith
Councillor John Smith
Councillor Jacky Smith
Councillor Peter Stephens
Councillor Judy Stevens
Councillor Adam Stokes
Councillor Mrs Brenda Sumner
Councillor Mrs Jean Taylor
Councillor Mike Taylor
Councillor Jeff Thompson
Councillor Frank Turner
Councillor Bruce Wells
Councillor Martin Wilkins
Councillor Paul Wood
Councillor Rosemary H Woolley
Councillor Raymond Wooten

OFFICERS

Chief Executive (Beverly Agass)
Strategic Director (Tracey Blackwell)
Head of Legal & Democratic Services
(Lucy Youles)

OFFICERS

Head of Finance (Richard Wyles)
Principal Democracy Officer (Jo Toomey)

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47. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bevan, Bisnauthsing, Higgs, Shorrocks and Ian Stokes.

48. DISCLOSURE OF INTERESTS

Councillor Wells disclosed a pecuniary interest in respect of agenda item 6: Health Sustainability Review and the big picture for healthcare in South Kesteven because he worked in the healthcare industry. Mr Kitt, the Chief Officer for the South West Lincolnshire Clinical Commissioning Group invited Councillor Wells to stay in the meeting as the presentation was for information only and all the information contained therein was already in the public domain.

49. MINUTES OF THE MEETING HELD ON 7 NOVEMBER 2013

The minutes of the meeting held on 7 November 2013 were proposed and seconded as a correct record. One Councillor requested that minute number 40: Communications (including Chairman's announcements) be amended. Members were reminded that the minutes of a meeting were not a verbatim record. The proposed amendment was not accepted and a vote was taken to agree the minutes as written. On being put to the vote the minutes were agreed as a correct record.

50. COMMUNICATIONS (INCLUDING CHAIRMAN'S ANNOUNCEMENTS)

The Council noted the Chairman's engagements.

51. HEALTH SUSTAINABILITY REVIEW AND THE BIG PICTURE FOR HEALTHCARE IN SOUTH KESTEVEN

The Chairman introduced Allan Kitt, the Chief Officer of the South West Lincolnshire Clinical Commissioning Group (CCG), who had been invited to give a presentation on the Lincolnshire Health Sustainability Review. Mr Kitt began his presentation by offering the apologies of Gary Thompson (the Chief Officer of the South Lincolnshire CCG) who had been detained at another meeting.

The presentation began with a summary of the drivers behind the review, which included the Frances and Keogh reports that challenged quality, the ageing population, improving technology, the emerging health and care gap, opportunities to improve outcomes and use of resources, and integration with social care.

Key work-streams of the review were: proactive care, urgent care, planned care and women and children's care. The key message coming from the review recognised that improving proactive care was the main solution. Emphasis was placed on opportunities to provide services close to home and creating a

system where health and care were easy to get with reduced duplication. The review also identified benefits in providing more specialist care at fewer places but making it easier to access and integrating commissioning and provision.

Mr Kitt explained the input from the south of the county. Both south and south-west CCGs were part of the programme board and had put forward the case for patients and the population in south Lincolnshire. Members were informed that GPs and medical staff had been involved in setting the vision for the programme, as had the local health watch. The south-west CCG also brought forward its experiences from the Shaping Health for Mid-Kesteven project, which, Members were informed, complemented the sustainability review. Mr Kitt added that GPs in the south and south-west supported the plans that had emerged from the review.

A number of anticipated outcomes for the county were identified including improvements in quality, clinically sustainable services, long-term financial stability, becoming a leader in development, reshaping commissioning and service provision and significantly increasing value while significantly reducing cost.

A summary of the integration of Lincolnshire councils with health services in Lincolnshire was provided. There was strong engagement between councils and the health and well-being board while a strong partnership was growing with the CCG. A joint commissioning framework had been developed and joint teams and projects were emerging. Reference was made to single assessment systems, shared by health and social care with one outcome being the use of personalised budgets. It was hoped that a Pooled Better Care Fund covering £53m by 2017 would prove to be a key driver for joined-up local services.

Phase two of the project would take place from February to September 2014, when detailed service design would be undertaken together with public consultation, the development of relevant specifications and procurement. Phase three was the implementation of the model, which was likely to begin in the late winter and spring with a number of pilot projects and non-consultation actions. Further work on the project would review which services were delivered at all sites, what could be done centrally and where there were opportunities presented by hospital downsizing in favour of community upsizing.

A brief update was given on the Shaping Health for Mid-Kesteven programme: from 6 February 2014 the birthing unit would relocate to Lincoln. The Kingfisher Unit was scheduled to be reshaped in April 2014 while ambulatory care had started and plans for a new day surgery unit were being finalised. A project that was a national first: hospice in hospital, was due to open in July. Accident and emergency conversion work would begin after April 2014 and Councillors were advised that fewer people were using A&E facilities for minor issues.

Members of the Council were given the opportunity to ask questions of Mr Kitt. A number of Members spoke, demonstrating great strength of feeling about the

importance of Grantham hospital and the impact of changes on residents across the district. The subjects of questions included:

- The proximity of Grantham to the A1 and east coast mainline railway and the potential impact of any major accident
- United Lincolnshire Hospitals Trust's increasing deficit
- The number of reviews that health services had undergone
- Staffing arrangements (including the need to recruit more nurses, the impact of budget cuts on front line nursing staff and the impact of the withdrawal of military health personnel from local hospitals)
- Patient choice about the hospital to which they would be admitted
- The weight that would be given to the outcome of public consultation
- Whether the population could trust that the needs of patients would be put first
- Whether the quality of community-based treatment could be effectively monitored
- The future shape of accident and emergency services
- Using education to proactively influence the health of young people
- Safeguarding mothers' welfare and choices about where they have their baby
- The population growth that was expected in South Kesteven

A summary of the responses given is listed below:

- For procedures to be their safest and most effective they should be carried out by staff who specialised in that type of treatment, for example following a major accident on the A1 patients with critical injuries would be taken to Nottingham, which was a teaching hospital with a trauma centre and neurosurgery specialists on site. There was not the critical mass of people in Lincolnshire to warrant such specialist services. Even with the projected population growth, there would not be sufficient people to provide the necessary critical mass
- Views collected in consultation would be important in developing the detailed service proposals that supported the high-level vision and ensuring those services reflected the needs of the population. Members were also reminded that local GPs supported the vision for health services in Lincolnshire.
- The increasing deficit was attributed to the high number of agency staff and duplication of functions across different sites. It was hoped that the proposals arising from the review would begin to tackle the growing deficit leading to services that were sustainable in the long-term
- In respect of longevity, it was hoped that the Health Sustainability Review would provide a model for services for the next ten years however future reviews could be necessitated by changes to patient needs, technological developments and politicians both locally and nationally
- For patients in the south of the county, Peterborough would be the preferred hospital. The drive to increase community based provision,

- particularly in the South of the county was recognised
- The reduction in the number of nurses training began 10 to 15 years ago when fewer cohorts were being trained. A new nursing school had opened at the University of Lincoln, which was developing hundreds of new nurses. Reference was also made to the difficulty of retaining staff in Lincolnshire
- It would be difficult to predict what A&E services would look like in the future however it was anticipated services would include professionals from a range of organisations including health and social care professionals together with representatives from different charities
- Local midwives were working well and encouraged women to make choices. One reason the maternity unit at Grantham had been under-utilised was attributed to mothers who chose to give birth in Nottingham

Mr Kitt added that he would look into the question on the withdrawal of military healthcare personnel and feed back through the Chief Executive.

The Chairman thanked Mr Kitt for his presentation and answering the questions of Members. Councillors showed their appreciation with a round of applause.

52. MEMBERS' REMUNERATION

Decision:

- 1. That the Council accepts the recommendations made by the Welland Independent Remuneration Panel made in its report attached as appendix 1 to report number LDS111***
- 2. That Members' allowances should continue to be index-linked to local authority pay awards***
- 3. That the Constitution be amended to incorporate the approved Scheme of Remuneration***

John Cade, the Chairman of the Welland Independent Remuneration Panel was welcomed to the meeting. Mr Cade explained the process undergone by the panel and summarised its recommendations. Members were informed that the panel used information collected during a workshop session, a timesheet exercise and an evidence-gathering session as the basis for its considerations. He explained that there was no evidence that suggested the basic allowance needed changing. Members' attention was drawn to the proposals relating to special responsibility allowances, which he summarised. These were based on a percentage of the basic allowance that was calculated using evidence of the level of responsibility that was attached to a particular role. When developing its recommendations the panel was mindful of the financial pressures under which councils were operating. The proposals would see a small saving for the Council.

The Council was informed that the indicative figures in the Panel's report, attached as an appendix to report number LDS111, were based on the

allowances paid before the 1% increase was applied in line with the staff pay award. The Panel felt that index linking should continue. Finally Mr Cade expressed the thanks of the Panel to the officers who had supported the review.

Members of the Council expressed their thanks to Mr Cade and the Panel members and it was proposed and seconded that:

1. The Council accepts the recommendations made by the Welland Remuneration Panel made in its report attached as appendix 1 to report number LDS111
2. Members' allowances should continue to be index-linked to local authority pay awards
3. The Constitution be amended to incorporate the approved Scheme of Remuneration

In response to questions, Mr Cade explained that the basic allowance was for time spent by Councillors in carrying out their basic duties and could be equated to an hourly rate. Special responsibilities allowances included acknowledgement of additional time spent on duties but particularly accounted for additional responsibilities placed on individuals. He added that indexing with staff pay awards rather than the retail or consumer price index was more straightforward to calculate and being increasingly adopted as good practice by local authorities.

The proposals were put to the vote and carried.

53. MEMBERSHIP OF COMMITTEES AND POLICY DEVELOPMENT GROUPS

Decision:

That the Council approves the alternative arrangement of holding the vacancy following the resignation of Councillor Debbie Wren until the vacancy has been filled.

The Head of Legal and Democratic Services gave a brief explanation of report number LDS116. The resignation of Councillor Debbie Wren had led to changes in the political balance of the Council. The report proposed two options: the Council could choose to carry the vacancy and make no changes to the membership of committees or it could adjust the membership of its committees to reflect the political balance of the Council. Members were reminded that further revisions would need to be made following a by-election.

Recommendation 1.1 of report number LDS116, which would hold the vacancy, was proposed and seconded.

In accordance with Council Procedure Rule 16.4, a request was made for a recorded vote; this was supported by more than ten Councillors.

(Councillor Jock Kerr was not in the Council Chamber when the recorded vote was taken).

For	Against	Abstain
Councillor Adams		
Councillor Ashberry		
Councillor Auger		
Councillor Mrs Bosworth		
Councillor Broughton		
Councillor Bryant		
Councillor Carpenter		
Councillor Mrs Cartwright		
Councillor Miss Channell		
Councillor Chivers		
Councillor Cook		
Councillor Cooke		
Councillor Cosham		
Councillor Craft		
Councillor Davidson		
Councillor Dilks		
Councillor Griffin		
Councillor Howard		
Councillor Mrs Kaberry-Brown		
Councillor Vic Kerr		
Councillor King		
Councillor Morgan		
Councillor Nalson		
Councillor Mrs Neal		
Councillor Nicholson		
Councillor Parkin		
Councillor Powell		
Councillor Robins		
Councillor Rowlands		
Councillor Russell		
Councillor Sampson		
Councillor Bob Sandall		
Councillor Susan Sandall		
Councillor Scott		
Councillor Selby		
Councillor Jacky Smith		
Councillor John Smith		
Councillor Mrs Judy Smith		
Councillor Peter Stephens		
Councillor Judy Stevens		
Councillor Adam Stokes		
Councillor Mrs Sumner		
Councillor Mrs Taylor		
Councillor Taylor		
Councillor Thompson		

Councillor Turner		
Councillor Wells		
Councillor Wilkins		
Councillor Wood		
Councillor Woolley		
Councillor Wootten		
51	0	0

With all Councillors voting in support, the proposal to hold the vacancy was carried.

54. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

Decision:

1. Authorisation of PCSOs to issue fixed penalty notices

1.1 That the Scheme of Delegation to officers at page 102 of the Constitution is amended to include the authorisation to delegate to Police Community Support Officers (PCSOs) to serve fixed penalty notices.

2. Members Remuneration

2.1 That the Council approves at page 293 paragraph 4 of the Constitution the addition of the words “Co-habiting members shall only be entitled to make one claim per household for broadband allowance.”

2.2 That the recommendations listed at 1.2(2) and 1.2(3) of report number LDS117 be referred to the Governance and Audit Committee for further clarification

3. Public speaking at Development Control Committee

3.1 That the recommendation listed at 1.3 of report number LDS117 be referred for further consideration by the Constitution Committee following consultation with the Development Control Committee

The Chairman of the Constitution Committee presented report number LDS117 which proposed a number of changes to the Constitution. In presenting the report he moved recommendations 1.1 (authorisation of PCSOs to issue fixed penalty notices for dog fouling, littering and graffiti) and 1.2(1) (clarifying that co-habiting members would only be entitled to make one claim per household) as written. He further proposed that recommendations 1.2(2) and 1.2(3) relating to members’ allowances be referred to the Governance and Audit Committee for further clarification and recommendation 1.3, (which related to the period of notice required to request to speak at Development Control Committee) be referred for further consideration by the Constitution Committee following

consultation with the Development Control Committee. These propositions were seconded.

Several Members spoke in support of the proposals, particularly in relation to authorising Police Community Support Officers to issue fixed penalty notices. Members also welcomed the opportunity for the Development Control Committee to be consulted on the issue relating to public speaking at the Committee.

A separate vote was taken for each proposition.

Recommendation 1.1 was put to the vote and carried. Recommendation 1.2(1) was put to the vote and carried. The referral of recommendations 1.2(2) and 1.2(3) to the Governance and Audit Committee were put to the vote and carried unanimously. The referral of recommendation 1.3 for consultation with the Development Control Committee and further consideration by the Constitution Committee was put to the vote and carried unanimously.

55. CLOSE OF MEETING

The meeting was closed at 15:50.

Agenda Item 5

Chairman's Engagements 24 January to 3 March 2014

Date	Ref	Organisation and Event	Location	Chauf
24.01.14	DN93	The Derby, Notts, Mid & South Lincs Section of The Showmen's Guild – Annual Civic Luncheon	Nottingham Belfry Hotel, Nottingham	
30.01.14	DN95	The Worshipful the Mayor & Mayoress of Boston – Britannia Pub Quiz Night	Britannia Pub, Boston	✓
31.01.14	DN106	Lincolnshire County Council (on behalf of RAF Cranwell) – Annual Lord-Lieutenant of Lincolnshire's Reserve Forces Reception	RAF College, Cranwell	✓
07.02.14	DN103	The Town Mayor and Mayoress of Newark Town Council – Charity Burns Night Supper	Newark Town Hall Newark	✓
08.02.14	DN101	Chairman Newark and Sherwood District Council – Last Night of the Proms	Newark Palace Theatre	✓
09.02.14	DN115	Swimarathon	Meres Leisure Centre	
10.02.14	DN113	Lincolnshire County Council – Lord-Lieutenant's Reception – Commonwealth Day Presentation of Flag	The Judges' Lodgings, Lincoln	✓
16.02.14	DN114	The Mayor of Grantham Birthday Party Invitation	The Conservative Club, Grantham	
19.02.14	DN105	Mayor of the City of Lincoln Council – The Fieri Consort performing for the Mayor's Charity	Chapter House, Lincoln Cathedral	✓
28.02.14	DN104	The Mayor and Mayoress of Grantham Town Council – Charity Variety Show & Buffet	The Guildhall Theatre, Grantham	
02.03.14	DN100	The High Sheriff of Lincolnshire Morning Service – end of year in his office	Mattins in Lincoln Cathedral	✓

REPORT TO COUNCIL

REPORT OF: Head of Legal and Democratic Services

REPORT NO: LDS120

DATE: 3rd March 2014

TITLE:	Change to Standing Orders for Voting on Budget Decisions	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Decision of Council	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Paul Carpenter – Portfolio Holder for Governance and Communications	
CONTACT OFFICER:	Head of Legal and Democratic Services - Lucy Youles e-mail: l.youles@southkesteven.gov.uk ; Tel: 01476 406105	
INITIAL IMPACT ANALYSIS:	Carried out and Referred to in paragraph (7) below N/A	Full impact analysis Required: N/A
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 http://www.legislation.gov.uk/uksi/2014/165/made Local Authorities (Standing Orders) (England) Regulations 2001 http://www.legislation.gov.uk/uksi/2001/3384/regulation/5/made Local Government Finance Act 1992 http://www.legislation.gov.uk/ukpga/1992/14/contents	

1. RECOMMENDATIONS

- 1.1 That the Council adopts the requirements of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 relating to recorded votes for budget decisions and approves the amendment to the Constitution to incorporate the amendment in the Council Procedures and the Budget and Policy Framework Rules as follows:
Council Procedures at page 135 of the Constitution – paragraph 16.4 and;
Budget and Policy Framework Procedure Rules at page 164 – paragraph 3 add the words:

A recorded vote shall be taken in respect of any vote for a decision or against a decision or any abstention from voting on any decision relating to the making of calculations in accordance with the Local Government Finance Act 1992 at any budget decision meeting of the Council.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of the report is to inform Members of the recent introduction of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 (2014 Regulations) which require a local authority to amend its standing orders to ensure a recorded vote is taken when the Council is voting on any decision related to the making of a calculation of the council tax requirement at its budget setting meeting.

3. DETAILS OF REPORT

- 3.1 On the 31st January 2014 the 2014 Regulations were laid before Parliament and come into force on the 25th February 2014. The effect of the regulations is to amend the existing 2001 Regulations. The 2001 Regulations make provisions for standing orders which regulate proceedings and business carried out by local authorities.
- 3.2 The amendment to the 2001 Regulations requires that any vote which is taken at a budget decision meeting relating to calculations made in accordance with the Local Government Act Finance 1992 (council tax setting and issuing of precepts) must be a recorded vote. The 2014 Regulations state that a budget decision meeting is one at which the authority makes a calculation in accordance with relevant sections of the Local Government Finance Act. References to a recorded vote in the 2014 Regulations relate to votes on any decision related to the making of the calculation or the issuing of a precept as the case may be.

4. OTHER OPTIONS CONSIDERED

The Regulations come into force on the 25th February 2014 and require local authorities to amend standing orders accordingly. The Council has no other option but to comply with the 2014 Regulations and require a recorded vote on the relevant sections of the decisions to be made at item 7 of the Council meeting to be held on the 3rd March 2014 and every budget setting meeting thereafter.

5. RESOURCE IMPLICATIONS

This report has no resource implications.

6. RISK AND MITIGATION

No significant risks were identified in preparation of this report. The Council must comply with the 2014 Regulations. The required amendments to the Constitution will ensure that the risk of non-compliance is reduced.

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

An equality analysis is not applicable.

8. CRIME AND DISORDER IMPLICATIONS

No crime and disorder implications arise as a result of this report.

