

AGENDA



For a meeting of the
COUNCIL
to be held on
MONDAY, 29 FEBRUARY 2016
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.

At the start of this meeting, prayers will begin at 2pm followed immediately by the Public Open Forum.

1. PUBLIC OPEN FORUM

The public open forum will commence after prayers 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 21 JANUARY 2016

(Enclosure)

5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ANNOUNCEMENTS)

(Enclosure)

Your council working for you

6. DETERMINATION OF BUDGET 2016/17 (AND INDICATIVE FOR 2017/18 AND 2018/19) - GENERAL FUND, HOUSING REVENUE ACCOUNT AND ASSOCIATED CAPITAL PROGRAMMES

Report number CFM358 of the Leader of the Council, the Executive Member, Resources and the Executive Member, Housing. **(Enclosure)**

7. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

Report number LDS168 of the Chairman of the Constitution Committee. **(Enclosure)**

8. RECOMMENDATIONS FROM THE INDEPENDENT REMUNERATION PANEL

Report number LDS169 of the Chairman of the Welland Independent Remuneration Panel. **(Enclosure)**

9. QUESTIONS WITHOUT DISCUSSION

To note the list of questions asked under Council procedure rule 11.1 as circulated at the start of the meeting and their reference to the relevant Policy Development Group.

10. NOTICES OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:

From: Councillor Ashley Baxter

The council notes that:

1. Across the country, many public services have been outsourced to private sector providers. Local government outsourcing doubled under the last parliament.
2. The award of tenders to private sector partners is often beset with difficulty. It is not a guarantee of efficiency or value for money.
3. Outsourcing has often failed to deliver the expected savings to the taxpayer, and failed to lead to better service provision. In-house provision can provide better value for money and more flexibility at a time of severe budget cuts.
4. Research shows that the public want to see more transparency and accountability over outsourcing contracts, and they want public ownership to be the default for running services.

The council believes that:

5. Transparency is needed in the provision of public services. Public service contracts and performance and financial data of providers should always be available. Freedom of Information legislation should apply to private companies running public services.

6. Accountability is needed in the provision of public services. Meaningful consultation with the public and other stakeholders regarding service delivery objectives should take place before any outsourcing or privatisation.
7. Public ownership should be the default, so a public interest case must be made for any outsourcing or privatisation. There should always be an in-house bid on the table if services are contracted out (or an explanation given why not).
8. Social value must be the over-riding priority whenever contracts are awarded.

The council resolves to:

9. Consult local residents and stakeholders before Council services (above the value of £50,000/annum) are outsourced to the private sector.
10. Give consideration to in-house provision before the tender process commences for new contracts as well as for existing contracts due to expire.
11. Publicly commit to the principles of transparency and accountability in relation to the provision of public services.

The deadline for notices of motion for the Council meeting on Thursday, 21 April 2016 is 2pm on Friday, 8 April 2016.

MINUTES

COUNCIL

THURSDAY, 21 JANUARY 2016

2.00 PM



PRESENT

Councillor Ray Wootten Chairman

Councillor Bob Adams
Councillor Duncan Ashwell
Councillor Ashley Baxter
Councillor Mrs Pam Bosworth
Councillor Robert Broughton
Councillor Katherine Brown
Councillor Teri Bryant
Councillor Mrs Frances Cartwright
Councillor George Chivers
Councillor Michael Cook
Councillor Kelham Cooke
Councillor Lynda Coutts
Councillor Nick Craft
Councillor Felicity Cunningham
Councillor Phil Dilks
Councillor Damian Evans
Councillor Mike Exton
Councillor Tracey Forman
Councillor Helen Goral
Councillor Breda Griffin
Councillor Graham Jeal
Councillor Michael King

Councillor Ms Jane Kingman
Councillor Matthew Lee
Councillor Nikki Manterfield
Councillor Charmaine Morgan
Councillor Nick Neilson
Councillor Helen Powell
Councillor Nick Robins
Councillor Bob Russell
Councillor Bob Sampson
Councillor Ian Selby
Councillor Mrs Judy Smith
Councillor Jacky Smith
Councillor Peter Stephens
Councillor Judy Stevens
Councillor Mrs Sarah Stokes
Councillor Brian Sumner
Councillor Mrs Brenda Sumner
Councillor Hannah Westropp
Councillor Paul Wood
Councillor Rosemary H Woolley
Councillor Mrs Linda Wootten

OFFICERS

Chief Executive (Beverly Agass)
Strategic Director (Tracey Blackwell,
Steve Ingram)
Executive Manager, Corporate (Lucy
Youles)

OFFICERS

Corporate Finance Manager (Richard
Wyles)
Principal Democracy Officer (Jo Toomey)

Your council working for you

Prior to the business listed on the Council agenda, Councillors remembered Sandy Kavanagh, a former officer of the Council who had recently passed away in a minute's silence.

The Chairman welcomed Councillor Hannah Westropp to the meeting who was the candidate elected in the by-election for Belvoir Ward on 3 December 2015.

51. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Johnson, Mrs. Kaberry-Brown, Mapp, Dr. Moseley, Reid, Adam Stokes, Ian Stokes, Turner, Ward, Webster and Wilkins.

52. DISCLOSURE OF INTERESTS

No interests were disclosed.

53. MINUTES OF THE MEETING HELD ON 12 NOVEMBER 2015

A comment was made that the minutes of the last meeting did not include a question and its answer about why, following the passing of a motion by Council on 10 September 2015, prayers was not included as a substantive item on the agenda. The Monitoring Officer explained that prayers was included on the summons to the meeting and took place within the meeting. It had not been intended that prayers would be included as an agenda item that could be debated or motions put forward. Instead of requesting a revision to the minutes of the meeting of 12 November 2015, the member who raised the point asked that the question and response be recorded in the minutes of this meeting.

The minutes of the meeting held on 12 November 2015 were proposed, seconded and agreed as a correct record.

54. COMMUNICATIONS (INCLUDING CHAIRMAN'S ANNOUNCEMENTS)

The Chairman began by confirming that a number of briefing sessions on the preparation of the new Local Plan had been arranged for Councillors. A list had been circulated to all Councillors and the Chairman encouraged as many members as possible to attend.

The Council noted the Chairman's engagements. The Chairman thanked the Vice-chairman for attending those engagements that he had been unable to attend. He also drew members' attention to his use of the Chairman's car, which had only been used to transport him to one civic engagement.

One of the engagements that the Chairman had attended was for the Derbyshire, Nottinghamshire, Mid and South Lincolnshire Showman's Guild, which had made former Councillor, Jeff Thompson, an honorary member.

The Chairman passed on his congratulations to Mr. Thompson, who then made

a brief presentation to the Council about the origins of the South Kesteven District Council's crest, the components each representing one of the five Council's that were combined to form South Kesteven District Council under the Local Government Act 1972. The Chairman thanked Mr. Thompson for his presentation.

55. PRINCE WILLIAM OF GLOUCESTER BARRACKS

The Chairman welcomed Major Gary Pugh from Prince William of Gloucester Barracks in Grantham. Major Pugh provided a brief overview of the range of facilities that were available at the barracks, particularly drawing members' attention to the quantity of accommodation and welfare, and training equipment and facilities that were available.

A number of regiments were based at Prince William of Gloucester Barracks, combining regular army personnel and reservists: members were given a summary of the kinds of roles that each of the regiments carried out. Among the regiments stationed at the barracks were those that specialised in training, including the Army School of Physical Training, catering and operational support. Logistics support and supply squadron were also based at the barracks.

The Major summarised the activity that had taken place in the last 12 months and of changes to the regiments that were resident. The changes that had taken place were designed to help the army achieve its vision, which was to be regarded as a confident, valued and adaptable institution with clearly understood utility and productivity.

In explaining the future development of the army, reference was made to increased recruitment of reservists and how they could support regular soldiers. With specific regard to Prince William of Gloucester Barracks, it was aimed that it would become even busier and that the relationship with the people of Grantham would continue to grow.

A brief question and answer session took place, during which the valuable contribution of reservists was recognised and members established that the key selling point for reservists was the promise of adventure. A pop-up recruitment centre would be opened in Grantham to try and attract new reservists. Reference was also made to the centenary of the site, which would be celebrated in 2016.

The Chairman thanked Major Pugh for his presentation and answering members' questions.