9. COMMENTS OF FINANCIAL SERVICES

The decisions to be taken on the Determination of the Budget report have been grouped to show which decisions to be taken require a recorded vote.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

10.1 Legal comments are included in the report.

11. COMMENTS OF OTHER RELEVANT SERVICES

11.1 Not applicable.

REPORT TO COUNCIL

REPORT OF: CLLR MRS L NEAL - LEADER
 COUNCILLOR M TAYLOR – RESOURCES AND
 ASSETS PORTFOLIO HOLDER
 COUNCILLOR T BRYANT – GOOD HOUSING
 PORTFOLIO HOLDER

REPORT NO.: HOF 267

DATE: 3rd MARCH 2014

TITLE:	Determination of Budget 2014/15 and indicative budgets to 2016/17 – General Fund, Housing Revenue Account and associated capital programmes.	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Budget Framework Proposal	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Mrs L Neal Leader of the Council Cllr Mike Taylor Resources and Assets Portfolio Holder Cllr Terl Bryant Housing Portfolio Holder	
CONTACT OFFICER:	Daren Turner – Strategic Director Corporate Focus Tel: 01476 406301 Email: d.turner@southkesteven.gov.uk Richard Wyles – Head of Finance Tel: 01476 406210 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ANALYSIS:	Stage 1 Equality impact analysis and undertaken	Full impact assessment Required: N/A
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Report to Cabinet 3 February 2014 – Budget Proposals 2014/15 http://moderngov.southkesteven.gov.uk/mgConvert2PDF.aspx?ID=12657 Equality analyses: General Fund and Council Tax and Housing Revenue Account http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=261&MId=2986&Ver=4	

1. RECOMMENDATIONS

In relation to the General Fund - Revenue (Recorded Vote)

- a. to set a General Fund budget requirement of £13.185M for 2014/15 shown at Appendix A (inclusive of special expenses) taking into consideration the savings and efficiencies shown at Appendix B
- b. to approve a Council Tax freeze (no increase) for 2014/15
- c. to note the indicative base estimates for 2015/16 and 2016/17 as detailed in the summary at Appendix A.
- d. To approve the fees and charges as shown at Appendix C

In relation to the General Fund – Capital (Recorded Vote)

- e. approve the General Fund Capital programme for 2014/15 to 2018/19 detailed at Appendix D page 1
- f. approve the Capital Financing statement detailed at Appendix D page 2

In relation to the General Fund - Reserves and Balances (Recorded Vote)

- g. to approve the use of reserves as detailed at Appendix E

Management and prudential indicators (Recorded Vote)

- h. to approve the Treasury Management Strategy provided at Appendix F;

In relation to the Housing Revenue Account - Revenue

- i. to approve dwelling rent increases in accordance with Government guideline rent providing an average rent of £78.13 (an average rental increase of 5.13%)
- j. to approve an increase in garage rents of 3.2%
- k. to approve an increase in service charges by 3.2%
- l. to approve the Housing Revenue Account for the year 2014/15 (including the items at Appendix H in the report) and indicative years 2015/16 and 2016/17 shown at Appendix G

In relation to the Housing Revenue Account - Capital

- m. approve the indicative Housing Investment Programme for 2014/15 to 2018/19 detailed at Appendix I page 1
- n. approve the Capital Financing statement detailed at Appendix I page 2

In relation to the Housing Revenue Account - Reserves and balances

- o. to approve the use of the reserves as detailed at Appendix J.

Pay Policy Statement

- p. to approve the pay policy statement shown at Appendix K

PART A

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to present to Council:-
- 2.2 The Budget estimates for 2014/15, revenue and capital, the level of Council tax, housing rent increase and the subsequent Treasury Management Strategy.
- 2.3 Members are asked to consider the contextual information presented and to approve the Council's budget for 2014/15.

3. DETAILS OF THE REPORT

Budget Process - Estimates for 2014/15

- 3.1 The budget has been compiled incorporating the key principles of the Council's Medium Term Financial Strategy (MTFS) and a balanced position has been achieved for 2014/15 against a backdrop of continuing reductions in Government funding. The principles approved by Council have assisted in achieving a budget that will continue to support the delivery of the Council's priorities. This will in turn continue the progress towards the 2021 Vision as identified in the Corporate Plan.

The principles utilised are:

- Council tax level shall be set each financial year having regard to the prevailing conditions at that time (including availability of freeze grants and referendum levels)
- Resources and un-ring fenced grants will be allocated to fund the delivery of the priority outcomes that residents have said are important to them
- An annual review of fees and charges with inflationary increases having regard to the service contribution towards delivery of the priorities and reflecting market conditions prevailing at that time
- The monies received from New Homes Bonus shall be used to fund the delivery of Council priority projects and initiatives
- Reviewing business rate pooling arrangements for 2014/15 whilst ensuring that pooling remains beneficial to the Council
- Reviewing and updating, on an annual basis, the Efficiencies and Business transformation plan and monitor achieved savings

- 3.2 A number of financial assumptions have been incorporated into the budget proposals for the forthcoming year including inflationary impacts and price increases that will affect utility costs, external contracts and fuel prices. The budgets have also been prepared on assumed growth in Band D properties in the district of 0.7% over the coming year. Interest on investment income is expected to be no greater than between 0.5 – 1% over the forthcoming year with no anticipated increase in base rate until 2016. Further details of the Council's investment strategy are contained in Appendix F to this report
- 3.3 The General Fund budget proposes a net service expenditure of £15.038M for 2014/15 broken down by priority focus as follows:

Table 1.

		Original base 2013/14 £'000	Estimated base 2014/15 £'000	Indicative base 2015/16 £'000	Indicative base 2016/17 £'000
1	Grow the Economy	1,410	1,091	1,019	839
2	Clean, Green and Healthy	6,080	5,845	5,800	5,730
3	Leisure, Arts and Culture	2,962	3,116	3,176	3,249
4	Good Housing For All	1,060	979	1,016	1,029
5	Well Run Council	4,107	4,007	4,148	4,026
6	Net Service Expenditure	15,619	15,038	15,159	14,873
7	Net Interest	(245)	(130)	(184)	(234)
8	Minimum Revenue Provision	179	167	160	154
9	Depreciation Charges	(2,734)	(2,772)	(2,601)	(2,456)
10	Revenue contribution to capital	1,400	1,188	500	500
11	Local CT support grant	107	107	96	89
12	Movement on Reserves	(142)	(413)	(137)	(48)
13	Other Reserve movements	(116)	0	(904)	(1,240)
14	Budget Requirement	14,068	13,185	12,089	11,638

3.4 The overall General Fund position for 2014/15 is shown at Appendix A. The total service expenditure (net of direct income) for 2014/15 is estimated at £15.038M. the budget requirement is set at £13.185M (an increase of £15K when compared to report HOF265). The revenue contribution to the capital programme is £1.188M for 2014/15 only as shown at Appendix A of the General Fund position. This additional one-off revenue contribution has been made possible in order to accelerate specific strategic economic regeneration projects during 2014/15 which will further contribute to the delivery of the 'Grow the Economy' priority.

3.5 The proposed budgets include a small number of additional items that have been identified. These can be summarised as:

- Enterprise Event Week March 2015 – The 2015 event will be developed in partnership with other public and private bodies with responsibility or an interest in promoting new business investment in the district. The suggested theme coming forward from businesses is 'sustainability and promoting clusters and local supply chains'. This will tie in with the start of construction on the Southern Quadrant relief road and the Southern Quadrant employment areas being more actively promoted to inward investors. An investment of £30K is requested to support the inclusion of the 2015 event.

- The Business Support programme provides individuals who are exploring the opportunities to establish a new business or new businesses less than two years old to receive free, confidential, face to face business advice from a professionally approved advisor district wide.
The programme was established in response to feedback from enquiries the Council received from individuals that following the centralisation of Business Link service there was no provision to meet this need. The programme has given a clear message to business that the Council is keen to promote growth and support new business. It is proposed to continue the programme in 2014/15 and 2015/16 at £15K per annum.
- Planning Policy Local plan and core strategy £107K - this investment is in place in order to respond to the requirements of the planning policy process.
- Investment of £38K per annum for two years in order to be able to work closely with businesses and local enterprise in a flexible way to undertake a programme of work which will directly support the delivery of the economic development strategy actions.

3.6 The Council continues its track record of delivering savings and efficiencies whilst ensuring that resources are allocated to front line services and delivering priority outcomes. In order to maintain a balanced position for 2014/15, further savings of £431K have been identified in addition to the on-going £1.902M listed at Appendix B. The Council must continue to focus on efficiencies and reduce costs in order to meet the challenges of the future financial position as described at section 5.2. For the next three financial years the employer contribution rates towards employee pensions has been reduced from 21.1% to 17%. This is in response to a proposal put forward following the actuarial valuation of the Lincolnshire Pension Fund. The employer contribution reduction will be offset by annual contributions utilising the pension reserve the Council has established.

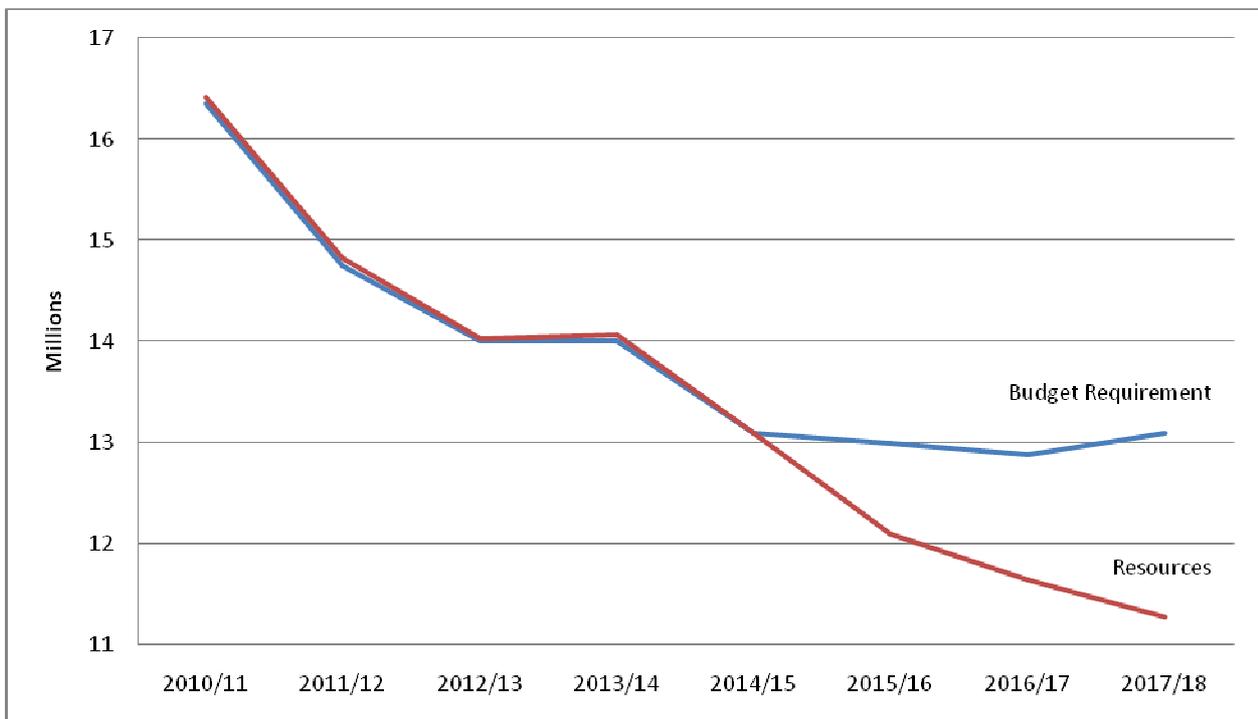
3.7 The proposed Council fees and charges were approved by Cabinet in December 2013, and have been compiled in accordance with the approved charges strategy. This sets out the key principles of the methodology to be used when setting fee structures. Full details of the proposed fees and charges for 2014/15 are provided at Appendix C.

4. The District's basic amount of Council Tax 2014/15

4.1 The Government has announced that a further Council Tax freeze grant in 2014/15 equivalent to a 1% increase is available and the referendum level for 2014/15 has been set at 2%. The grant for the 2014/15 freeze will be paid to participating authorities in the financial years 2014/15 and 2015/16. Therefore if an authority freezes in 2014/15, it will also receive grant in 2015/16 in respect of the freeze decision taken in 2014/15 irrespective of its Council Tax setting decision for 2015/16. Following confirmation that the inclusion of the grant in future years settlements will mean there is no longer a 'cliff edge' once the grant period expires, Cabinet is recommending that the Council approve the freeze grant for 2014/15.

5. Future outlook

- 5.1 Budgets have been prepared for a three year period with indicative budgets prepared for 2015/16 and 2016/17. Provisional settlement figures for 2015/16 have been announced by Government which show a continuing reduction in the amount of Revenue Support Grant that will be awarded by £1.2M. It is anticipated that reductions will continue beyond 2015/16 so the Council is responding by accelerating its savings and transformation proposals, building on the savings and new ways of working that have already achieved significant cost reductions and efficiencies. The Council has made the decision, this year, to join the Lincolnshire business rates pool. The pooling mechanism allows the financial benefits of local business growth to be retained locally rather than being paid to the Government in the form of a levy payment. Early forecast predictions estimate that this could generate in the region of £160K per annum based on an assumed level of economic growth.
- 5.2 The funding gap that is anticipated to emerge beyond 2014/15 is detailed in the Council's MTFS and shows a potential gap of £1.6M increasing to £2.5M by 2017/18 (cumulatively). This gap in funding can now be updated following the incorporation of the MTFS principles into the budget approach, identifying the transformation savings and the anticipated business rate pooling growth. The gap for 2015/16 is now forecast to be £900K increasing to £1.8M in 2017/18. The graph below illustrates this position and clearly shows the dramatic cut in Government grant that the Council has had to endure which amounts to an equivalent reduction of 43% since 2010/11.



Work will continue during the coming months to bridge the budget gap including working with our citizens panel to establish what services are important to our residents, implementing a service review programme to establish the most cost effective way of delivering the services, utilising customer feedback, use of New Homes Bonus to fund priorities and further development of the transformation plan.

6. Housing Revenue Account

- 6.1 The introduction of self-financing has presented the opportunity to review our approach to delivering housing services, enhance our investment in existing stock (where appropriate) and increase the amount of affordable housing stock within the district. In response to the introduction of self-financing and the changes introduced by the Localism Act, the Council has embarked on a programme of housing related projects. This has resulted in the adoption of a new medium term Housing Strategy, an updated Tenancy and Allocations policy and a comprehensive review of the HRA Asset Management Strategy. This work has provided the strategic and policy framework which will ensure that services continue to improve whilst at the same time making the best use of the housing assets.
- 6.2 The draft budget proposals enable key areas of activity to be carried out including:
- Letting homes , managing and supporting tenancies
 - Engaging and involving tenants in service delivery
 - Ensuring that properties meet the decent homes standard (currently at 97%)
 - Providing a timely and effective responsive repairs service;
 - Continuing to improve the energy efficiency of the stock and attracting external funding;
 - Ongoing investment in improving access to sheltered schemes and communal areas of accommodation
 - Acquisition and/or development of additional homes within the HRA
- 6.3 A review of the HRA Business Plan is underway which will set out investment plans for the medium term. Self-financing of the HRA has provided greater flexibility and certainty in planning investment and will enable delivery of projects, particularly the procurement of new affordable housing, in support of corporate priorities.
- 6.4 The Housing Asset Management Strategy 2013-2018 defines a number of key actions that will further improve service and operational delivery. The key objective is to improve the quality and condition of stock beyond the Decent Homes Standard to a South Kesteven Standard.
- 6.5 The Strategy details our commitment to:
- Carry out regular appraisals of the housing stock to ensure that it remains sustainable and meets local housing needs
 - Focus on improving the energy efficiency of non-traditional stock and so reducing the impact of fuel poverty
 - Further improve our repairs and maintenance systems together with our approach to procurement to deliver cost effective and responsive services
 - Identify and develop opportunities to better utilise land and property assets to maximise the availability of affordable housing

7. Housing Revenue Account 2014/2015 – Rent Proposals

- 7.1 The main element of policy relating to the HRA for 2014/15 is the setting of rents. The Council's current policy is to keep in line with the Government's guidance on rent restructuring.
- 7.2 Existing policy is to meet rent convergence (the process whereby the rental levels are brought in line with similar properties in the social sector). The formula used is applying RPI inflation at the previous September (3.2%), plus 0.5% "real growth" + £2 per dwelling. The number of properties expected to reach rent convergence by 2015/16 is approximately 5400 with the remainder of the stock reaching convergence by the following year. For those properties that will have reached rent convergence by 2015/16, Government then expects local authorities to increase rents by no more than CPI (at September of the previous year) + 1 percentage point in any year.
- 7.3 The actual rent is calculated on a property by property basis using these parameters. For 2014/15 this has produced an average increase for SKDC tenants of 5.13%. At the level of individual dwellings, the percentage increase will depend upon each property's proximity to its target, with increases varying between 4.13% and 5.57%. In cash terms, the average weekly rent will be £78.13 with a minimum of £52.24 and a maximum of £112.77. Garage rents and service charges are increased in line with September RPI figure of 3.2%.
- 7.4 Changes by central government to the level of housing benefit being paid to social housing tenants has had an impact on 880 (35.1%) of the 2,507 of the Council's working age tenants and who are considered by the regulations to be under-occupying their existing properties. During the course of 2013/14 information has been provided generally to all tenants through 'Skyline' and those households most likely to be affected have been more directly targeted, having received letters indicating the extent of the financial impact on their household and the offer of advice and assistance. Advice and support continues to be provided to existing tenants who require more information or assistance with managing the impact of a reduction in housing benefit received, including, where appropriate, the options available for moving to accommodation with fewer bedrooms.

8. Reserves and Balances

- 8.1 The Local Government Act 2003 requires the Chief Financial Officer, (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 and their movements is provided at Appendix E.
- 8.2 During the course of the budget preparation work Cabinet has requested a realignment of specific reserves to ensure they are focused on supporting the delivery of the priorities of the Council. The following are a summary of the key changes made to the reserves:
- Destination SK reserve – it is proposed to increase the reserve level to £100k in order to contribute towards the promotion of South Kesteven as a destination of choice.

- Formation of a £1M reserve to financially contribute towards the delivery of key economic development and town centre regeneration projects.
- Transformation reserve - formation of a reserve to fund investments in service change and alternate service delivery models.

8.3 For 2013/14 Council approved the formation of a new reserve entitled 'Business Rate and Council Tax Support Volatility Reserve' which has been created to cushion the Authority against volatility in the collection of local business rates and unforeseen demand on the localised Council Tax support scheme. The amount in the reserve is the equivalent amount between the projected business rates collectable and the level when the Government safety net mechanism will apply. This reserve will also receive the first year's projected surplus that will be generated following the Council decision to join the Lincolnshire business rate pool. However this reserve, including the required financial level, will be reviewed over the period of the MTFS.

8.4 The General Fund working balance is required so that the Council has sufficient funds available to meet its cash flow requirements and to protect services against unforeseen events that have a financial consequence and are not included in the budget framework. The balance has been reviewed and will be reduced from £2.370M to £1.870M in accordance with the reducing net expenditure and the £500K will be utilised to contribute towards the transformation reserve.

The HRA has 4 specific reserves; namely the working balance, the Major Repairs Reserve, the service improvement reserve and the loan repayment reserve. The working balance is intended to provide financial support to the HRA should any significant unforeseen costs arise during the financial year. The Major Repairs Reserve is the primary source of funding for the HRA capital programme and is proposed to be utilised to fund the investment in the housing stock over the next 5 years.

8.5 The service improvement reserve has been utilised to pump prime the employment of four apprentices in Property Services Repairs, which supports the Council's priority of Growing the Economy and growing skills. The loan repayment reserve is receiving annual surplus allocations in order to meet the maturity payment of £25M in 2019/20. However before this payment is made, the HRA has other financing options it can consider such as re-financing the loan in order to utilise the surpluses for other priorities in accordance with the Housing Strategy. Therefore this will be kept under review and members will have the opportunity to consider the financing options available to them before the payment maturity period.

9. Capital Programme 2013/14 - 2018/19

9.1 The recommended combined Capital Programme provides a forecast outturn of £9.475M and an indicative 5 year programme totalling £32.777M. This is a significant and ambitious capital programme in terms of number of projects and level of investment and demonstrates the Council's continued commitment to enhancing the district and its amenities and infrastructure.

9.2 General Fund Programme

9.3 The General Fund capital programme is focussed on the delivery of priority projects particularly in relation to Grow the Economy – economic regeneration. A significant element of the recommended investment is in respect of the St Peter's Hill development. This ambitious proposal involves the redevelopment of land and

premises at St Catherine's Road which will create a 6 screen multiplex cinema thereby bringing significant improvements to the leisure and cultural offer in the vicinity. This level of investment in the town centre will provide an economic boost to the local economy and ensure the Council continues its track record of delivering its priorities. Cabinet has supported this project at its meeting in February 2014 and is seeking approval from Council for the investment.

In addition to this, the programme also includes investment in strategic land acquisition within the district in order to accelerate business growth and investment. Details of the financing arrangements for the entire programme are also provided and demonstrate the Council can afford to fund the programme over the period without the need for external borrowing.

9.4 Housing Investment Programme (HIP)

9.5 The HIP programme is forecast to outturn at £5.794M for 2013/14. The proposed 5 year programme currently focuses on delivery of the decent homes programme together with a range of additional estates management projects. Funding the HIP programme will be met from the major repairs reserve and contributions from revenue.

9.6 The introduction of self-financing presented the opportunity to consider a range of approaches to increasing the amount of affordable housing stock within the district. One of the key priority areas within the Housing Strategy is the desire to encourage the provision of more affordable housing which better meets the needs of our population. During 2012 the Council signed an agreement to retain a proportion of the receipts from "Right to Buy" (RTB) properties to re-invest in the provision of affordable housing within the district. To date 31 applications for RTB sales have been completed during 2013/14 in comparison with a total of 20 during 2012/13. Of these additional sales it is proposed to use £585K of the capital receipts reserve to fund the new build capital programme.