56. GRANTHAM CANAL - AN UPDATE

Jason Leach, the Midlands Enterprise and Restoration Manager for the Canal and River Trust was welcomed by the Chairman. He gave a presentation on Grantham Canal Restoration. The presentation began with examples of successful restoration projects elsewhere in the country and highlighted some

of the benefits that had been experienced in those areas as a result.

Members' attention was then drawn specifically to the project that was underway to restore Grantham canal. Early work on the project had begun with the restoration of two locks. The restoration was being delivered by a team of volunteers who had been specially trained to complete the project; approximately 500 volunteer days had been recorded, which equated to an approximate value of £50,000. Work was also being undertaken with Grantham College to provide learning and skills development opportunities for its students.

Mr Leach reported that a key action in the progression of the project was the setting of a vision and producing a plan of how that would be achieved. In setting a vision, thought would need to be given to the destination of the canal and potential opportunities for the development of leisure and community facilities. Aspirations around the destination would need to complement and where necessary be considered in the development of the Council's new local plan. Part of the project would also look at the preservation of the Thames Link Route and ensuring that the water supply throughout the length of the canal remained viable.

A consultation exercise on a vision and aspirations was underway, with a final plan completed by autumn 2016. Members established that part of the consultation was to determine the destination of the canal, with the two proposals being to the west of the A1 or restoring the canal basin closer to the town centre.

During questions, members asked about the total number of locks and bridges that needed to be re-established in addition to locks 14 and 15 near Woolsthorpe-by-Belvoir. There were approximately a dozen more locks and 14 further bridges. Members also asked about opportunities to engage and work with local communities in the development of the canal area. Mr Leach stated that while the current consultation was not being undertaken with local residents, there would be opportunities to engage the communities in the delivery of the project.

The Chairman thanked Mr. Leach for his presentation and answering the questions raised by members.

57. MEMBERSHIP OF THE COUNCIL'S COMMITTEES AND POLICY DEVELOPMENT GROUPS

Decision:

- 1. That Councillor Hannah Westropp be appointed to fill the vacant Conservative seats on the Engagement Policy Development Group and the Resources Policy Development Group**
- 2. That Councillor Ray Wootten be appointed to fill the vacant Conservative seat on the Scrutiny Committee**

The Chairman introduced report number LDS164, which stated that the Conservative Group needed to nominate an additional member to the Engagement and Resources Policy Development Groups to comply with political balance requirements and a member to fill the vacant Conservative seat on the Scrutiny Committee. The Leader nominated Councillor Hannah Westropp to fill the vacant seats on the two PDGs and Councillor Ray Wootten to fill the vacancy on the Scrutiny Committee. The proposition was seconded and on being put to the vote, duly agreed.

58. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

Decision:

That the Council approves the following changes to the Constitution

- 1 That the delegation to the Executive Manager, Environment in Article 14 of the Constitution be amended to include the following in the table of functions for the Executive Manager, Environment shown in the appendix to Article 14:**

<p>The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 made under the Energy Act 2011</p>	<p>To carry out all enforcement functions, including the service of compliance and penalty notices</p>
<p>The Smoke and Carbon Monoxide Alarm (England) Regulations 2012 made under the Housing Act 2004</p>	<p>To carry out all enforcement functions, including the service of remedial and penalty charges notices.</p>

- 2 That the Constitution is amended as follows:**
- 2.1 Change all references made to Cabinet to read the Executive throughout the Constitution and all references from Portfolio Holders to Executive Members**
- 2.2 Change the portfolio names listed in Article 8, clause 8.2 as follows:**
- **Governance and Communications to “Governance”**
 - **Grow the Economy to “Growth”**
 - **Clean Green and Healthy to “Environment”**
 - **Good Housing to “Housing”**
 - **Arts and Leisure to “Culture”**
 - **Strategic Resources to “Resources”**
- 2.3 Amend Article 7 – Policy Development Groups (PDGs) as follows:**

- (i) The Council will constitute three Policy Development Groups (PDGs) called Resources, Growth and Communities. It will appoint to them nine or such number of members as it considers appropriate from time to time. Such groups may appoint working groups of their membership for a fixed period, on the expiry of which they shall cease to exist.**
- (ii) The PDGs will meet in public and private to make recommendations to the Executive on the development of policies.**