9.7 The development of additional affordable housing within the HRA is likely to include a range of potential approaches, some suitable for the short term and others forming part of a medium to long term approach. Options include:

- Consideration of small scale in-fill and garages sites
- Larger scale developments in partnership with developers, Registered Social Landlords and/or community trusts
- Remodelling of existing stock
- Purchase of new build or RTB buy back opportunities
- Acquisition of land or alternatively building on existing sites

9.8 The self financing arrangements have given the Council the opportunity to deliver the above by allocating £3M to fund new build housing schemes. Existing Council sites have been assessed for suitability and those that present opportunities for new build development that could be achieved have been brought forward. Capital investment has been made at line 5 of the programme as shown at Appendix I Page 1.

9.9 Proposed Financing of the Capital Programme

9.10 Appendix D and Appendix I provides details of the proposed method of financing the capital programmes, which will be reviewed when preparing the Statement of Accounts for each financial year to enable the most financially advantageous form

of financing for the Council. In respect of the General Fund it is proposed to utilise existing reserves and together with a revenue contribution of £1.188M in 2014/15. In respect of HIP it is proposed to finance the programme from the Major Repairs Reserve, useable capital receipts and a revenue contribution of £2M.

10. Prudential Code

10.1 The Council complies with the Prudential Code for controlling Local Government capital. 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.

10.2 The Council's current financial planning systems demonstrate the affordability of the capital programme and the 2014/15 estimates have been prepared in the context of these plans and controls.

11. Treasury Management and Investment Strategy

11.1 In accordance with the requirements of Local Government Act 2003 a Treasury Management Strategy is provided within Appendix F outlining the Council's prudential indicators for 2014/15 – 2016/17 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 F Section 1);
- The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year (Appendix F Section 1);
- 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 F Section 2);
- 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 F Section 3);

12. Collection Fund

12.1 All relevant transactions associated with Council Tax and Non Domestic Business Rates are shown in the Collection Fund.

- 12.2 To comply with CIPFA's Best Value Accounting Code of Practice authorities are required to forecast the outturn on the Collection Fund as at 31st March each year in order to distribute this amount to precepting bodies in the following financial year (together with any remaining unallocated surplus from previous years).
- 12.3 For this financial year SKDC has forecast the outturn for 2013/14 and in 2014/15 will distribute this forecast together with the remaining surplus from the 2012/13 outturn. Remaining surplus (or deficit) from previous years occurs when there is a difference between the forecast for that year and the actual outturn.
- 12.4 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. Any surplus or deficit arising from Non Domestic Business Rates is shared between South Kesteven District Council, Lincolnshire County Council and Central Government in the ratio 40:10:50 respectively.
- 12.5 The accumulated surplus on the Collection Fund at 31st March 2013 was £300K and will have been distributed during 2013/14. The forecast outturn for 2013/14 is a surplus of £353K. A breakdown of the £353K which will be distributed during 2014/15 is provided below. The forecast amount of £91K for the Council is composed of £68K business rates and £23K Council Tax:

Table 2.

Precepting Body	Distribution (£)
South Kesteven District Council	91,331
Central Government	85,976
Lincolnshire CC	150,788
Lincolnshire Police	24,614
Total Surplus on Collection Fund	352,709

- 12.6 With respect to second homes income, Lincolnshire County Council and the Police Authority have confirmed that the additional income will be utilised within the district on agreed schemes that are of mutual benefit. The amount estimated from the County Council for 2014/15 is £117K and from the Police Authority is £20K. It is proposed to spend the allocation on supporting the delivery of disabled facilities grants and community safety.

13. Statement by Chief Finance Officer (S151 officer)

- 13.1 The 2014/15 Budget and indicative budgets for 2015/16 to 2016/17 have been drawn up to take account of the Council's various strategies, policies and the financial context, in particular:
- The Corporate Plan
 - The Medium Term Financial Strategy (MTFS)
 - Service Strategies and Plans
 - Asset Management Strategy
 - The economic context and recent grant announcements
 - The 2013/14 forecast outturn

The MTFs will continue to be reviewed and updated following national policy announcements, in particular any further changes to funding arrangements. This is necessary as the Council progresses its work to close the budget gap referred to at paragraph 5.2 in the report. I can confirm the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves.

14. OTHER OPTIONS CONSIDERED

14.1 N/a

15. RESOURCE IMPLICATIONS

15.1 These are contained in the report.

16. RISK AND MITIGATION

16.1 In formulating the budget proposals a number of risks and factors have been taken into account.

a. The **grant settlement from Government for future years** has been announced for 2014/15 and a provisional amount for 2015/16. It is anticipated that further cuts will be announced in the next spending review following the General Election. The Council will need to meet the shortfall by growing both its business base and stimulating the conditions for housing growth.

b. The impact of the **economic climate** 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.

c. **Investment Income and fees and charges** – 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 the budgeted level. A number of fee income budgets have been included in the proposed budgets which, in themselves, carry a level of risk of not being achieved due to the economic climate.

d. **Rental income** – with the introduction of the spare room subsidy and the Council Tax support scheme there has been a need for extra emphasis on the collection of rent from tenants to ensure the current rental collection performance is achieved. This is particularly relevant in the context of the Housing Business Plan financial model in order to ensure the ambitious plans are financially affordable.

17. ISSUES ARISING FROM IMPACT ANALYSIS

17.1 An impact analysis has been undertaken and is available as background papers.

18. CRIME AND DISORDER IMPLICATIONS

18.1 N/a

19. COMMENTS OF FINANCIAL SERVICES

19.1 In recommending the budget to the Council, the Cabinet must take account of the advice of the Chief Finance Officer in respect of the above. For 2014/15 it can be confirmed that the budget presented to the Cabinet is robust in its formulation and the level of reserves is adequate for the organisation.

20. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

20.1 The budget forms part of the Council's Budgetary Framework. Members should have regard to the comments of the Strategic Director – Corporate Focus as the Council's Chief Financial Officer which are set out in section 13 above when making their recommendations to Council in accordance with the Local Government Act 2003. Any budget must be set in accordance with the Budget and Policy Framework Procedure Rules as set out at part 4 of the Constitution.

21 COMMENTS FROM OTHER RELEVANT SERVICES

21.1 N/a

22. APPENDICES:

Appendix A – Revenue Estimate 2014/15 and indicative budgets 2015/16,
and 2016/17

Appendix B – General Fund Savings and Efficiencies

Appendix C – Fees and Charges

Appendix D – General Fund Capital Programme and Financing

Appendix E – General Fund Reserves and Balances

Appendix F – Treasury Management Strategy

Appendix G – HRA Summary Account

Appendix H – HRA Savings and additional items

Appendix I – Housing Improvement Programme and Financing

Appendix J – HRA Reserves and Balances

Appendix K – Pay Policy Statement

COUNCIL TAX SETTING - PART B

1 INTRODUCTION

The purpose of this part of the report is to set the level of Council Tax for 2014/15 in accordance with relevant statutory requirements.

2 RECOMMENDATIONS

The requirements are set out in paragraphs 32 to 36 of the Local Government Finance Act 1992, as amended (the "Act") it is necessary for the Council to adopt the following formal recommendations:-

- 1) That the following amounts be calculated by the Council for the year 2014/15 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (as amended)
 - a) £60,393,983 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act (including special expense and parish precepts).
 - b) £45,804,502 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.
 - c) £14,589,481 being the amount by which the aggregate at a) above exceeds the aggregate at b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
 - d) £7,048,000 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates and Revenue Support Grant increased by the amount of the sum to be transferred from the Collection Fund to the General Fund
 - e) £173.33 being the amount at c) above less the amount at d) above, all divided by the Council's tax base of 43,522.40 as recorded in minute 28 of the cabinet meeting of 2 December 2013, in accordance Section 33(1) of the Act, as the basic amount of its Council Tax for the year 2014/15.
 - f) £1,993,759 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
 - g) £127.47 being the amount of e) above, less the result given by dividing the amount of f) above by the Council's tax base relating to special items as set on 2 December 2013, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for year for dwellings in those parts of its area to which no special item relates.

h) Part of the Council's area

Adjusted Band D equiv.

<u>Parish</u>	<u>Adjusted Band D Equivalent</u>
	No.
Grantham combined	9,823.84
Stamford combined	6,621.43
Bourne combined	4,801.87
Allington	335.73
Ancaster	529.97
Aslackby	102.52
Barholm & Stowe	32.79
Barkston and Syston combined	243.04
Barrowby	672.69
Baston	520.94
Belton & Manthorpe	199.92
Billingham	441.69
Bitchfield & Bassingthorpe	52.96
Boothby Pagnell	59.51
Braceborough & Wilsthorpe	138.22
Ropsley, Humby, Braceby, Sapperton combined	311.15
Burton Coggles	36.45
Careby	72.11
Carlby	200.91
Carlton Scroop and Normanton combined	117.48
Castle Bytham	287.41
Caythorpe & Frieston	505.88
Claypole	496.92
Colsterwoth, Gunby & Stainby, North Witham combined	708.15
Corby Glen & Birkholme	381.41
Counthorpe & Creeton	27.25
Deeping St James	2,322.04
Denton	117.91
Dowsby	52.88
Dunsby	43.72
Stoke Rochford and Easton combined	81.62
Edenham	103.79
Fenton	56.87
Folkingham	264.58
Foston	209.88
Fulbeck	211.25
Greatford	123.52
Great Gonerby	700.90
Great Ponton	118.83
Haconby & Stainfield	179.23
Harlaxton	325.93
Heydour	148.75

Honington	64.95
Horbling	147.40
Hougham	79.53
Hough-on-the-Hill	158.43
Ingoldsby	108.48
Irnham	105.71
Kirkby Underwood	76.95
Langtoft	734.16
Lenton, Keisby & Osgodby	65.08
Little Bytham	105.58
Little Ponton & Stroxton	63.78
Londonthorpe & Harrowby without combined	1,642.49
Long Bennington	874.08
Market Deeping	1,927.36
Marston	144.59
Morton & Hanthorpe	784.53
Old Somerby	85.85
Pickworth	73.71
Pointon & Sempringham	183.57
Rippingale	323.41
Sedgebrook	141.92
Skillington	128.26
South Witham	435.93
Stubton	71.36
Swayfield	138.36
Swinstead	72.28
Tallington	192.36
Thurlby	778.39
Toft Lound & Manthorpe	136.12
Uffington	311.58
Welby	77.38
Westborough & Dry Doddington	144.42
West Deeping	113.28
Witham-on-the-Hill	94.60
Woolsthorpe	133.91
Wyville cum Hungerton	18.62

being calculated by adding to the amount at (g) above the amounts of special item relating to dwellings in those parts of the Council's area, divided in each case by the individual tax bases as recorded in minute 33 in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which special item relates.

- i) The amounts on the attached schedule (Appendix A to Part B), being the amounts given by multiplying the amounts at g) above and h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in

valuation Band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- j) That it be noted that for the year 2014/15 Lincolnshire County Council has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwellings shown below:-

Valuation Band

A £	B £	C £	D £	E £	F £	G £	H £
TBC*							

- k) That it be noted that for the year 2014/15, Police and Crime Commissioner has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Valuation Band

A £	B £	C £	D £	E £	F £	G £	H £
129.24	150.78	172.32	193.86	236.94	280.02	323.10	387.72

- l) That, having calculated the aggregate in each case of the amounts at i), j) and k) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts in Appendix B to part B as the levels of Council Tax for the year 2014/15 for the categories of dwellings shown in Appendix A to part B.

3 BACKGROUND

- 3.1 The Council's budget requirement has been recommended by the Cabinet and is dealt with in Part A of this report. Parish precepts are added to the District Council's net expenditure requirement. Government support and adjustments to Collection Fund relating to Community Charge and District Council's share of Council Tax are then deducted from the spending requirement to give a Demand on the Collection Fund.
- 3.2 The Council Tax Base of 43,522.4 was approved at the Cabinet meeting held on 2 December 2013 and the budget requirement will be spread by reference to the tax base previously approved, taking into account the precepts of individual Parishes recoverable over the Parish tax base.

3.3 The Council Tax bill for 2014/15 includes the requirements of Lincolnshire County Council and the Lincolnshire Police Authority which are responsible for setting their own Council Tax levels.

3.4 Lincolnshire County Council determined its Council Tax requirement at the meeting held on 21 February 2014, as follows:

Total Council Tax Requirement	£TBC*
SKDC precept element	£127.47
Band D tax	£TBC*

3.5 The Lincolnshire Police and Crime Panel considered the Police and Crime Commissioner Lincolnshire’s proposals at its meeting held on 6 February 2014. Subsequently The Police and Crime Commissioner has confirmed his Council Tax requirement as follows:

Total Council Tax Requirement	£TBC*
SKDC precept element	£127.47
Band D tax	£193.86

3.6 The overall increases for Band D tax payers, by Authority, are shown in the table below:

Council Tax Details 2014/15				
	2013/14 Band D	2014/15 Band D	Increase £	Increase %
Lincolnshire County Council	1065.69	TBC*	TBC	TBC
Lincolnshire Police Authority	190.08	193.86	3.78	1.99
South Kesteven District Council	127.47	127.47	0	0
South Kesteven + Special Expenses	139.62	139.62	0	0
South Kesteven + Special Expenses + Parishes	172.50	173.33	0.83	0.48

*(detailed information from the major preceptors will be circulated prior to the meeting)

4 SETTING THE COUNCIL TAX

4.1 The Local Government and Finance Act 1992 requires the Council to set Council Tax across the 8 valuation bands, and all precepting Parishes. The levels of overall Council Tax by Parish are attached at Appendix B to part B.

5. COMMENTS OF FINANCIAL SERVICES

5.1 The financial implications of this section are included in Part A of the report above.

6 COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

6.1 The Local Government Finance Act 1992 sets out the requirements placed upon the Council in relation to making formal recommendations relating to the setting of Council Tax and the Council’s responsibilities as a billing authority.

SUMMARY OF GENERAL FUND ESTIMATES 2014/15

Appendix A

	2013/14 Original Base <u>£'000</u>	2014/15 Estimate Base <u>£'000</u>	2015/16 Indicative Base <u>£'000</u>	2016/17 Indicative Base <u>£'000</u>
Grow The Economy	1,410	1,091	1,019	839
Keep SK Clean, Green & Healthy	6,080	5,845	5,800	5,730
Promote Leisure, Arts & Culture	2,962	3,116	3,176	3,249
Support Good Housing For All	1,060	979	1,016	1,029
Well Run Council	4,107	4,007	4,148	4,026
<u>NET COST OF SERVICES</u>	<u>15,619</u>	<u>15,038</u>	<u>15,159</u>	<u>14,873</u>
Interest and Investment Income	(275)	(150)	(200)	(250)
Interest Payable	30	20	16	16
Minimum Revenue Provision	179	167	160	154
Depreciation Charged to Revenue Accounts	(2,734)	(2,772)	(2,601)	(2,456)
Revenue Contribution to Capital	1,400	1,188	500	500
Local Council Tax Support Scheme Grant (Parish and SEA's)	107	107	96	89
Movement on Reserves				
-Net Movement in General Fund Specific Reserves	(142)	(413)	(137)	(48)
-New Homes Bonus	(116)	0	(904)	(1,240)
<u>BUDGET REQUIREMENT - GENERAL FUND</u>	<u>14,068</u>	<u>13,185</u>	<u>12,089</u>	<u>11,638</u>
Formula Grant	(7,761)	(6,957)	(5,863)	(5,226)
Council Tax Freeze Grant	(157)	(60)	(60)	(60)
Collection Fund Surplus	(37)	(91)	0	0
<u>DISTRICT COUNCIL TAX REQUIREMENT (EXCL PARISHES)</u>	<u>6,113</u>	<u>6,077</u>	<u>6,166</u>	<u>6,352</u>
		0	0	0
SKDC Budget Requirement	5,582	5,547	5,642	5,813
Bourne Special Expense Area	24	25	25	26
Deepings Special Expense Area	13	13	13	13
Grantham Special Expense Area	419	415	408	420
Langtoft Special Expense Area	8	8	8	8
Stamford Special Expense Area	67	69	70	72
Parish Precepts (Net of Local Council Tax Support Scheme Grant)	1,345	1,369	1,369	1,369
<u>COUNCIL TAX REQUIREMENT (INCL PARISHES)</u>	<u>7,458</u>	<u>7,446</u>	<u>7,535</u>	<u>7,721</u>

Council Tax Details 2014/15

	2013/14 Band D	2014/15 Band D	Increase £	Increase %
South Kesteven District Council	127.47	127.47	0.00	0.00
South Kesteven + Special Expenses	139.62	139.62	0.00	0.00
South Kesteven + Special Expenses + Parishes	172.50	173.33	0.83	0.48

SAVINGS AND EFFICIENCIES

Service Description	Amount in 2014/15 (£)
1 Invest to save payback - savings achieved from Invest to Save initiatives	102,000
2 Leisure Centres - Solar panel feed in tariffs and management fee reductions	165,000
3 Vehicle Maintenance - consumable savings due to purchase of new fleet	50,000
4 Internal Audit - Contract savings	10,000
5 Utilities - Contract review	42,000
6 Centralisation of budgets such as stationery and advertising	25,000
7 Grounds maintenance - Contract review	37,000
8 Total	431,000
Previous Years savings carried forward (material items)	
1 Insurance premium – contract review and change in internal premiums	92,000
2 Photocopier contract – review of existing arrangements and rationalisation of hardware requirements	22,000
3 Stamford civics contract – street scene service won the re-tender for the provision of this service on behalf of LCC	50,000
4 Audit Fees – following abolishment of Audit Commission and provision of new external auditors	45,000
5 Cash Collection Contract renewal	49,000
6 Environment Services Restructure	42,000
7 Review of staffing and management arrangements	300,000
8 Centralised ICT	22,000
9 Development and Growth Restructure	16,000
10 Budget Reduction Work	226,000
11 Contribution to Green Waste Service	680,000
12 Vacancy Management	358,000
13 Total	1,902,000
14 Grand Total	2,333,000

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	CAR PARKS - GRANTHAM				
1	SHORT STAY (EXCEPT WHARF ROAD)				
	Up to 30 mins	01/04/10	0.50	0.50	Inclusive
	Up to 1 hour	01/04/10	0.80	0.80	Inclusive
	Up to 2 hours	01/04/10	1.30	1.30	Inclusive
	Up to 3 hours	01/04/10	1.80	1.80	Inclusive
	Up to 4 hours	01/04/10	3.00	3.00	Inclusive
	Over 4 hours	01/04/10	4.00	4.00	Inclusive
	SHORT STAY Wharf Road Grantham				
	Up to 30 mins	01/04/10	0.50	0.50	Inclusive
	Up to 1 hour	01/04/10	0.80	0.80	Inclusive
	Up to 2 hours	01/04/10	1.30	1.30	Inclusive
	Up to 3 hours	01/04/10	1.80	1.80	Inclusive
	Up to 4 hours	01/04/10	6.00	6.00	Inclusive
	Over 4 hours	01/04/10	8.00	8.00	Inclusive
2	LONG STAY				
	Up to 3 hours	01/04/10	1.80	1.80	Inclusive
	Up to 4 hours	01/04/10	2.50	2.50	Inclusive
	All day	01/04/10	3.00	3.00	Inclusive
3	LONG STAY SEASON TICKETS (Monday to Friday)				
	Per quarter	01/04/10	99.00	99.00	Inclusive
	Per 6 months	01/04/10	190.00	190.00	Inclusive
4	LONG STAY SEASON TICKETS (Monday to Saturday)				
	Per quarter	01/04/10	120.00	120.00	Inclusive
	Per 6 months	01/04/10	230.00	230.00	Inclusive
	Season Ticket Discount Offer	Purchase	Additional Tickets Free		
		4	1.00		
		8	2.00		
		15	5.00		
5	PENALTY CHARGE NOTICES				
	Failure to display	01/04/13	70.00	70.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/13	35.00	35.00	O/Scope
	Parking for longer etc	01/04/13	50.00	50.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/13	25.00	25.00	O/Scope

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	CAR PARKS - STAMFORD				
1	SHORT STAY				
	Up to 30 mins	01/04/10	0.50	0.50	Inclusive
	Up to 1 hour	01/04/10	0.80	0.80	Inclusive
	Up to 2 hours	01/04/10	1.30	1.30	Inclusive
	Up to 3 hours	01/04/10	1.80	1.80	Inclusive
	Up to 4 hours	01/04/10	3.00	3.00	Inclusive
	Over 4 hours	01/04/10	4.00	4.00	Inclusive
2	LONG STAY				
	Up to 3 hours	01/04/10	1.80	1.80	Inclusive
	Up to 4 hours	01/04/10	2.50	2.50	Inclusive
	All day	01/04/10	3.00	3.00	Inclusive
3	COACH PARKING (ALL DAY)				
	Cattle Market	01/04/10	10.00	10.00	Inclusive
4	LONG STAY SEASON TICKETS (Monday to Friday)				
	Per quarter	01/04/10	99.00	99.00	Inclusive
	Per 6 months	01/04/10	190.00	190.00	Inclusive
5	LONG STAY SEASON TICKETS (Monday to Saturday)				
	Per quarter	01/04/10	120.00	120.00	Inclusive
	Per 6 months	01/04/10	230.00	230.00	Inclusive
	Season Ticket Discount Offer	Purchase	Additional Tickets Free		
		4	1.00		
		8	2.00		
		15	5.00		
6	PENALTY CHARGE NOTICES				
	Failure to display	01/04/13	70.00	70.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/13	35.00	35.00	O/Scope
	Parking for longer etc	01/04/13	50.00	50.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/13	25.00	25.00	O/Scope

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	BUS STATION - GRANTHAM				
1	Per Departure	01/04/14	0.75	0.77	Inclusive
2	<u>Minimum Charge</u> 1-75 departures per annum	01/04/14	50.00	51.00	Inclusive
	BUS STATION - STAMFORD				
3	Per Departure	01/04/14	0.75	0.77	Inclusive
4	<u>Minimum Charge</u> 1-75 departures per annum	01/04/14	50.00	51.00	Inclusive
	BUS STATION - BOURNE				
5	Per Departure	01/04/14	0.75	0.77	Inclusive
6	<u>Minimum Charge</u> 1-75 departures per annum	01/04/14	50.00	51.00	Inclusive

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	CYCLE CENTRE AT ST CATHERINE'S ROAD GRANTHAM				
1	<u>13 weeks charge</u>				
	Small locker	01/04/14	27.00	27.50	Inclusive
	Large locker	01/04/14	32.50	33.50	Inclusive
2	<u>26 weeks charge</u>				
	Small locker	01/04/14	42.00	43.00	Inclusive
	Large locker	01/04/14	53.00	54.50	Inclusive
3	<u>52 weeks charge</u>				
	Small locker	01/04/14	62.00	63.50	Inclusive
	Large locker	01/04/14	76.00	78.00	Inclusive
4	Deposit for entry key and locker key	01/04/14	10.80	11.00	Inclusive

Detail									
Category of work	Full Plans Application						Building Notice Applications		
	Plan Charge			Inspection Charge			Building Notice Charge		
	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £
Renovation of a thermal element to a single existing dwelling (eg external insulation)	180.00	36.00	216.00	NA	NA	NA	180.00	36.00	216.00
Replacement of windows/external doors of an existing dwelling (where all are replaced at the same time)	150.00	30.00	180.00	NA	NA	NA	150.00	30.00	180.00
Any electrical work to a dwelling other than a complete rewire	180.00	36.00	216.00	NA	NA	NA	180.00	36.00	216.00
Electrical work involving the complete re-wiring of an existing dwelling	250.00	50.00	300.00	NA	NA	NA	250.00	50.00	300.00
Removal of a single load bearing wall or chimney stack in an existing dwelling	180.00	36.00	216.00	NA	NA	NA	180.00	36.00	216.00
Installation of PV panels or solar heating system to an existing dwelling	150.00	30.00	180.00	NA	NA	NA	150.00	30.00	180.00
Installation of a controlled fitting to an existing dwelling	180.00	36.00	216.00	NA	NA	NA	180.00	36.00	216.00
Re-roofing of an existing dwelling	180.00	36.00	216.00	NA	NA	NA	180.00	36.00	216.00
Work for which the estimated cost is up to £2,000	180.00	36.00	216.00	NA	NA	NA	180.00	36.00	216.00
Work for which the estimated cost is over £2,000 and up to £5,000	225.00	45.00	270.00	NA	NA	NA	225.00	45.00	270.00

For any work not covered in the above table, please contact us on 01476 406187 or e-mail bcontrol@southkesteven.gov.uk for a quotation.

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	BUILDING CONTROL CHARGES				
1	<u>Ordnance Survey Plans</u>				
	Building Regs application site plans				
	Scale 1 - 500 rural & urban (up to 6 No.)	01/04/14	10.25	10.55	Zero rated
	Scale 1 - 1250 rural & urban (up to 6 No.)	01/04/14	26.70	27.50	Zero rated
	Scale 1 - 1250 rural & urban (7-8 No.)	01/04/14	28.70	29.55	Zero rated
	Scale 1 - 1250 rural & urban (9-10 No.)	01/04/14	32.85	33.80	Zero rated
	Scale 1 - 1250 rural & urban (11 No.)	01/04/14	36.95	38.05	Zero rated
	Scale 1 - 2500 rural & urban (up to 6 No.)	01/04/14	26.70	27.50	Zero rated
	Scale 1 - 2500 rural & urban (7-8 No.)	01/04/14	28.70	29.55	Zero rated
	Scale 1 - 2500 rural & urban (9-10 No.)	01/04/14	32.85	33.80	Zero rated
	Scale 1 - 2500 rural & urban (11 No.)	01/04/14	36.95	38.05	Zero rated
	Scale 1 - 2500 urban starts at £52 (but this scale is not required)				
2	<u>Plans and drawings produced in Dept. - Copies</u>				
	Copies of building control notices are available upon request.				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	MARKETS - GRANTHAM				
1	Standard Stall (3.05m x 1.22m)	01/04/12	21.50	21.50	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/12	23.50	23.50	Exempt
2	Pitch (3.05m x 3.05m)	01/04/12	20.00	20.00	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/12	20.50	20.50	Exempt
	Hot food units	01/04/12	23.50	23.50	Exempt
3	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/12	6.40	6.40	Inclusive
	Large vehicles	01/04/12	9.80	9.80	Inclusive
	MARKETS - STAMFORD				
4	Standard Stall (3.05m x 1.22m)	01/04/14	23.00	23.50	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/14	25.50	26.00	Exempt
5	Pitch (3.05m x 1.22m)	01/04/14	20.50	21.00	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/14	22.50	23.00	Exempt
	Hot food units	01/04/14	25.50	26.00	Exempt
6	Craft fair - Table	01/04/14	23.50	24.00	Exempt
7	Craft fair - Stall	01/04/14	28.50	29.00	Exempt
8	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/14	6.40	6.50	Inclusive
	Large vehicles	01/04/14	9.80	10.00	Inclusive
	MARKETS - BOURNE				
9	Standard Stall (3.05m x 1.22m)	01/04/14	18.50	19.00	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/14	19.50	20.00	Exempt
10	Pitch (3.05m x 3.05m)	01/04/14	15.50	16.00	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/14	15.50	16.00	Exempt
11	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/14	6.40	6.60	Inclusive
	Large vehicles	01/04/14	9.80	10.00	Inclusive
12	Hire of stall for private function (collection only)*	01/04/14	10.30	10.60	Exempt
13	FOR ALL MARKETS				
	Farmers market - 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 / Stall	£5 / Stall	

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

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>BOURNE LEISURE CENTRE</u>				
1	<u>Swimming Pool</u>				
	Swimming - full rate	01/04/14	4.55	4.70	Exempt
	Swimming - concession	01/04/14	2.95	3.10	Exempt
	Under 5's	01/04/12	0.75	0.75	Exempt
	Parent and toddler session	01/04/14	4.60	4.75	Exempt
	Exclusive pool hire (per hour)	01/04/14	135.00	139.15	Exempt
	LCC Schools (per individual)	01/04/13	1.05	1.05	Exempt
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/14	50.80	52.40	Exempt
	Commercial	01/04/12	Negotiable	Negotiable	Exempt
	Badminton - full rate	01/04/14	10.75	11.05	Exempt
	Cricket nets - full rate	01/04/14	50.00	52.25	Exempt
	Table tennis - full rate per hour	01/04/14	6.10	6.35	Exempt
3	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/14	7.35	7.65	Exempt
4	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/14	2.65	2.75	Exempt
	Activity room/meeting room - full rate	01/04/14	22.50	23.25	Exempt
	Spectator (per individual)	01/04/14	1.05	1.15	Exempt
5	<u>Hire of equipment</u>				
	Rackets and balls (all types of rackets and balls)	01/04/14	2.00	2.10	Exempt

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>BOURNE LEISURE CENTRE</u>				
6	Membership				
	Adult member	01/04/14	21.50	22.50	Exempt
	Junior (U16)	01/04/14	10.50	10.90	Exempt
	Club	01/04/14	41.50	42.75	Exempt
	Concessionary	01/04/14	10.50	10.90	Exempt
	Family membership	01/04/14	45.10	47.55	Exempt
	THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>DEEPINGS LEISURE CENTRE</u>				
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/14	4.05	4.10	Exempt
	Swimming - concession	01/04/14	2.55	2.65	Exempt
	Under 5's	01/04/12	0.65	0.65	Exempt
	Parent and toddler session	01/04/14	4.15	4.25	Exempt
	Exclusive pool hire (per hour)	01/04/14	87.20	85.00	Exempt
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/14	46.15	47.55	Exempt
	Commercial	01/04/12	Negotiable	Negotiable	Exempt
	Badminton - full rate	01/04/14	11.15	11.30	Exempt
	Roller skating - adult	01/04/14	3.00	3.10	Exempt
	Roller skating - concession	01/04/14	2.45	2.50	Exempt
	Cricket nets - full rate	01/04/14	46.15	47.55	Exempt
	Table tennis - full rate per hour	01/04/14	6.85	6.50	Exempt
3	<u>Squash Court (per 40 mins) - full rate</u>	01/04/14	7.55	7.80	Exempt
4	<u>Second Hall (per hour)</u>				
	Sporting - full rate	01/04/14	22.55	23.25	Exempt
	Commercial	01/04/12	Negotiable	Negotiable	Exempt
5	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/14	4.90	5.00	Exempt
6	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/14	1.80	1.85	Exempt
	Activity room/meeting room - full rate	01/04/14	14.35	14.80	Exempt
	Sports bar - full rate	01/04/14	14.35	14.80	Exempt
	Committee room - full rate	01/04/14	7.55	9.50	Exempt
	Whole bar area - full rate	01/04/14	28.75	N/A	Exempt
	Spectator (per individual)	01/04/14	1.25	1.30	Exempt

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>DEEPINGS LEISURE CENTRE</u>				
7	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/14	2.05	2.10	Exempt
	Skate hire / shuttlecock	01/04/14	2.05	2.10	Exempt
	Badminton/tennis/squash racket	01/04/14	2.05	2.10	Exempt
8	<u>Synthetic Pitch (per hour)</u>				
	Full synthetic pitch - full rate	01/04/14	46.15	47.50	Exempt
	Six-a-side - full rate	01/04/14	17.90	18.80	Exempt
	Floodlights (full pitch) - full rate	01/04/14	18.55	19.10	Exempt
	Floodlights (six-a-side) - full rate	01/04/14	6.85	7.10	Exempt
9	<u>Outdoor Facilities (per hour)</u>				
	Tennis court - full rate	01/04/14	10.25	10.55	Exempt
	Netball - full rate	01/04/14	20.10	20.70	Exempt
10	<u>Outdoor pitches</u>				
	per pitch (2 hours) - full rate	01/04/14	52.35	53.90	Exempt
	Includes marking out and accommodation				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>THE GRANTHAM MERES LEISURE CENTRE</u>				
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/14	4.55	4.70	Exempt
	Swimming - concession	01/04/14	3.05	3.15	Exempt
	Under 5's	01/04/12	0.75	0.75	Exempt
	Parent and toddler session	01/04/14	4.70	4.85	Exempt
	Exclusive pool hire (per hour)	01/04/14	133.40	137.40	Exempt
	LCC Schools (per individual)	01/04/13	1.05	1.05	Exempt
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/14	71.80	73.95	Exempt
	Commercial	01/04/12	Negotiable	Negotiable	Exempt
	Badminton - full rate	01/04/14	10.60	10.90	Exempt
	Climbing wall - full rate	01/04/14	7.25	7.45	Exempt
	Table tennis centre hall	01/04/14	53.45	55.05	Exempt
	Table tennis - full rate per hour	01/04/14	6.25	6.45	Exempt
3	<u>Second Hall (per hour)</u>				
	Sporting - full rate	01/04/14	34.05	35.05	Exempt
	Commercial	01/04/12	Negotiable	Negotiable	Exempt
4	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/14	8.00	8.25	Exempt
5	<u>Miscellaneous (per hour)</u>				
	Activity room/meeting room - full rate	01/04/14	14.90	15.35	Exempt
	Sports bar - full rate	01/04/14	17.15	17.65	Exempt
	Function room - full rate	01/04/14	15.70	16.15	Exempt
	Spectator (per individual)	01/04/14	1.20	1.25	Exempt
6	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/14	2.15	2.20	Exempt
	Badminton/tennis/squash racket	01/04/14	2.15	2.20	Exempt

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>THE GRANTHAM MERES LEISURE CENTRE</u>				
7	<u>Synthetic Pitch (per hour)</u>				
	Full synthetic pitch - full rate	01/04/14	50.25	51.75	Exempt
	Six-a-side - full rate	01/04/14	17.80	18.35	Exempt
	Floodlights (full pitch) - full rate	01/04/14	20.40	21.00	Exempt
	Floodlights (six-a-side) - full rate	01/04/14	7.00	7.20	Exempt
8	<u>Outdoor Facilities - (per hour)</u>				
	Floodlights - full rate	01/04/14	8.15	8.40	Exempt
	Tennis court - full rate	01/04/14	12.95	13.35	Exempt
	Netball - full rate	01/04/14	18.45	19.00	Exempt
9	<u>Membership</u>				
	Adult member	01/04/14	23.55	24.25	Exempt
	Junior (U16)	01/04/14	11.30	11.65	Exempt
	Concessionary	01/04/14	11.30	11.65	Exempt
	Family membership	01/04/14	54.35	56.00	Exempt
	THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>STAMFORD LEISURE CENTRE</u>				
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/14	4.50	4.65	Exempt
	Swimming - concession	01/04/14	3.05	3.15	Exempt
	Under 5's	01/04/12	0.75	0.75	Exempt
	Parent and toddler session	01/04/14	4.75	4.90	Exempt
	Exclusive pool hire (per hour)	01/04/14	134.90	138.95	Exempt
	LCC schools (per individual)	01/04/12	1.05	1.05	Exempt
	Spectator (per individual)	01/04/14	1.20	1.25	Exempt
2	<u>Membership</u>				
	Adult member	01/04/14	23.55	24.25	Exempt
	Junior (U16)	01/04/14	11.30	11.65	Exempt
	Concessionary	01/04/14	11.30	11.65	Exempt
	Family membership	01/04/14	54.35	56.00	Exempt

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	<u>SOUTH KESTEVEN SPORTS STADIUM</u>				
1	<u>Track Hire</u>				
	Adult	01/04/14	44.10	45.40	Exempt
	Concession	01/04/14	27.70	28.55	Exempt
	Floodlights	01/04/14	34.35	35.40	Exempt
	Commercial	01/04/12	Negotiable	Negotiable	Exempt
	Non-sporting / Non-commercial	01/04/14	52.75	54.35	Exempt
2	<u>Individual use (per hour)</u>				
	Adult	01/04/14	3.80	3.90	Exempt
	Concession	01/04/14	2.40	2.45	Exempt
	Spectator (per individual)	01/04/14	1.20	1.25	Exempt
	Hire of equipment (per booking)	01/04/14	21.85	22.50	Exempt
	Setting up time - by SKDC	01/04/14	21.85	22.50	Exempt
3	<u>Football pitch hire</u>				
	Pitch hire (up to 2 hours)				
	Adult	01/04/14	122.10	125.75	Exempt
	Concession	01/04/14	73.35	75.55	Exempt
	Floodlights (per match)	01/04/14	69.15	71.20	Exempt
	Commercial (per hour)	01/04/12	Negotiable	Negotiable	Exempt
4	<u>Individual room hire (per hour)</u>				
	P.A. room	01/04/14	13.50	13.90	Exempt
	Committee room	01/04/14	13.50	13.90	Exempt

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	ARTSCENE MEMBERSHIP - ARTS CENTRES				
1	<u>Annual membership</u>				
	Individual	01/04/13	19.00	19.00	Inclusive
	Double	01/04/13	24.00	24.00	Inclusive
	STAGED PERFORMANCES				
	The theatres and ballrooms are available for hire for theatrical productions, concerts, lectures, demonstrations, films and other performing arts events. Prices are below:				
	Guildhall Arts Centre, Grantham				
2	<u>Theatre Hire</u>				
	Performances - Commercial	01/04/14	292.00	300.00	Exempt
	Performances - Non Profit making	01/04/14	241.00	248.00	Exempt
	Dress rehearsals	01/04/14	191.00	196.00	Exempt
	Rehearsals (incl tech)	01/04/14	122.00	125.00	Exempt
	Lecture/demonstrations (Daytime)	01/04/14	90.00	92.00	Exempt
	Lecture/demonstrations (Evening)	01/04/14	196.00	201.00	Exempt
	Set up charge/technical support (max. 8 hours)	01/04/14	122.00	125.00	Exempt
	Stamford Arts Centre				
2	<u>Theatre Hire</u>				
	Performances - Commercial	01/04/14	308.00	317.00	Exempt
	Performances - Non Profit making	01/04/14	267.00	275.00	Exempt
	Dress rehearsals	01/04/14	191.00	196.00	Exempt
	Rehearsals (incl tech)	01/04/14	122.00	125.00	Exempt
	Lecture/demonstrations (Daytime)	01/04/14	90.00	92.00	Exempt
	Lecture/demonstrations (Evening)	01/04/14	196.00	201.00	Exempt
	Set up charge/technical support (max. 8 hours)	01/04/14	122.00	125.00	Exempt
	Technical surcharge per hire	01/04/14	53.00	54.00	Exempt
3	Bourne Corn Exchange				
	<u>Theatre Hire - Main Hall</u>				
	Performances	01/04/13	118.00	118.00	Exempt
	Dress Rehearsals	01/04/13	93.00	93.00	Exempt
	Rehearsals	01/04/13	77.00	77.00	Exempt
	Set up charge/technical support (max. 8 hours)	01/04/13	118.00	118.00	Exempt
	Performers Rights Society charges may be applicable in addition to the above rates				
	Hire conditions are available giving details of equipment and support offered; quotations provided on request.				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
WEDDING RECEPTIONS, PARTIES AND OTHER ROOM HIRE					
All three venues are available for wedding parties and similar functions. Packages are available to include provision of bars and catering. Prices are below.					
5	Guildhall Arts Centre, Grantham				
	<u>Casually let rooms (per hour)</u>				
	Ballroom - day rate up to 6pm	01/04/13	33.00	33.00	Exempt
	Ballroom - hourly evening rate 6 to 11pm	01/04/14	53.00	54.00	Exempt
	Ballroom - whole evening 6 to 11pm parties	01/04/14	277.00	285.00	Exempt
	Ballroom - whole evening 6 to 11pm concerts	01/04/14	221.00	227.00	Exempt
	Ballroom - (all day) Wedding rate	01/04/14	431.00	443.00	Exempt
	Ballroom - (all day) Wedding rate including setting up charge previous evening	01/04/14	713.00	734.00	Exempt
	Use of ballroom kitchen per day	01/04/14	53.00	54.00	Exempt
	<u>Meeting rooms (per hour)</u>				
	Newton room	01/04/13	27.00	27.00	Exempt
	Studio 4	01/04/13	22.00	22.00	Exempt
6	Bourne Corn Exchange				
	<u>Casually let rooms</u>				
	Main hall - hourly rate	01/04/13	36.00	36.00	Exempt
	Main hall - Friday or Saturday whole evening 6pm-12pm incl prem rate	01/04/13	267.00	267.00	Exempt
	Main hall - (all day) 9am to 12pm excluding kitchen	01/04/13	420.00	420.00	Exempt
	Kitchen hire (use of kitchen area excluding equip)*	01/04/13	64.00	64.00	Exempt
	Kitchen hire (full use of kitchen and equipment including crockery and cutlery etc)*	01/04/13	120.00	120.00	Exempt
	Room set up or clear down (as per hourly rate or part thereof)	01/04/13	36.00	36.00	Exempt
	Room set up or clear down after midnight (as per hourly rate or part thereof)	01/04/13	51.00	51.00	Exempt
	Use of bar for functions when hirer providing bar for sale of alcohol	01/04/13	50.00	50.00	Exempt
7	Stamford Arts Centre				
	<u>Casually let rooms (per hour)</u>				
	Ballroom - day rate up to 6pm	01/04/13	33.00	33.00	Exempt
	Ballroom - hourly evening rate 6 to 11pm	01/04/14	53.00	54.00	Exempt
	Ballroom - whole evening 6 to 11pm parties	01/04/14	421.00	433.00	Exempt
	Ballroom - whole evening 6 to 11pm concerts	01/04/14	318.00	327.00	Exempt
	Function ballroom/Blue room - all day wedding rate	01/04/14	775.00	798.00	Exempt
	Function ballroom/Blue room - wedding rate including setting up charge previous evening	01/04/14	1190.00	1225.00	Exempt
	<u>Meeting rooms - per hour</u>				
	Blue Room/Rehearsal evening	01/04/13	22.00	22.00	Exempt
	Blue Room/Rehearsal daytime	01/04/13	17.00	17.00	Exempt
	Ireson/Burley/Exeter Room evening	01/04/13	16.00	16.00	Exempt
	Ireson/Burley/Exeter Room daytime	01/04/13	14.00	14.00	Exempt
	Additional cleaning for social functions	01/04/14	58.00	59.00	Inclusive
	*access to kitchen up to 4 hours prior to event start time, additional earlier access will incur additional hourly rate of £10				
Performers Right Society charges may be applicable in addition to the above rates					
Room Hire					
Meeting rooms and function halls may be available for hire at each venue, prices from £10 per hour off peak. Additional meeting rooms may be available at the main Council offices Grantham. Information available upon request.					

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
1	Green Waste				
	Green waste bin (joining fee, first bin only)	01/04/12	10.00	10.00	O/Scope
	Additional Green waste bin	01/04/10	26.00	26.00	O/Scope
	Annual collection charge (first bin)	01/04/12	25.00	25.00	O/Scope
	Annual collection charge (each subsequent bin)	01/04/12	10.00	10.00	O/Scope
2	Other street scene charges				
	Additional Silver recycling bin	01/04/10	26.00	26.00	O/Scope
	Additional clear recycling sacks (pack of 15)	01/04/10	1.25	1.25	O/Scope
	Replacement of damaged wheelie bins*	01/04/10	26.00	26.00	O/Scope
	Replacement of damaged wheels and axles*	01/04/10	20.00	20.00	O/Scope
	Replacement of bin lid pegs*	01/04/10	5.00	5.00	O/Scope
3	Domestic refuse collection				
	Bulk household items - first item	01/04/14	10.00	11.00	O/Scope
	- each additional item	01/04/03	5.00	5.00	O/Scope
	Fridge collection	01/04/14	10.00	11.00	O/Scope
	Provision of additional recycling bags (pack of 14)	01/04/10	5.00	5.00	O/Scope
4	Private street cleansing	01/04/10	Based on cost recovery		
	*Where bins have been damaged by the resident				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	MOT Testing				
1	Classes 1 and 2				
	Motorcycles	01/04/10	29.65	29.65	O/Scope
	Motorcycles with sidecar	01/04/10	37.80	37.80	O/Scope
2	Class 4				
	Cars (up to 8 passenger seats) and motor caravans	01/04/10	54.85	54.85	O/Scope
	Quads (max unladen weight 400kg - for goods vehicles 550kg and max net power 15kw)	01/04/10	54.85	54.85	O/Scope
	Dual purpose vehicles	01/04/10	54.85	54.85	O/Scope
	Private hire vehicles and PSVs (up to 8 seats)	01/04/10	54.85	54.85	O/Scope
	Goods vehicles (up to 3,000 kg DGW)	01/04/10	54.85	54.85	O/Scope
	Ambulances and Taxis (Taxis and private hire vehicles may be subject to additional local requirements)	01/04/10	54.85	54.85	O/Scope
	Private passenger vehicles and ambulances (9-12 Passenger Seats)	01/04/10	57.30	57.30	O/Scope
4	Class 7				
	Goods vehicles (over 3,000kg up to 3,500kg DGW)	01/04/10	58.60	58.60	O/Scope
	NOTES				
	Fees fixed in accordance with Vehicle and Operator Standards Agency				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	ENVIRONMENTAL HEALTH				
1	Premise/Business registration fees				
	Acupuncture	01/04/14	128.00	131.00	O/Scope
	Tattooing	01/04/14	128.00	131.00	O/Scope
	Electrolysis	01/04/14	128.00	131.00	O/Scope
	Cosmetic piercing	01/04/14	128.00	131.00	O/Scope
	Semi permanent skin colouring	01/04/14	128.00	131.00	O/Scope
	Additional activities (eg cosmetic piercing and tattooing) per activity	01/04/14	64.00	65.00	O/Scope
	Amendment or replacement certificate	01/04/14	20.00	20.50	O/Scope
2	Personal registration fees (Per activity)				
	Acupuncture	01/04/14	64.00	65.00	O/Scope
	Tattooing	01/04/14	64.00	65.00	O/Scope
	Electrolysis	01/04/14	64.00	65.00	O/Scope
	Cosmetic piercing	01/04/14	64.00	65.00	O/Scope
	Semi permanent skin colouring	01/04/14	64.00	65.00	O/Scope
	Amendment or replacement certificate	01/04/14	20.00	20.50	O/Scope
3	<u>Unsound food</u>				
	Voluntary surrender certificate	01/04/14	35.00	36.00	Inclusive
4	<u>Frozen food exports</u>				
	Inspection and certification	01/04/14	70.00	72.00	Inclusive
	Certification only	01/04/14	26.00	26.50	Inclusive
5	<u>Control of dogs</u>				
	Collecting and detaining stray dogs	01/04/96	25.00	25.00	O/Scope
	Kenneling charge (First night) - New charge	01/04/14	N/A	25.00	O/Scope
	Kenneling charge (Each night thereafter)	01/04/14	15.20	15.60	O/Scope
6	<u>Vehicle salvage operators</u>				
	Application	01/04/14	79.00	81.00	O/Scope
	Renewal	01/04/14	66.00	67.00	O/Scope
7	<u>Scrap Metal</u>				
	Dealer initial licence	01/04/14	556.00	572.00	O/Scope
	Collector initial licence	01/04/14	145.00	149.00	O/Scope
	Dealer licence renewal	01/04/14	526.00	541.00	O/Scope
	Collector licence renewal	01/04/14	115.00	118.00	O/Scope
	Licence name change	01/04/14	20.00	20.50	O/Scope
	Copy of a licence	01/04/14	11.00	11.00	O/Scope
7	Dog fouling penalty	01/04/09	75.00	75.00	O/Scope
8	Litter - Fixed penalty notice	01/04/09	75.00	75.00	O/Scope
	ENQUIRIES IN CONNECTION WITH CONTAMINATED LAND				
9	Enquiries	01/04/13	112.00	115.00	O/Scope
10	Private sector housing charges	01/04/12	Hourly Rate	Hourly Rate	O/Scope
11	Immigration inspections	01/04/12	Hourly Rate	Hourly Rate	O/Scope
12	HOUSES OF MULTIPLE OCCUPATION				
	Initial licence	01/04/13	420.00	432.00	O/Scope
	Renewal of licence	01/04/13	150.00	154.00	O/Scope

	Detail	Effective Date	2014/15	2014/15	2014/15	VAT	
	POLLUTION PREVENTION AND CONTROL ACT 2010						
	AIR POLLUTION						
1	Initial application for permitting	01/04/10		1579.00		O/Scope	
	additional fee for operating without a permit	01/04/10		1137.00		O/Scope	
	except:-						
	- where the process comprises one or more waste oil burning appliance under 0.4 MW	01/04/10		148.00		O/Scope	
	Additional fee for operating without a permit	01/04/10		68.00		O/Scope	
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10		148.00		O/Scope	
	Additional fee for operating without a permit	01/04/10		68.00		O/Scope	
	- where the process relates to Dry Cleaners	01/04/10		148.00		O/Scope	
	Additional fee for operating without a permit	01/04/10		68.00		O/Scope	
	PVR I & II combined	01/04/10		246.00		O/Scope	
	Vehicle refinishers (VRs) and other reduced fees activities:	01/04/10		346.00		O/Scope	
	- mobile screening and crushing plant	01/04/10		1579.00		O/Scope	
	- for the third to seventh application	01/04/10		943.00		O/Scope	
	- for the eighth and subsequent applications	01/04/10		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	Substantial changes to permits (Schedule 7)	01/04/10		1005.00		O/Scope	
	except:-						
	- where the process comprises one or more waste oil burning appliance under 0.4 MW	01/04/10		98.00		O/Scope	
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10		98.00		O/Scope	
	- where the process relates to Dry Cleaners	01/04/10		98.00		O/Scope	
	Transfer of a permit - Standard Process	01/04/10		162.00		O/Scope	
	- in respect of a waste oil burner less than 0.4 MW	01/04/10		75.00		O/Scope	
	- where the process relates to Dry Cleaners	01/04/10		75.00		O/Scope	
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10		75.00		O/Scope	
	Partial transfer of a permit	01/04/10		476.00		O/Scope	
	- in respect of a waste oil burner less than 0.4MW	01/04/10		45.00		O/Scope	
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10		45.00		O/Scope	
	- where the process relates to Dry Cleaners	01/04/10		45.00		O/Scope	
3	Temporary transfer for mobiles						
	First transfer	01/04/10		51.00		O/Scope	
	Repeat following enforcement or warning	01/04/10		51.00		O/Scope	
4	Annual Subsistence Charge						
	Standard Process - LOW	01/04/10		739.00		O/Scope	
	Standard Process - MEDIUM	01/04/10		1111.00		O/Scope	
	Standard Process - HIGH	01/04/10		1672.00		O/Scope	
	except:-						
	- where the process comprises one or more waste oil burning appliance under 0.4MW	01/04/10	LOW	76.00	MED 151.00	HIGH 227.00	O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/10		76.00	151.00	227.00	O/Scope
	- where the process relates to Dry Cleaners	01/04/10		76.00	151.00	151.00	O/Scope
	PVR I & II combined	01/04/10		108.00	216.00	216.00	O/Scope
	Vehicle refinishers	01/04/10		218.00	349.00	349.00	O/Scope
	Mobile Plant	01/04/10		618.00	989.00	1484.00	O/Scope

NOTES

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

www.defra.gov.uk

* As of 18 February 2014, DEFRA have not confirmed any increase to these charges

	Detail	Effective Date	2014/15 £	2014/15 £	2014/15 £	2014/15 £	VAT
	POLLUTION PREVENTION AND CONTROL ACT 2010						
	AIR POLLUTION						
5	LAPPC mobile plant charges		Application fee	LOW	MED	HIGH	
	number of permits						
	1	01/04/12	1579.00	618.00	989.00	1484.00	O/Scope
	2	01/04/12	1579.00	618.00	989.00	1484.00	O/Scope
	3	01/04/12	943.00	368.00	590.00	884.00	O/Scope
	4	01/04/12	943.00	368.00	590.00	884.00	O/Scope
	5	01/04/12	943.00	368.00	590.00	884.00	O/Scope
	6	01/04/12	943.00	368.00	590.00	884.00	O/Scope
	7	01/04/12	943.00	368.00	590.00	884.00	O/Scope
	8 and over	01/04/12	477.00	189.00	302.00	453.00	O/Scope
6	LA-IPPC						
	Application (LA element)	01/04/10	3218.00				O/Scope
	additional fee for operating without a permit	01/04/10	1137.00				O/Scope
	Annual subsistence LOW	01/04/10	1384.00				O/Scope
	Annual subsistence MEDIUM	01/04/10	1541.00				O/Scope
	Annual subsistence HIGH	01/04/10	2233.00				O/Scope
	Late payment fee	01/04/10	50.00				O/Scope
	Substantial variation	01/04/10	1309.00				O/Scope
	Transfer	01/04/10	225.00				O/Scope
	Partial transfer	01/04/10	668.00				O/Scope
	Surrender	01/04/10	668.00				O/Scope

NOTES

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	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	LICENCES				
1	<u>Hackney Carriage and Private Hire</u>				
	Driver's licence - annual	01/04/14	80.00	82.40	O/Scope
	Dual licence - supplementary charge	01/04/14	12.50	12.80	O/Scope
	Driver's badge - replacement	01/04/14	12.00	12.30	O/Scope
	Lost plate replacement	01/04/14	36.00	37.00	Inclusive
	Replacement licence certificate	01/04/14	10.00	10.30	O/Scope
	Replacement of internal vehicle plate	01/04/14	5.00	5.10	O/Scope
	Transfer of vehicle ownership	01/04/14	23.00	23.60	O/Scope
	DVLA driver entitlement enquiry	01/04/13	5.00	5.00	O/Scope
	Knowledge test (initial and retest)	01/04/14	25.00	29.00	O/Scope
	Annual vehicle licence:				
	Private Hire	01/04/14	188.00	193.60	O/Scope
	Hackney Carriage	01/04/14	205.00	211.10	O/Scope
	*10% reduction for LPG/Hybrid vehicles: Private Hire	01/04/14	169.00	174.00	O/Scope
	*10% reduction for LPG/Hybrid vehicles: Hackney Carriage	01/04/14	184.50	190.00	O/Scope
	Exemption from displaying Private Hire plate	01/04/13	40.00	40.00	O/Scope
	Exemption from displaying Private Hire plate (renewal fee)	01/04/13	20.00	20.00	O/Scope
2	Refund for unexpired days due to change of vehicle		Daily	Daily	
	Private Hire	01/04/14	0.52	0.53	O/Scope
	Hackney Carriage	01/04/14	0.56	0.57	O/Scope
3	One-off admin charge in respect of refund				
	Hackney Carriage	01/04/14	18.00	25.00	O/Scope
	Private Hire	01/04/14	17.00	25.00	O/Scope
4	<u>Animal Licences</u>				
	Animal Boarding Establishments	01/04/14	95.00	100.00	O/Scope
	Dog Breeding Establishments	01/04/14	95.00	100.00	O/Scope
	Pet Shops	01/04/14	95.00	100.00	O/Scope
	Riding Establishments	01/04/14	95.00	100.00	O/Scope
	Dangerous Wild Animals	01/04/14	95.00	100.00	O/Scope
5	Sex Establishments	01/04/14	1455.00	1500.00	O/Scope
6	<u>Street Trading</u>				
	Stamford Pedestrian Precinct Per Day	01/04/14	22.00	22.60	O/Scope
	Other Locations per day from	01/04/14	17.50	18.00	O/Scope

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	ALCOHOL LICENSING				
1	Licensed Premises				
	Grant of Premises Licence or Club Premises Certificate				
	Band A (Rateable Value £0 - £4,300)	24/11/05	100.00	100.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/05	190.00	190.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/05	315.00	315.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/05	450.00	450.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/05	635.00	635.00	O/Scope
2	Variation of Premises Licence or Club Premises Certificate				
	Band A (Rateable Value £0 - £4,300)	24/11/05	100.00	100.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/05	190.00	190.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/05	315.00	315.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/05	450.00	450.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/05	635.00	635.00	O/Scope
3	Annual Fee for Premises Licence or Club Premises Certificate				
	Band A (Rateable Value £0 - £4,300)	24/11/05	70.00	70.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/05	180.00	180.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/05	295.00	295.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/05	320.00	320.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/05	350.00	350.00	O/Scope
4	Grant of Premises Licence where alcohol is primary use				
	Band A (Rateable Value £0 - £4,300)	24/11/05	100.00	100.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/05	190.00	190.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/05	315.00	315.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/05	900.00	900.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/05	1905.00	1905.00	O/Scope
5	Annual Fee for Premises Licence where alcohol is primary use				
	Band A (Rateable Value £0 - £4,300)	24/11/05	70.00	70.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/05	180.00	180.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/05	295.00	295.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/05	640.00	640.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/05	1050.00	1050.00	O/Scope

Fees set by government

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	ALCOHOL LICENSING				
6	Grant of Premises Licence or Club Premises Certificate				
	Number of Persons				
	5,000 to 9,999	24/11/05	1000.00	1000.00	O/Scope
	10,000 to 14,999	24/11/05	2000.00	2000.00	O/Scope
	15,000 to 19,999	24/11/05	4000.00	4000.00	O/Scope
	20,000 to 29,999	24/11/05	8000.00	8000.00	O/Scope
	30,000 to 39,999	24/11/05	16000.00	16000.00	O/Scope
	40,000 to 49,999	24/11/05	24000.00	24000.00	O/Scope
	50,000 to 59,999	24/11/05	32000.00	32000.00	O/Scope
	60,000 to 69,999	24/11/05	40000.00	40000.00	O/Scope
	70,000 to 79,999	24/11/05	48000.00	48000.00	O/Scope
	80,000 to 89,999	24/11/05	56000.00	56000.00	O/Scope
	90,000 and over	24/11/05	64000.00	64000.00	O/Scope
7	Annual Fee - Number of Persons				
	5,000 to 9,999	24/11/05	500.00	500.00	O/Scope
	10,000 to 14,999	24/11/05	1000.00	1000.00	O/Scope
	15,000 to 19,999	24/11/05	2000.00	2000.00	O/Scope
	20,000 to 29,999	24/11/05	4000.00	4000.00	O/Scope
	30,000 to 39,999	24/11/05	8000.00	8000.00	O/Scope
	40,000 to 49,999	24/11/05	12000.00	12000.00	O/Scope
	50,000 to 59,999	24/11/05	16000.00	16000.00	O/Scope
	60,000 to 69,999	24/11/05	20000.00	20000.00	O/Scope
	70,000 to 79,999	24/11/05	24000.00	24000.00	O/Scope
	80,000 to 89,999	24/11/05	28000.00	28000.00	O/Scope
	90,000 and over	24/11/05	32000.00	32000.00	O/Scope

Fees set by government

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	ALCOHOL LICENSING				
	Other Charges - Licensing Act 2003				
8	Personal Licence (Grant/ renewal)	24/11/05	37.00	37.00	O/Scope
	Theft, loss etc of a 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
	Temporary Event Notice	24/11/05	21.00	21.00	O/Scope
	Theft, loss etc of a Temporary Event Notice	24/11/05	10.50	10.50	O/Scope
	Theft, loss etc of a 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 DPS	24/11/05	23.00	23.00	O/Scope
	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 of summary	24/11/05	10.50	10.50	O/Scope
	Notification of change of name or alteration of rules of club	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
	Right of freeholder etc to be notified of licensing matters	24/11/05	21.00	21.00	O/Scope

Fees set by government

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	GAMBLING LICENSING				
1	Bingo Premises Licence				
	Application Fee for Provisional Status	01/04/14	645.00	664.00	O/Scope
	Licence for Provisional Statement Premises	01/04/14	430.00	442.00	O/Scope
	Application Fee New Premises	01/04/14	680.00	700.00	O/Scope
	Annual Fee	01/04/14	455.00	468.00	O/Scope
	Variation of Licence	01/04/14	620.00	638.00	O/Scope
	Transfer Fee	01/04/14	520.00	535.00	O/Scope
	Application for Reinstatement	01/04/14	520.00	535.00	O/Scope
2	Adult Gaming Centre				
	Application Fee for Provisional Status	01/04/14	595.00	612.00	O/Scope
	Licence for Provisional Statement Premises	01/04/14	380.00	391.00	O/Scope
	Application Fee New Premises	01/04/14	620.00	638.00	O/Scope
	Annual Fee	01/04/14	400.00	412.00	O/Scope
	Variation of Licence	01/04/14	575.00	592.00	O/Scope
	Transfer Fee	01/04/14	465.00	478.00	O/Scope
	Application for Reinstatement	01/04/14	465.00	478.00	O/Scope
3	Family Entertainment Centre				
	Application Fee for Provisional Status	01/04/14	595.00	612.00	O/Scope
	Licence for Provisional Statement Premises	01/04/14	380.00	391.00	O/Scope
	Application Fee New Premises	01/04/14	620.00	638.00	O/Scope
	Annual Fee	01/04/14	400.00	412.00	O/Scope
	Variation of Licence	01/04/14	575.00	592.00	O/Scope
	Transfer Fee	01/04/14	465.00	478.00	O/Scope
	Application for Reinstatement	01/04/14	465.00	478.00	O/Scope
4	Betting Premises				
	Application Fee for Provisional Status	01/04/14	595.00	612.00	O/Scope
	Licence for Provisional Statement Premises	01/04/14	380.00	391.00	O/Scope
	Application Fee New Premises	01/04/14	620.00	638.00	O/Scope
	Annual Fee	01/04/14	400.00	412.00	O/Scope
	Variation of Licence	01/04/14	575.00	592.00	O/Scope
	Transfer Fee	01/04/14	465.00	478.00	O/Scope
	Application for Reinstatement	01/04/14	465.00	478.00	O/Scope
5	Miscellaneous				
	Change of Circumstances	01/04/14	28.00	28.80	O/Scope
	Fee for copy of licence	01/04/14	16.50	16.90	O/Scope
6	Gaming Machines				
	2 or less machines - One off fee	31/01/07	50.00	50.00	O/Scope
	3 or more machines plus Annual Fee below	31/01/07	100.00	100.00	O/Scope
	LPGMP Conversion Application	31/01/07	100.00	100.00	O/Scope
	Transfer LPGMP	31/01/07	25.00	25.00	O/Scope
	Variation LPGMP	31/01/07	100.00	100.00	O/Scope
	Annual Fee (within one month)	31/01/07	50.00	50.00	O/Scope
7	Small Lotteries - Registration				
	Small Lotteries - Registration	01/09/07	40.00	40.00	O/Scope
	Small Lotteries - Renewal	01/09/07	20.00	20.00	O/Scope

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	OUTDOOR RECREATION				
1	Pitches - Football/Rugby Senior pitch letting (2 hrs), marking out and changing accommodation included				
	Full rate	01/04/14	42.00	43.00	Inclusive
	Concessions	01/04/14	25.00	25.50	Inclusive
2	Junior pitch (ages 11-16) letting (2 hrs) and marking out:				
	Full rate	01/04/14	18.40	18.90	Inclusive
3	Mini pitch letting (ages 8-11) (1 hr) and marking out				
	Full rate	01/04/14	11.00	11.30	Inclusive
4	<u>Tennis Court</u> Hard Courts				
			Free	Free	Inclusive
5	Cricket Per Match				
		01/04/14	39.50	40.00	Inclusive

NOTE:

3% RPI has been applied

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	GRANTHAM CEMETERY				
	TRADITIONAL BURIAL GROUND				
1	Exclusive Right of Burial (Not exceeding 50 years) Standard grave space - Parishioners	01/04/14	467.00	481.00	Exempt
2	<u>Interment</u> Person aged 16 years or over - single depth Person aged 16 years or over - double depth Child stillborn or below 16 years Each additional coffin space	01/04/14 01/04/14 01/04/14 01/04/14	477.00 534.00 210.00 167.00	491.00 550.00 216.00 172.00	Exempt Exempt Exempt Exempt
3	<u>Licence for the Erection of Memorials</u> Headstone (not exceeding 3 feet in height) Headstone (each additional 6 inches) Metal faced tablet Additional inscription Kerbed memorial	01/04/14 01/04/14 01/04/14 01/04/14 01/04/14	116.00 116.00 80.00 45.00 125.00	119.00 119.00 82.00 46.00 128.00	Exempt Exempt Exempt Exempt Exempt
4	<u>Mausoleum</u> Single vault mausoleum plot	01/04/14	600.00	618.00	Exempt
5	<u>Re-Open Graves</u> Interment Fee - single depth Interment Fee - double depth Interment ashed into grave	01/04/14 01/04/14 01/04/14	477.00 534.00 139.00	491.00 550.00 143.00	Exempt Exempt Exempt
	WOODLAND BURIAL GROUND				
	All inclusive charge covering standard grave space, single depth interment, tree and plaque - Parishioners	01/04/14	1072.00	1104.00	Exempt
	Please note there is a 50% additional charge for Non Parishioners (i.e. outside of Grantham boundary)				

NOTE:

3% RPI has been applied

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	LOCAL LAND CHARGE FEES				
1	Registration of a Charge on Part II of Register	01/04/14	77.00	79.00	O/Scope
2	Filing a Definitive Certificate of Lands Tribunal	01/04/14	3.25	3.30	O/Scope
3	Filing adjustment etc. for variation - cancellation of entry in Part II	01/04/14	8.25	8.40	O/Scope
4	Inspection of documents filed under Rule 10	01/04/14	3.25	3.30	O/Scope
5	Official search (including issue of certificate) - whole of register	01/04/14	13.50	13.90	O/Scope
6	Office copy of entry in register	01/04/14	12.50	12.80	O/Scope
7	Con 29 Part I enquiries - one parcel of land - each additional parcel	01/04/14 01/04/14	84.00 14.50	86.50 14.90	O/Scope O/Scope
8	Supplementary Part II enquiries - each printed enquiry except question 5 - Question 5 optional enquiry - Solicitor/Clients own enquiry - Question 22 common land	01/04/14 01/04/14 01/04/14 01/04/14	12.50 15.50 15.50 15.50	12.80 15.90 15.90 15.90	O/Scope O/Scope O/Scope O/Scope
9	Enquiries by personal searchers (per item)	01/04/14	15.50	15.90	O/Scope
10	Commercial Basic Search LLC1 and CON 29R	01/04/14	126.00	129.00	O/Scope
11	Expedited Search - 3 Day Turnaround	01/04/14	31.00	31.90	O/Scope
	CON 29R UNREFINED DATA CHARGES				
12	Building Regulations Q1.1 (F to H)	01/04/14	7.15	7.50	O/Scope
13	Nearby Railway Schemes Q3.5	01/04/14	1.05	1.10	O/Scope
14	Outstanding Notices Q3.7 (A-D & F)	01/04/14	5.90	5.85	O/Scope
15	Contravention of Building Regulations	01/04/14	1.55	1.60	O/Scope
16	Notices, Orders, Directions and Proceedings under Planning Acts Q3.9 (A-N)	01/04/14	4.80	4.65	O/Scope
17	Conservation Area Q3.10 (B)	01/04/14	1.05	1.10	O/Scope
18	Compulsory Purchase Q3.11	01/04/14	1.55	1.70	O/Scope
19	Contaminated Land Q3.12 (Bi & C)	01/04/14	10.90	11.00	O/Scope

A. OUTLINE APPLICATION (residential, commercial and agricultural)	
1. Where the site area does not exceed 2.5 ha	£385 for each 0.1 ha (or part thereof) of site area
2. Where the site area exceeds 2.5 ha	£9527 and an additional £1115 for each 0.1 ha (or part thereof) in excess of 2.5 ha up to a maximum of £125000
B. FULL APPLICATIONS AND RESERVED MATTERS	
1. Extensions or alterations to a dwelling and works within the curtailage, eg domestic outbuildings, garages, fences, walls etc	£172 per dwelling (where the application relates to two or more dwellinghouses, £339).
2. Erection of new dwellings	
(a) 50 or fewer	£385 for each dwelling
(b) 51 or more	£19049 and an additional £115 for each dwelling in excess of 50, up to a maximum of £250000
3. Erection of buildings other than dwellings, agricultural buildings, glasshouses, or plant and machinery	(a) Where no floor space is to be created, or works not creating more than 40sqm of additional floor space £195 (b) Works creating more than 40sqm but not exceeding 75sqm of additional floor space £385 (c) Works creating more than 75sqm but not exceeding 3750sqm of additional floor space £385 for each 75sqm of that area (or part thereof) (d) Works creating more than 3750sqm of additional floor space £19049 and an additional £115 for each 75sqm (or part thereof) in excess of 3750sqm up to a maximum of £250000
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 465sqm. £80 (b) Where floor space created is between 465sqm and 540sqm. £385 (c) Where floor space created is between 540sqm and 4215sqm. £385 for the first 540sqm and an additional £385 for each 75sqm (or part thereof) in excess of 540sqm. (d) Where the floor space created exceeds 4215sqm. £19049 and an additional £115 for each 75sqm (or part thereof) in excess of 4215 sqm up to a maximum £250000
5. Erection of glasshouses on land used for the purposes of agriculture.	(a) Works creating floor space not exceeding 465sqm £80. (b) Works creating floor space exceeding 465sqm £2,150
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.	£195
7. The erection, alteration or replacement of plant machinery	(a) Where the site area does not exceed 5 ha, £385 for each 0.1ha (or part thereof) of the site area (b) Where the site area exceeds 5ha, £19049 and an additional £115 for each 0.1ha (or part thereof) in excess of 5ha, up to a max of £250000
8. The carrying out of any operations associated with exploratory drilling for oil or natural gas.	(a) Where the site area does not exceed 7.5ha, £385 for each 0.1ha (or part thereof) of the site area. (b) Where the site area exceeds 7.5 ha, £28750 and an additional £115 for each 0.1ha (or part thereof) in excess of 7.5ha, up to a maximum of £250000.

C. CHANGES OF USE (land and buildings)	
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, £385 for each additional dwelling. (b) Where the change of use is to use as more than 50 dwelling houses, £19,049 and an additional £115 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, £385 for each dwelling. (b) Where the change of use is to use as more than 50 dwelling houses, £19,049 and an additional £115 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).	£385

D. CERTIFICATE OF LAWFULNESS	
1. For existing use.	Same fee as if a planning application was being submitted.
2. For proposed use.	Half the equivalent planning fee.

E. OTHER OPERATIONS/APPLICATIONS	
1. For non-compliance with, or variation of conditions including retention of temporary buildings, continuation of temporary use etc.	£195.00
2. The carrying out of any other operations not coming in any of the above categories.	£195 for each 0.1 hectare (or part thereof) of the site area, up to maximum of £1,690.

F. ADVERTISEMENTS	
1. Relating to a business on the premises or advance signs directing the public to a business.	£110.00
2. Other advertisements.	£385.00

G. APPROVAL OF DETAILS	
1. Agricultural or forestry development.	£80.00
2. Demolition of buildings.	£80.00
3. Development by telecommunications code system operators.	£385.00

H. CONCESSIONARY FEES AND EXEMPTIONS	
1. NO FEE REQUIRED	
(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.	£385.00

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

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	PLANNING CHARGES				
1	<u>Ordnance Survey Plans</u>				
	Planning application site plans				
	Scale 1 - 500 rural & urban (up to 6 No.)	01/04/14	10.25	10.55	Zero Rated
	Scale 1 - 1250 rural & urban (up to 6 No.)	01/04/14	26.70	27.50	Zero Rated
	Scale 1 - 1250 rural & urban (7-8 No.)	01/04/14	28.70	29.55	Zero Rated
	Scale 1 - 1250 rural & urban (9-10 No.)	01/04/14	32.85	33.80	Zero Rated
	Scale 1 - 1250 rural & urban (11 No.)	01/04/14	36.95	38.05	Zero Rated
	Scale 1 - 2500 rural & urban (up to 6 No.)	01/04/14	26.70	27.50	Zero Rated
	Scale 1 - 2500 rural & urban (7-8 No.)	01/04/14	28.70	29.55	Zero Rated
	Scale 1 - 2500 rural & urban (9-10 No.)	01/04/14	32.85	33.80	Zero Rated
	Scale 1 - 2500 rural & urban (11 No.)	01/04/14	36.95	38.05	Zero Rated
	Scale 1 - 2500 urban starts at £52 (but this scale is not required)				
2	<u>Charges in connection with land/property transactions</u>				
	Detailed queries on consents involving search for relevant information*	01/04/14	25.65	26.40	Inclusive
	*stated charge plus relevant copying charges				
	Check involving site inspection*	01/04/14	20.50	21.00	Inclusive
	*stated charge plus mileage plus officer hourly rates				

	Detail	Effective Date	2013/14 £	2014/15 £	VAT
	PRE-PLANNING CHARGES				
1	<u>Householders</u> Charge for any pre-planning advice undertaken	01/04/13	50.00	50.00	Exclusive
2	<u>Non-residential changes of use including siting of caravans for sites</u> Under 1 ha or buildings under 1,000 sqm (gross) of 1 ha or above or buildings under 1,000 sqm (gross)	01/04/14 01/04/14	150.00 300.00	154.00 309.00	Exclusive Exclusive
3	<u>Development of dwellings</u> 1-9 dwellings including changes of use to residential, for 1st dwelling for each additional dwelling 10-49 dwellings including changes of use to residential, for the 10th dwelling for each additional dwelling 50 plus dwellings, including changes of use to residential, for 1st dwelling	01/04/14 01/04/14 01/04/14 01/04/14 01/04/14	200.00 100.00 1000.00 50.00 3600.00	205.00 103.00 1030.00 51.00 3700.00	Exclusive Exclusive Exclusive Exclusive Exclusive
4	<u>Non-residential development</u> Where no floor space is created Up to 499 sqm floor area or 0.5 ha site area between 500 and 999 sqm floor area, or between 0.51 ha and 1.0 ha between 1,000 and 4,999 sqm floor area or between 1.1 ha and 2.0 ha between 5,000 sqm or more or 2.1 ha or more* *minimum fee for specified service and hourly rate thereafter	01/04/14 01/04/14 01/04/14 01/04/14 01/04/14	75.00 150.00 250.00 500.00 1000.00	77.00 154.00 255.00 515.00 1030.00	Exclusive Exclusive Exclusive Exclusive Exclusive
5	<u>Others</u> Variation or removal of condition Advertising Development that would require conservation area consent Non-householder works or alterations to a listed building Hazardous substances	01/04/14 01/04/14 01/04/14 01/04/14 01/04/14	75.00 75.00 50.00 50.00 100.00	77.00 77.00 51.00 51.00 103.00	Exclusive Exclusive Exclusive Exclusive Exclusive

GENERAL FUND

Description		2013/2014 Forecast Outturn £'000	2014/2015 Updated Base £'000	2015/2016 Indicative Base £'000	2016/2017 Indicative Base £'000	2017/2018 Indicative Base £'000	2018/2019 Indicative Base £'000
GROW THE ECONOMY							
Town Centre Development							
1	Town Centre Projects - Bourne Core Area	1,195	-	-	-	-	-
2	Town Centre Projects - St Peter's Hill development	-	4,035	1,900	168	-	-
3	Shop front scheme	155	40	-	-	-	-
4	Serviced Land	1,019	-	-	-	-	-
5	Strategic Land Acquisition	-	450	450	-	-	-
		2,369	4,525	2,350	168	-	-
SUPPORT GOOD HOUSING FOR ALL							
6	Housing Grant Assistance	156	370	350	210	-	-
7	Disabled Facilities Grant	500	300	300	300	-	-
		656	670	650	510	-	-
PROMOTE LEISURE, ARTS & CULTURE							
Provision for Existing Assets							
8	Bourne Leisure Centre Improvements	24	-	-	-	-	-
9	Stamford Arts Centre - Heating System Alterations	85	-	-	-	-	-
10	Stamford Arts Centre - lift renewal	20	-	-	-	-	-
11	Guildhall Arts Centre - Replacement of Outside Lighting	-	12	-	-	-	-
12	Wyndham Park, Grantham - Improvement Works	-	40	-	-	-	-
13	Replacement of Digital Cinema Projector - Stamford Arts Centre	-	33	-	-	-	-
		129	85	-	-	-	-
KEEP SK CLEAN, GREEN & HEALTHY							
Waste Management							
14	Street Scene Vehicle Procurement	287	577	320	577	816	763
15	Wheelie Bin Replacements	110	90	92	94	96	97
16	Cycle/Footpath Repair Maintenance	30	40	-	-	-	-
17	Wyndham Park footpath and Kerb Improvements	-	25	25	25	-	-
18	Energy Efficient Lighting installation - Welham Street	-	14	-	-	-	-
19	Low voltage panel replacement- Grantham Council offices	25	-	-	-	-	-
		452	746	437	696	912	860
WELL RUN COUNCIL							
20	ICT Infrastructure	75	20	40	-	20	-
		75	20	40	-	20	-
21	TOTAL GENERAL FUND CAPITAL PROGRAMME	3,681	6,046	3,477	1,374	932	860

SUMMARY FINANCING STATEMENT

	Description	2013/2014 Forecast Outturn £'000	2014/2015	2015/2016	2015/2016	2016/2017	2017/2018
			Estimate Base £'000	Indicative Base £'000	Indicative Base £'000	Indicative Base £'000	Indicative Base £'000
1	Grow the economy	2,369	4,525	2,350	168	-	-
2	Support good housing for all	656	670	650	510	-	-
3	Promote leisure, arts and culture	129	85	-	-	-	-
4	Keep SK clean, green and healthy	452	746	437	696	912	860
5	Well run council	75	20	40	-	20	-
6	TOTAL - CAPITAL PROGRAMME	3,681	6,046	3,477	1,374	932	860
	GENERAL FUND FINANCED BY:						
7	Supported Borrowing	-	-	-	-	-	-
8	Unsupported Borrowing	-	-	-	-	-	-
9	Specific Reserve - Capital	-	1,000	-	-	-	-
10	Usable Capital Receipts	1,755	3,487	1,441	396	422	349
11	Capital Grants and Contributions	-	-	-	-	-	-
	- Disabled Facility Grant	290	300	300	300	-	-
	- Regional Housing Allowance	156	61	-	-	-	-
12	Direct Revenue Financing	-	-	-	-	-	-
	- Cemetery works	5	5	5	5	5	6
	- Wyndham Park Water Fountain- SEA	-	5	5	5	5	5
	- ICT reserve	75	-	-	-	-	-
	- New Homes Bonus	-	-	1,226	168	-	-
	- Contribution from Revenue	1,400	1,188	500	500	500	500
13	TOTAL - GF CAPITAL PROGRAMME	3,681	6,046	3,477	1,374	932	860

GENERAL FUND RESERVES STATEMENT

	Balance as at 31 March 2013 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2014 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2015 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2016 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2017 £'000
General Fund									
Revenue Reserves									
Service Specific Funds	253	(215)	38	(38)	0	0	0	0	0
Capacity Building, Priority Setting and Service Improvement Reserve									
Destination SK	61	(22)	39	61	100	0	100	0	100
Events and Festivals	197	(22)	175	(75)	100	0	100	0	100
Asset Rationalisation	500	0	500	(500)	0	0	0	0	0
Apprenticeships	100	(100)	0	0	0	0	0	0	0
Retro Fit	500	0	500	(500)	0	0	0	0	0
Broadband infrastructure	550	0	550	0	550	0	550	0	550
Residents Parking Scheme	50	0	50	0	50	0	50	0	50
Waste Management round reviews	142	(142)	0	0	0	0	0	0	0
Maintenance Reserve	100	(100)	0	0	0	0	0	0	0
PDG work programme funding	57	0	57	0	57	0	57	0	57
ICT investment	275	(75)	200	0	200	0	200	0	200
Transformation Programme	0	0	0	1,000	1,000	0	1,000	0	1,000
BR and CTS volatility Reserve	0	313	313	(313)	0	160	160	160	320
Community Based Initiatives									
Business Loans	0	100	100	0	100	0	100	0	100
Empty Homes Review	0	62	62	0	62	0	62	0	62
Hardship Fund	0	30	30	0	30	0	30	0	30
Welfare Reform Initiatives	0	40	40	0	40	0	40	0	40
Other priority and service improvements	1,784	3	1,787	(600)	1,187	0	1,187	(327)	860
	4,316	87	4,403	(927)	3,476	160	3,636	(167)	3,469
New Homes Bonus Reserve	1,955	1,932	3,887	2,679	6,566	1,510	8,076	1,842	9,918
Invest to Save	500	0	500	(130)	370	(50)	320	0	320
Insurance Reserve	556	0	556	0	556	0	556	0	556
Pensions Reserve - Former Employees	307	(66)	241	(68)	173	(68)	105	(68)	37
- Current Employees	1,486	0	1,486	(506)	980	(604)	376	(376)	0
Building Control	(52)	(57)	(109)	(27)	(136)	(19)	(155)	20	(135)
SEA Reserve	98	(37)	61	0	61	0	61	0	61
Total General Revenue Reserves	9,419	1,644	11,063	983	12,046	929	12,975	1,251	14,226
Government Grants Received	684	(261)	423	(38)	385	0	385	0	385
Working Balance	2,370	0	2,370	(500)	1,870	0	1,870	0	1,870
Total Revenue Reserves	12,472	1,383	13,855	445	14,300	929	15,229	1,251	16,480
Capital Reserve									
LAMS Reserve	28	0	28	0	28	0	28	0	28
Regional Housing Grant	217	(156)	61	(61)	0	0	0	0	0
General Fund Capital Reserve	0	0	0	0	0	0	0	0	0
Town Centre Regeneration	-	1,000	1,000	(1,000)	0	0	0	0	0
Useable Capital Receipts Reserve	6,391	(783)	5,608	(1,312)	4,296	(1,041)	3,255	(486)	2,769
Total Capital Reserves	6,636	61	6,697	(2,373)	4,324	(1,041)	3,283	(486)	2,797
Total General Fund Reserves	19,109	1,444	20,553	(1,928)	18,625	(112)	18,513	765	19,278

Treasury Management Strategy 2014/15

INTRODUCTION

Background

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

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

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

Reporting Requirements

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

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Governance and Audit – As part of the committees terms of reference the above reports are presented to them for consideration and scrutiny during the year. The Committee also have delegated authority to approve in year amendments to the Treasury Management Strategy. The committee have also considered and support the investment strategy for 2014/15.

Treasury Management Strategy for 2014/15

The strategy for 2014/15 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

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

Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been undertaken by members of the Governance and Audit during in December 2012 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

Treasury management consultants

The Council uses Capita Asset Services as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

SECTION 1 - THE PRUDENTIAL INDICATORS 2014/15 to 2016/17**Introduction**

1. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

The Capital Expenditure Plans

2. This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

£m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Capital Expenditure				
Non-HRA	3.681m	6.036m	3.467m	1.364m
HRA	5.974m	6.858m	3.303m	3.637m
Total	9.475m	12.894m	6.770m	5.001m

3. Other long term liabilities. The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.
4. The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need

£m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Capital Expenditure				
Non-HRA	3.681m	6.036m	3.467m	1.364m
HRA	5.974m	6.858m	3.303m	3.637m
Financed by:				
Capital receipts reserve	1.755m	3.487m	1.441m	0.686m
Capital grants	0.446m	0.351m	0.290m	0.000m
Capital reserves	4.794m	5.858m	2.303m	2.637m
Revenue	2.480m	3.198m	2.736m	1.678m
Net financing need for the year	0	0	0	0

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

5. 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.
6. Following accounting changes the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR
7. The Council is asked to approve the CFR projections below:

£m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Capital Financing Requirement				
CFR – Non Housing	4.293m	4.121m	3.956m	3.798m
CFR - Housing	123.811m	123.811m	123.811m	123.811m
Total CFR	128.104m	127.932m	127.767m	127.609m
Movement in CFR	(0.179m)	(0.172m)	(0.165m)	(0.158m)

£m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Movement in CFR represented by				
Net Financing need for the year (above)	0.000m	0.000m	0.000m	0.000m
Less MRP/VRP and other financing movements	(0.179m)	(0.172m)	(0.165m)	(0.158m)
Movement in CFR	(0.179m)	(0.172m)	(0.165m)	(0.158m)

8. 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.
9. 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.
10. 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.

11. 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).

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

12. For authorities who participate in LAMS using the cash backed option, the mortgage lenders require a five year deposit from the local authority to match the five year life of the indemnity. The deposit placed with the mortgage lender provides an integral part of the mortgage lending, and is treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The deposit is due to be returned in full at maturity, with interest paid either annually or on maturity. Once the deposit matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (five years) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application

Core Funds and Expected Investment Balances

13. 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	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Fund balances	11.446m	12.430m	13.359m	14.610m
Capital receipts	11,206m	9.804m	11.214m	14.061m
HRA reserve	9.977m	7.937m	6.937m	5.937m
Major Repairs Reserve	4.337m	5.987m	9.801m	13.479m
Total Core Funds	36.967m	36.519m	41.311m	48.088m
Working Capital*	2.370m	1.870m	1.870m	1.870m
Expected Investments	36.337m	38.029m	43.181m	49.958m

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

Affordability Prudential Indicators

14. 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:

15. **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.

%	2013/14 Revised	2014/15 Estimated	2015/16 Estimated	2016/17 Estimated
Non-HRA	(1.74%)	(0.99%)	(1.52%)	(2.01%)
HRA	14.95%	14.72%	13.34%	12.04%

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

The Prudential Code 2013 acknowledges that the “Financing costs to Net Revenue Stream” indicator may be more problematic for some authorities regarding the level of government support for capital spends.

17. **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.

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

£	2013/14 Revised	2014/15 Estimated	2015/16 Estimated	2016/17 Estimated
Variance change in original to revised spending programme	(£2.35)	£2.28	£1.16	(£0.03)

19. **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.

20. Incremental impact of capital investment decisions Housing Rent levels

£	2013/14 Revised	2014/15 Estimated	2015/16 Estimated	2016/17 Estimated
Variance change in original to revised spending programme	£21.32	£86.59	(£58.69)	£2.92

21. 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.

The Prudential Code 2013 has clarified that this indicator should relate to the identification and isolation of those decisions members make to the existing capital programme. For instance, the withdrawal of a scheme should be reflected as it may lead to reduced costs and a lower impact on the Council Tax or HRA rents.

SECTION 2 - Borrowing**Debt and Investment Projections 2013/14 – 2016/17**

22. The capital expenditure plans set out in Section 1 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current Portfolio Position

23. The Councils revised treasury portfolio position at 31 March 2014, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (CFR), highlighting any over or under borrowing.

£m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
External Debt				
Existing Debt at 1 April	(120.969m)	(116.722m)	(113.487m)	(109.765m)
Expected change in debt	1.025m	0.013m	0.500m	0.000m
HRA Settlement	3.222m	3.222m	3.222m	3.222m
Debt at 31 March	(116.722m)	(113.487m)	(109.765m)	(106.543m)
CFR	128.104m	127.932m	127.767m	127.609m
Under / (over) borrowing	11.382m	14.445m	18.002m	21.066m
Total Investments at 31 March				
Investment change	39.337m	38.029m	43.841m	49.958m
Net Debt	(77.385m)	(75.458m)	(66.584m)	(56.586m)

24. Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its total debt, 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 2014/15 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes

25. The Head of Finance 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

Limits to Borrowing Activity

26. **The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational Boundary £m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Debt	2.539m	1.513m	1.500m	1.000m
+ HRA Reform	118.430m	115.209m	111.987m	108.765m
Other long term liabilities	0.000m	0.000m	0.000m	0.000m
Total	120.969m	116.722m	113.487m	109.765m

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

28. 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.

29. The Council is asked to approve the following Authorised:

Authorised limit £m	2013/14 Revised £	2014/15 Estimated £	2015/16 Estimated £	2016/17 Estimated £
Debt	18.000m	18.000m	18.000m	18.000m
+ HRA Reform	118.430m	115.209m	111.987m	108.765m
Other long term liabilities	0.000m	0.000m	0.000m	0.000m
Total	136.430m	133.209m	129.987m	116.765m

Prospects for Interest Rates

30. The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Annex 1 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view

Annual Average %	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

31. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 to surpass all expectations. Growth prospects remain strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent.

32. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth. There are, therefore, concerns that a UK recovery currently based mainly on consumer spending and the housing market, may not endure much beyond 2014. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt to GDP ratios, in some countries, continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2014/15 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring even higher borrowing costs, which are now looming ever closer, where authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt, in the near future;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

A more detailed economic outlook for both the Global and UK economy is included in Annex 2.

Borrowing Strategy 2013/14 – 2015/16

33. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will be maintained for the borrowing excluding the HRA reform settlement
34. Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
35. 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.
36. 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.

Treasury Management Limits on Activity

37. There are three debt related treasury activity limits. 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.
38. The Council is asked to approve the limits:

£m	2013/14	2014/15	2015/16	2016/17
Interest rate Exposures				
	Upper	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	125.000m	125.000m	125.000m	125.000m
Limits on variable interest rates based on net debt	40.000m	40.000m	40.000m	40.000m
Maturity Structure of fixed interest rate borrowing 2013/14				
	Lower	Upper	Upper	Upper
Under 12 months	0%	40%	0%	0%
12 months to 2 years	0%	40%	40%	40%
2 years to 5 years	0%	100%	100%	100%
5 years to 10 years	0%	100%	100%	100%
10 years and above	0%	100%	100%	100%

Policy on Borrowing in Advance of need

39. The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
40. The Head of Finance 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 Head of Finance 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.
41. It would not look to borrow more than 24 months in advance of need.
42. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

43. As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
44. The reasons for any rescheduling to take place will include:
 - the generation of cash savings and / or discounted cash flow savings;
 - helping to fulfil the treasury strategy;
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
45. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

SECTION 3 - ANNUAL INVESTMENT STRATEGY

Investment Policy and Counterparty Selection Criteria

46. The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.
47. In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Capita Asset Services ratings service, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
48. Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.
49. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
50. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.
51. Investment instruments identified for use in the financial year are listed in annex 3 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

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

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

- Yellow 5 years *
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

53. The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

54. Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalent) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

55. All credit ratings are monitored daily and the Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
56. Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.
57. The Local Authority Mortgage Scheme (LAMS) – The Council is currently participating in the cash backed mortgage scheme which requires the Council to place a matching five year deposit to the life of the indemnity. This investment is an integral part of the policy initiative and is outside the criteria above.

Investment Strategy

58. **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
59. **Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:
- 2013/14 0.50%
 - 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 1.25%
60. There are upside risks to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back, there could be downside risk, particularly if Bank of England inflation forecasts for the rate of fall of unemployment were to prove to be too optimistic.
61. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next four years are as follows:
- 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 1.00%
 - 2017/18 2.00%
62. **Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

63. The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2014/15	2015/16	2016/17
Principal sums invested > 364 days	£10.000m	£11.000m	£12.000m

64. **Risk Benchmarking** – A development in the revised Codes and the CLG Investment Guidance 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.

65. These benchmarks are simple guides to maximise risk, 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.

66. **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.

67. **Liquidity** – 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.
- Weighted Average Life benchmark is expected to not exceed a maximum of 1 year.

68. **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.

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

	1 year	2 years	3 years	4 years	5 years
Maximum	0.08%	0.22%	0.37%	0.52%	0.70%

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.

End of year Investment Report

70. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report

Policy on Use of External Service Providers

71. The Council uses Capita Asset Services as its external treasury management advisors.

72. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
73. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Annex 1 - Interest Rate Forecast 2013/2015

Sector's Interest Rate View														
	Now	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
3 M onth LIBID	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.60%	0.70%	0.80%	1.10%	1.40%	1.70%
6 M onth LIBID	0.54%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.10%	1.30%	1.60%	1.90%
12 M onth LIBID	0.88%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.10%	1.20%	1.30%	1.30%	1.50%	1.80%	2.10%
5yrPW LB Rate	1.84%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
10yrPW LB Rate	2.84%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
25yrPW LB Rate	3.98%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
50yrPW LB Rate	4.11%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
Bank Rate														
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yrPW LB Rate														
Sector's View	1.84%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
UBS	1.84%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	1.84%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.60%	-	-	-	-	-
10yrPW LB Rate														
Sector's View	2.84%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
UBS	2.84%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	-	-	-	-	-
Capital Economics	2.84%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	-	-	-	-	-
25yrPW LB Rate														
Sector's View	3.98%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
UBS	3.98%	4.20%	4.30%	4.40%	4.50%	4.50%	4.50%	4.50%	4.50%	-	-	-	-	-
Capital Economics	3.98%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	-	-	-	-	-
50yrPW LB Rate														
Sector's View	4.11%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
UBS	4.11%	4.30%	4.40%	4.50%	4.60%	4.60%	4.60%	4.60%	4.60%	-	-	-	-	-
Capital Economics	4.11%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-

Annex 2 – Economic Background

Global economy

The Eurozone (EZ). The sovereign debt crisis has eased during 2013 which has been a year of comparative calm after the hiatus of the Cyprus bailout in the spring. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. The ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bail out, has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2012 figures) of 176% Greece, Italy 131%, Portugal 124%, Ireland 123% and Cyprus 110%, remain a cause of concern, especially as many of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are continuing to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US. Greece remains particularly vulnerable and continues to struggle to meet EZ targets for fiscal correction. Many commentators still view a Greek exit from the Euro as inevitable and there are concerns that austerity measures in Cyprus could also end up in forcing an exit. The question remains as to how much damage an exit by one country would do and whether contagion would spread to other countries. However, the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks. It looks increasingly likely that Slovenia will be the next country to need a bailout.

Sentiment in financial markets has improved considerably during 2013 as a result of firm Eurozone commitment to support struggling countries and to keep the Eurozone intact. However, the foundations to this current "solution" to the Eurozone debt crisis are still weak and events could easily conspire to put this into reverse. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries like Greece and Spain which have unemployment rates of over 26% and unemployment among younger people of over 50%. The Italian political situation is also fraught with difficulties in maintaining a viable coalition which will implement an EZ imposed austerity programme and undertake overdue reforms to government and the economy.

The US economy

The economy has managed to return to reasonable growth in Q2 2013 of 2.5% y/y and 2.8% in Q3, in spite of the fiscal cliff induced sharp cuts in federal expenditure that kicked in on 1 March, and increases in taxation. The Federal Reserve has continued to provide huge stimulus to the economy through its \$85bn per month asset purchases programme of quantitative easing. However, it is expected that this level of support will start to be tapered down early in 2014. It has also pledged not to increase the central rate until unemployment falls to 6.5%; this is probably unlikely to happen until early 2015. Consumer, investor and business confidence levels have improved markedly in 2013. The housing market has turned a corner and house sales and increases in house prices have returned to healthy levels. Many house owners have, therefore, been helped to escape from negative equity and banks have also largely repaired their damaged balance sheets so that they can resume healthy levels of lending. All this portends well for a reasonable growth rate looking forward.

China.

Concerns that Chinese growth could be heading downwards have been allayed by recent stronger statistics. There are still concerns around an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also increasing concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan.

The initial euphoria generated by “Abenomics”, the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and the introduction of other economic reforms, appears to have stalled. However, at long last, Japan has seen a return to reasonable growth and positive inflation during 2013 which augurs well for the hopes that Japan can escape from the bog of stagnation and deflation and so help to support world growth. The fiscal challenges though are huge; the gross debt to GDP ratio is about 245% in 2013 while the government is currently running an annual fiscal deficit of around 50% of total government expenditure. Within two years, the central bank will end up purchasing about Y190 trillion (£1,200 billion) of government debt. In addition, the population is ageing due to a low birth rate and will fall from 128m to 100m by 2050.

UK economy

Economic growth. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth strongly rebounded in 2013 - quarter 1 (+0.3%), 2 (+0.7%) and 3 (+0.8%), to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The Bank of England has, therefore, upgraded growth forecasts in the August and November quarterly Inflation Reports for 2013 from 1.2% to 1.6% and for 2014 from 1.7% to 2.8%, (2015 unchanged at 2.3%). The November Report stated that: -

In the United Kingdom, recovery has finally taken hold. The economy is growing robustly as lifting uncertainty and thawing credit conditions start to unlock pent-up demand. But significant headwinds — both at home and abroad — remain, and there is a long way to go before the aftermath of the financial crisis has cleared and economic conditions normalise. That underpins the MPC’s intention to maintain the exceptionally stimulative stance of monetary policy until there has been a substantial reduction in the degree of economic slack. The pace at which that slack is eroded, and the durability of the recovery, will depend on the extent to which productivity picks up alongside demand. Productivity growth has risen in recent quarters, although unemployment has fallen by slightly more than expected on the back of strong output growth.

So very encouraging - yes, but, still a long way to go! However, growth is expected to be strong for the immediate future. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth

Forward guidance. The Bank of England issued forward guidance in August which said that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years in August, but revised to possibly quarter 4 2014 in November. The UK unemployment rate currently stands at 2.5 million i.e. 7.6 % on the LFS / ILO measure. The Bank's guidance is subject to three provisos, mainly around inflation; breaching any of them would sever the link between interest rates and unemployment levels. This actually makes forecasting Bank Rate much more complex given the lack of available reliable forecasts by economists over a three year plus horizon. The recession since 2007 was notable for how unemployment did NOT rise to the levels that would normally be expected in a major recession and the August Inflation Report noted that productivity had sunk to 2005 levels. There has, therefore, been a significant level of retention of labour, which will mean that a significant amount of GDP growth can be accommodated without a major reduction in unemployment.

Credit conditions. While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS), aimed at encouraging banks to expand lending to small and medium size enterprises, has been extended. The FLS certainly seems to be having a positive effect in terms of encouraging house purchases (though levels are still far below the pre-crisis level), FLS is also due to be bolstered by the second phase of Help to Buy aimed at supporting the purchase of second hand properties, which is now due to start in earnest in January 2014. While there have been concerns that these schemes are creating a bubble in the housing market, the house price increases outside of London and the south-east have been minimal. However, bank lending to small and medium enterprises continues to remain weak and inhibited by banks still repairing their balance sheets and anticipating tightening of regulatory requirements.

Inflation. Inflation has fallen from a peak of 3.1% in June 2013 to 2.2% in October. It is expected to fall back to reach the 2% target level within the MPC's two year time horizon.

AAA rating. The UK has lost its AAA rating from Fitch and Moody's but that caused little market reaction.

Sector's forward view Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

There could well be volatility in gilt yields over the next year as financial markets await the long expected start of tapering of asset purchases by the Fed. The timing and degree of tapering could have a significant effect on both Treasury and gilt yields. Equally, at the time of writing, the political deadlock and infighting between Democrats and Republicans over the budget, and the raising of the debt limit, has only been kicked down the road, rather than resolved. Resolving these issues could have a significant effect on gilt yields during 2014.

The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be tepid for the next couple of years and some EZ countries experiencing low or negative growth, will, over that time period, see a significant increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the large countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks currently include:

- UK strong economic growth is currently very dependent on consumer spending and recovery in the housing market. This is unlikely to endure much beyond 2014 as most consumers are maxed out on borrowing and wage inflation is less than CPI inflation, so disposable income is being eroded.
- A weak rebalancing of UK growth to exporting and business investment causing a major weakening of overall economic growth beyond 2014
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Prolonged political disagreement over the US Federal Budget and raising of the debt ceiling
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis
- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable; this will cause major difficulties in implementing austerity measures and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.

Appendix F

- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts, especially if it looks likely that one, or more countries, will need to leave the Eurozone.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.

Annex 3

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

CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. 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 Head of Finance 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, 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.

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:

Table A – Specified Investments

	Specified Investments Category	Limit
a	<p>A body of high credit quality, this category includes the following –</p> <ul style="list-style-type: none"> <input type="checkbox"/> Any bank or building society using Sector Creditworthiness service, following the suggested duration on the list up to a maximum of 364 days. <input type="checkbox"/> Nationalised and Part nationalised banks can be included within specified investments as long as they remain part-nationalised 	<p>£10m per institution or a maximum of 30% of total investment (whichever is the greatest), £10m per corporate group</p>
b	The UK Government (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	UK local authorities	£5m per LA, £10m all LAs
d	<p>Pooled investment vehicles (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.</p> <p>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 –</p> <ul style="list-style-type: none"> • The Fund Managers diversify investment in a range of counterparties; • The Funds are instant access; • The Council only invests in funds rated AAA; • DCLG Investment Guidance classifying such funds as Specified Investment. 	£5m per fund,
e	<p>Enhanced Money Market Funds</p> <p>These are similar to normal money market funds but operate on a variable rate basis. The selection criteria will be on the same basis as the pooled investment vehicles with only funds rated AAA by Standard and Poor’s, Moody’s or Fitch rating agencies being used.</p> <p>In addition to this only EMMF’s with a credit score of 1.25 and above will be used.</p>	£5m per fund,
f	Corporate Bond Funds	£5m per fund

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 (with the exception of Councils own bank).

Amounts invested in non specified fixed term investment would normally not exceed 25% of the total Invested. The Head of Finance has the discretion if required to exceed the limit which may occur during the course of the year should rate of return on investment be beneficial to the council. Any decision will be based on taking into account current and future market conditions as well counterparty strength and rating. If these circumstances are required this will be reported back to the appropriate committee.

Table B – Non Specified Investments

Non Specified Investment Category	Limit
a. Any institutions meeting the criteria set out for Specified Investments , with a maturity of greater than one year following the suggested duration on the list up to a maximum of 2 years. (including forward deals in excess of one year from inception to repayment).	£4m maximum of 2-years per institution
b. Councils Bank – Should its ratings fall below that required for specified investment, monies will be restricted to instant access.	£7m
c. Top 10 building societies, by asset value.	£2m maximum of 2-years per institution. £6m for all B/S sector
d. Property funds	£5m per fund

Local Authority Mortgage Scheme. Under this scheme the Council will place a maximum fund of £5m, with one of the approved lenders participating in the LAMS scheme for a fixed period of 5 years. This is classified as being a service investment, rather than a treasury management investment, and is therefore outside of the Specified / Non specified categories

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 Head of Finance.

Ethical Investment Statement - The council has approved the following ethical investment statement that will apply to all cash investments made by, or on behalf of, the council

“The Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:

- encouraging those institutions to adopt and publicise policies on socially responsible investments;
- requesting those institutions to apply council deposits in a socially responsible manner.”

Counterparties shall be advised of the above statement.

Annex 4

Risk Management – The Council undertakes risk assessment for all fixed term deposits or greater than one month. The risk assessment uses the following template –

Risk assessment of new investment (last updated March 2011)

Investment	Institution	Risk Assessment		
Investment Product	Institution name	<i>Risk of the counterparty defaulting on investment</i>		<i>Likelihood</i>
		Counterparty on our specified list: Instant access	1.4	
		Counterparty only on non specified list: Instant access	1.7	
Principal Value	Eligibility	Counterparty on our specified list: <=364 days	2	Unlikely
		Counterparty on our specified list: <=3 months	1	Unlikely
		Counterparty only on non specified list: <=364 days	2.4	
		Counterparty only on non specified list: >364 days	3	Likely
Term	Limit with this institution	<i>Impact of losing the investment</i>		<i>Impact</i>
Rate	Existing investment value	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
Rate %	Value inc new investment	Total principal greater than £3.5m	4	Critical
		Risk Score :		
Internal Reference	Is it within the limit?			

Risk assessed by:

Risk assessment date:

	2013/14	2014/15	2015/16	2016/17
Detail	Original Base	Estimate Base	Indicative Base	Indicative Base
	£'000	£'000	£'000	£'001
INCOME				
1 Dwelling Rents	(23,832)	(24,781)	(25,949)	(26,849)
2 Non Dwelling Rents	(280)	(289)	(297)	(306)
3 Charges for Services and Facilities	(1,344)	(531)	(545)	(558)
4 Other Income	(60)	(62)	(63)	(64)
5 TOTAL INCOME	(25,516)	(25,662)	(26,854)	(27,777)
EXPENDITURE				
6 Repair and Maintenance	7,781	7,923	7,856	7,890
7 Supervision and Management - General	2,536	2,521	2,533	2,553
8 Supervision and Management - Special	1,993	1,221	1,239	1,259
9 HRA share of Corporate and Democratic Costs	296	350	350	350
10 Depreciation and Impairment of Fixed Assets	5,200	5,923	6,117	6,315
11 Debt Management Expenses	24	25	25	26
12 Provision for bad debts	150	160	525	543
13 Repayment of Principal	3,222	3,222	3,222	3,222
14 TOTAL EXPENDITURE	21,202	21,345	21,867	22,158
15 NET COST OF HRA SERVICES	(4,314)	(4,317)	(4,987)	(5,619)
16 Interest Payable and Similar Charges	3,460	3,342	3,217	3,117
17 Interest and Investment Income	(290)	(200)	(300)	(450)
18 DEFICIT (SURPLUS) FOR THE YEAR ON THE HRA	(1,144)	(1,175)	(2,070)	(2,952)
MOVEMENT ON THE HRA BALANCE				
19 (Deficit)/Surplus for the Year	1,144	1,175	2,070	2,952
20 Contribution to Loan Repayment Reserve	(1,144)	(1,175)	(2,070)	(2,952)
21 Revenue Contributions to Capital	(1,000)	(2,000)	(1,000)	(1,000)
22 Housing Revenue Account balance at start of year	10,239	9,239	7,239	6,239
23 Housing Revenue Account balance at end of year	9,239	7,239	6,239	5,239
24 Major Repairs Reserve balance at start of year	5,109	4,337	5,987	9,801
25 Depreciation	5,200	5,923	6,117	6,315
26 Capital Financing	(4,926)	(4,273)	(2,303)	(2,637)
27 Major Repairs Reserve balance at end of year	5,383	5,987	9,801	13,479

HRA SAVINGS & ADDITIONAL ITEMS

	2014/15 £	2015/16 £	2016/17 £
SUMMARY OF SAVINGS			
1 Automated stock ordering system	43,000	43,000	43,000
2 Utilities - contract review	17,000	17,000	17,000
3 Grounds maintenance - contract review	70,000	70,000	70,000
4 Total Savings	130,000	130,000	130,000
ADDITIONAL ITEMS			
5 Flood prevention works	20,000	0	0
6 Periodic electrical testing	25,000	25,000	25,000
7 Works management and Mobile Working package upgrade	14,000	0	0
8 Total additional items	59,000	25,000	25,000

Description	2013/2014 Forecast Outturn £'000	2014/2015 Estimate Base £'000	2015/2016 Indicative Base £'000	2016/2017 Indicative Base £'000	2017/2018 Indicative Base £'000	2018/2019 Indicative Base £'000
HOUSING REVENUE ACCOUNT						
Repairs and Improvements						
1 Purchase of land for creation of road	-	20	-	-	-	-
2 Purchase of land	211	-	-	-	-	-
3 Purchase of strategic land acquisitions	-	300	-	-	-	-
	211	320	-	-	-	-
Energy Efficiency Initiatives:						
4 Central Heating, Ventilation and boiler replacements	1,350	1,000	1,000	1,000	1,000	1,000
Refurbishment and Improvement:						
5 New Build Properties	700	2,300	-	-	-	-
6 Windows	75	-	-	141	34	88
7 Property Refurbishments	150	-	-	-	-	-
8 Re-roofing (includes chimneys)	1,040	1,050	1,065	1,054	1,057	1,059
9 Re-wiring	175	175	110	175	175	-
10 Kitchen & Bathroom Refurbishments	1,000	1,000	850	1,000	438	1,000
11 Replacement of Canopies	180	-	-	-	-	-
12 Replacement door programme	41	23	37	35	-	10
13 Passenger lifts: Riverside Grantham	15	-	-	-	-	-
14 Passenger lifts: Church View Great Gonerby	10	-	-	-	-	-
15 External Wall Insulation	700	830	-	-	-	-
16 Installation of Air Source Heat Pumps	-	80	80	80	80	80
	5,436	6,458	3,142	3,485	2,784	3,237
IT Software						
17 Upgrade Opti-time software	15	10	-	-	-	-
18 Vehicle management system for repairs	-	50	-	-	-	-
19 Mobilisation of craft working	74	-	-	-	-	-
	89	60	-	-	-	-
Purchase of Vehicles						
20 Repairs Vehicles	58	20	161	152	144	125
21 Tenancy and Care Services	-	-	-	-	-	-
	58	20	161	152	144	125
22 TOTAL - HOUSING INVESTMENT PROGRAMME	5,794	6,858	3,303	3,637	2,928	3,362

SUMMARY FINANCING STATEMENT

Description	2013/2014 Forecast Outturn £'000	2014/2015 Estimate Base £'000	2015/2016 Indicative Base £'000	2016/2017 Indicative Base £'000	2017/2018 Indicative Base £'000	2018/2019 Indicative Base £'000
<u>HOUSING REVENUE ACCOUNT</u>						
1 Stock Improvements	5,647	6,778	3,142	3,485	2,784	3,237
2 IT Software	89	60	-	-	-	-
3 Purchase of Vehicles	58	20	161	152	144	125
4 TOTAL - HOUSING REVENUE ACCOUNT	5,794	6,858	3,303	3,637	2,928	3,362
<u>HRA FINANCED BY:</u>						
5 Major Repair Reserve	4,794	4,273	2,303	2,637	2,928	3,362
6 HRA Useable Capital Receipts	-	585	-	-	-	-
7 Contribution from Revenue	1,000	2,000	1,000	1,000	-	-
8 TOTAL - HRA CAPITAL PROGRAMME	5,794	6,858	3,303	3,637	2,928	3,362

HRA RESERVES STATEMENT

	Balance as at 31 March 2013 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2014 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2015 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2016 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2017 £'000
Revenue Reserves									
1	293	0	293	0	293	0	293	0	293
2	349	(349)	0	0	0	0	0	0	0
3	500	(55)	445	(40)	405	0	405	0	405
4	10,239	(1,000)	9,239	(2,000)	7,239	(1,000)	6,239	(1,000)	5,239
5	11,381	(1,404)	9,977	(2,040)	7,937	(1,000)	6,937	(1,000)	5,937
HRA Capital Reserve									
6	591	1,089	1,680	(204)	1,476	381	1,857	381	2,238
7	1,685	1,144	2,829	1,175	4,004	2,070	6,073	2,952	9,026
8	3,396	941	4,337	1,650	5,987	3,814	9,801	3,678	13,479
9	5,672	3,174	8,846	2,621	11,467	6,265	17,732	7,011	24,743
10	17,053	1,770	18,823	581	19,404	5,265	24,669	6,011	30,680

South Kesteven Pay Policy Statement 2014-2015

Introduction

1. It is a requirement of the Localism Act 2011 that the Council produces an annual pay policy statement. This pay statement summarises current policies and arrangements already in place. The Council will honour its contractual arrangements with employees – as such the pay policy statement is one of fact.
2. Any decisions in relation to pay will comply with this Pay policy statement for the period 1st April 2014 to 31st March 2015.
3. The Council may amend the pay policy statement any point in the year.

Context

4. The Councils pay and reward arrangements have been designed to ensure consistency through the job evaluation process and with reference to the external market. It does not currently make any specific arrangements with respect to personal performance and does not pay bonuses.
5. The Council employs all staff on local terms and conditions. It has a local pay agreement in place in respect of the payment of the national agreement on annual pay awards. The Council will make its own determination of cost of living awards in April every year in line with this agreement.

Chief Officer pay determination

6. The Localism Act refers to Chief Officers. The Chief Officers at South Kesteven District Council are the following:
The Chief Executive who is Head of Paid Service, S.151 Officer,
The Monitoring Officer, Strategic Directors, Heads of Service.
7. The Council determines its pay for its Chief Executive through the Chief Executive's remuneration panel. The panel and its remit is detailed in the Council's constitution.
8. The appointment of the Chief Executive and Statutory officers is a decision of the Council, in line with the Council's constitution. The Council does not have a separate pay policy in relation to Chief Officers and their pay determination is the same process as the determination of all staff.
9. The Council pays its chief officers at rates based on job evaluation and these are detailed in the Councils salary scale each year. The total remuneration package defined in employment contracts for the Chief executive and chief officers is the same as all staff. It includes a spot rate salary, the same holiday entitlement, the same sick pay arrangements, the same pension scheme arrangements and no enhanced remuneration elements are included. The Council does not pay car allowances or provide cars to any individual member of staff as the Council operates a pool car system available to all employees. Where the Chief executive, chief officers or staff use their own cars for Council business they are reimbursed at a flat rate of 45p. per mile in line with the HMRC guidelines. The Council may review these arrangements in 2014 – 2015 to enable cost effective flexible working.

10. Local government elections are a separate statutory responsibility and election rates are set in accordance with a Lincolnshire County wide election scale of fees and charges. These rates differ according to the size of the ward contested. Local elections do not necessarily take place every year.

11. The Council publishes senior management salary rates on its website in line with the requirements of the Government's transparency agenda.

Pay Determination Arrangements

12. The Council determines its pay for all staff through the relevant job evaluation scheme. The job evaluation score determines the grade at which the employee is paid and a collective agreement is in place with regard to the implementation of job evaluation.

13. The Council pays spot rate salaries based on the job evaluation outcome. It does not use salary bands, pay annual bonuses nor is pay a subjective decision. There are no additional benefits payable.

14. There are currently no performance related pay schemes or bonus schemes in operation for any staff, including chief officers. No car allowances are paid to staff and the Council no longer has an active health care scheme or any other additional benefits.

15. The Council will monitor pay locally and nationally as required and will undertake market reviews in relation to specific posts.

16. The salary for newly appointed staff (including chief officers) is determined on appointment in relation to the job evaluation score for the post. The job evaluation score assumes full competence at the job. Where a new appointee for the job has some development needs, the Council may choose to place the employee on a salary progression until full competence has been confirmed or qualifications have been completed. The Council will apply this approach to trainees.

17. Where a post is hard to recruit to at any level, particularly where there are supply pressures, the Council has a process in place to consider applying market supplements to pay or to offer recruitment incentives. Market supplements are kept under review and may be withdrawn if market conditions change.

18. The council has a clearly defined process in place to ensure that employees are paid the correct rate of pay for the job they do based on job evaluation. Annual cost of living awards, when made, are reflective of any national agreements and are paid in accordance with the Councils local agreement.

19. The Council will pay job related allowances to staff where it is a requirement of the job to do so. For example, instead of providing craft employees directly with tools it pays an allowance in line with JNC rates. Staff who are required to respond to emergencies outside normal working hours are also in receipt of standby and call out arrangements, depending on the nature of the work.

20. Overtime is payable at flat rate and can only be done with the prior approval of the line manager. Chief Officers and Managers are required to work evenings and weekends to meet the requirements of the job and are expected to balance their hours with time off in lieu without any overtime payments and no overtime is payable.

21. Honoraria and acting up payments may be paid for those staff who have taken up additional responsibilities for a defined period of time to cover absence or additional

responsibilities. Where possible such payments will be based on the job evaluated rates of pay for those responsibilities. Each case will be considered on its own merits and a fair recompense will be calculated.

22. Temporary short term appointments of chief officers and staff will be paid in line with the job evaluated rate for the job and the prevailing market rate for such short term appointments.

23. Remuneration for staff on secondment will be in line with the Councils secondment policy. This and the reward policy may be reviewed in 2014 -2015

Pay Multipliers

24. Whilst job evaluation and the market determines the relationship between the highest and lowest paid employees, an analysis of pay multiples has been undertaken in the light of the requirements of the Localism Act.

25. The Council defines its lowest paid employees in relation to their grade. This definition has been selected to enable fair comparison on a Full Time Equivalent basis.

26. The Ratio of the highest paid employee to mean salary per Full Time Equivalent is 1:5 (based on actual salary paid).

27. The council has no policy about the maximum or minimum levels of such ratio statistics.

Termination Payments

28. The Council recognises that all staff leave the council for a whole range of reasons, including retirement, redundancy, voluntary resignation, employment termination. Each case will be treated on its own merit and will comply with Council policies and the law. The Council reserves the right to make any appropriate payments to protect the reputation of the Council and manage risk of litigation. This will be in line with legislation and with reference to best value.

29. The Council has a pension's policy in place approved in 2008 and 2014 and it has exercised its discretion not to augment pensions. No Chief Officer or any other employee has a contractual right to an increase in pension entitlement other than through their actual service. Employee contribution rates are linked to pay and set by an independent actuarial review. The lowest paid staff pay the lowest level of pension contribution currently 5.5% rising to 11.4% for the highest paid officers . The Pensions Act 2008 requires us to auto enrol new employees into the pension scheme from a staging date, which for South Kesteven District Council is 1 November 2013. The auto-enrolment of current staff will not take place until October 2017. A new pension scheme is being introduced in April 2014 for which there is a new pension policy.

30. The Council has determined that it will allow flexible retirements in line with its retirement policy statement and Regulation 18 of the Pension Regulations. This permits flexible retirement from age 55 from 1st April 2010 with consent. The policy has a provision for individuals to retire from their substantive post and continue in employment at a lower grade or with reduced hours. The Council's policy is that any consent given for flexible retirement will only be given in the interests of the efficiency of the service. The Council has already defined interests of the efficiency of the service on 26th October 2006 as "efficiency shall include (but not be limited to) both financial savings and or quantifiable quality improvements judged on a case by case basis". It will take into account service

delivery / efficiency considerations, skill retention and the financial implications of the cost of early release in every case.

31. The Council has a redundancy policy in place approved by Cabinet on 6th July 2009 which applies equally to all staff. Where redundancy payments are made to any employee the Council reserves the right to recover the redundancy severance payment under the Continuity in Local Government (Modification order) 1999 if the employee obtains employment within a month and a day of their termination date.

32. The Council does not have any specific termination payments built into any employee's employment contracts. It reserves the right to do so should such a need arise in the interests of the efficiency of the service.

33. Should the Council ever be required to consider an individual termination payment in excess of £100,000 (excluding payments specified in statutory regulations and council policy), such a decision will be presented to full council in an exempt report.

Shared Staffing arrangements

33. The Council will enter into shared staffing arrangements with other Councils and agencies as and when it is advantageous to do so in order to deliver efficiencies. Such arrangements will be determined on a case by case basis on terms agreed between the partners in a formal agreement.

REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO: LDS119

DATE: 3 March 2014

TITLE:	Representatives on Outside Bodies	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:		
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Paul Carpenter Portfolio: Governance and Communication	
CONTACT OFFICER:	Principal Democracy Officer (Jo Toomey) Tel: 01476 40 61 52 E-mail: j.toomey@southkesteven.gov.uk	
INITIAL IMPACT ANALYSIS: Equality and Diversity	Carried out and Referred to in paragraph (7) below N/A	Full impact assessment Required:
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	None	

1. RECOMMENDATIONS

1.1 That the Council appoints representatives to:

- Black Sluice Internal Drainage Board (1 rep)
- Upper Witham Internal Drainage Board (3 reps)
- Welland and Deeping Internal Drainage Board (4 reps)

until March 2017

2. PURPOSE OF THE REPORT

- 2.1 To seek appointments to the three Internal Drainage Boards operating within South Kesteven and to inform members of recent changes to the Local Government Association Urban Commission.

3. DETAILS OF REPORT

Internal Drainage Boards - vacancies

- 3.1 South Kesteven District Council nominates representatives to a number of varying outside bodies. The majority of appointments are for a four-year period which usually coincides with the quadrennial elections. Other appointments have different durations or run between different dates. The appointment to some of the bodies to which SKDC nominates representatives has expired.
- 3.2 The Council is asked to make appointments to the three Internal Drainage Boards that operate within South Kesteven. Current representatives to those Boards are listed below:

Black Sluice Internal Drainage Board	Councillor Bob Russell
Upper Witham Internal Drainage Board	Councillor Nick Craft Councillor Ian Stokes Councillor Mike Taylor
Welland and Deepings Internal Drainage Board	Councillor Ray Auger Councillor Paul Cosham Councillor Reg Howard Councillor Jacky Smith

- 3.3 Appointments cover the period from March 2014 to March 2017. Any appointments made will be reconsidered as appropriate following the district council elections in May 2015.

Local Government Association Urban Commission

- 3.4 The Council has previously made annual appointments to the Local Government Association Urban Commission
- 3.5 The LGA has recently undertaken a major review of its governance structures. The proposals from the review were agreed at a Special Meeting of the LGA General Assembly on 23 January. One of the changes agreed is the establishment of a new Cities Regions Board. This will meet four times a year and its work will include growth, transport infrastructure, skills and wider public service reform. The new Board and an annual Urban Conference will provide the focus for future work on cities and urban policy and, as a result, the General Assembly agreed to disband the Urban Commission. No future appointment will be required to that Board

4. OTHER OPTIONS CONSIDERED

- 4.1 The Council could decline to make an appointment or appointments unless there was any legal requirement to do so.

5. RESOURCE IMPLICATIONS

- 5.1 Travelling expenses are payable to Councillors who attend meetings of outside bodies to which they have been appointed by the Council. Provision is made with the Legal and Democratic Services budget for the payment of travel expenses.

6. RISK AND MITIGATION

- 6.1 The Council should make any appointments of representatives to outside bodies in accordance with the provisions in the Council's Constitution and where statutory requirements exist, the Member with the appropriate office should be appointed.

7. ISSUES ARISING FROM IMPACT ANALYSIS

- 7.1 Not applicable

8. CRIME AND DISORDER IMPLICATIONS

- 8.1 Not applicable

9. COMMENTS OF FINANCIAL SERVICES

- 9.1 Any financial implications arising from this report are taken account of through the budget-setting process.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 10.1 Part 2, Article 4.2(iv) of the Council's Constitution states that one of the Council's functions is appointing representatives to outside bodies.
- 10.2 There is now no longer any requirement to register appointment to such bodies as disclosable pecuniary interests unless remuneration by way of profit or gain is received from the body for attendance or shares or land are held by the Member appointed as a trustee or otherwise.
- 10.3 In the event that a conflict of interest arises for any Member appointed between the interests of the Council and the interests of the body, an interest may need to be disclosed whenever the issue to which the interest relates is discussed.

11. COMMENTS OF OTHER RELEVANT SERVICES

- 11.1 None

12. APPENDICES:

- 12.1 None