2.4 Amend the remit of Resources PDG at clause 7.1.1 to read:

The remit of the Resources PDG will be to assist the Executive Members in ensuring that the Council is able to maintain a sustainable financial position, maximise the resources available to it and to channel those resources effectively to deliver positive outcomes in the community

2.5 Change the name of Engagement PDG at clause 7.1.2 to Growth PDG and amend its remit to read:

The remit of the Growth PDG will be to assist the Executive Members in shaping the plans that will guide the future growth and prosperity of the District by positively contributing to the development of the related strategies and initiatives which will deliver new homes, additional employment opportunities and the necessary supporting infrastructure

2.6 Amend the remit of the Communities PDG at clause 7.1.3 to read:

The Communities PDG will assist the Executive Members to help local people and those moving into the District by formulating environment, health, safety and cultural initiatives that will ensure the overall wellbeing of our communities

2.7 Amend the process for liaison between the Executive and the PDGs Executive and Policy Development Liaison in clause 7.18 as follows:

Liaison between the Executive Members and the Chairman and Vice Chairman of the three Policy Development Groups will take the form of a briefing held on a quarterly basis. The briefing will be chaired by the Leader. All members of the Executive and the Chairs and Vice-Chairs will have voting rights.

The Chairman introduced report number LDS166, which related to the recommendations of the Constitution Committee on changes in relation to the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 made under the Energy Act 2011 and the Smoke and Carbon Monoxide

Alarm (England) Regulations 2012 made under the Housing Act 2004 and proposed changes related to the Council's Executive function.

In seconding the recommendations, an amendment was moved and seconded that recommendation 1.2.1 should be amended to: "*Change all references made to Cabinet to read the Executive throughout the Constitution and all references from Portfolio Holders to Executive Members.*" Some discussion on the amendment ensued with those members in support of the proposition referring to references within legislation to the executive function and identifying the cabinet as the executive, together with the practices of other, neighbouring authorities. Those members who did not support the amendment expressed concerns about the potential for confusion with the Council's executive managers, who were officers. On being put to the vote, the amendment was carried and incorporated within the substantive motion.

An amendment was proposed that the issue of the nomenclature of the cabinet members should be referred back to the Constitution Committee for further consideration. Members who spoke in support of the amendment referred to the closeness of the vote on the previous amendment (19 for, 18 against and 6 abstentions), together with comments raised in the previous debate and creating a structure that members of the public without knowledge of the organisation could understand. Other members who spoke against the amendment suggested that the title of executive was more representative of the strategic role cabinet members played and that the change in title would improve consistency with legislation and the titles used in other local authorities. On being put to the vote, amendment was lost.

Members' attention turned to debate of the substantive motion where comments were made about a number of themes including the rationale for shortening the names of the areas of responsibility for members of the Executive, arrangements for the Cabinet/PDG liaison (briefing PDG chairmen and vice-chairmen on forthcoming work and assigning policies that required development to the relevant PDG), political composition of working groups, the number of scheduled public meetings and opportunities for members to meet to participate in detailed policy discussions during the early stages of policy development. Comments were also made on opportunities for members to participate in working groups and how they fed into the wider PDG and executive structure.

On being put to the vote, the substantive motion was carried.

59. CLOSE OF MEETING

The meeting was closed at 15:39.

Chairman's Engagements 21 January 2016 to 29 February 2016

Date	Ref	Organisation and Event	Location	Chauf
Friday 05.02.16	DD	Chairman's Charity Gala	Guildhall Arts Centre Grantham	
Sunday 07.02.16	RW74	Swimarathon (Volunteering during day and prize-giving)	Meres Leisure Centre	
Saturday 13.02.16	RW70	Chairman of East Northamptonshire Council - Valentines Ball	Saxon Hall, Raunds	
Friday 26.02.16	RW77	Mayor of Boston's Charity Concert – 'Broadway to Boston'	Blackfriars Theatre & Arts Centre, Boston	

REPORT TO COUNCIL

REPORT OF: CLLR B ADAMS - LEADER
 CLLR T BRYANT – EXECUTIVE MEMBER
 RESOURCES
 CLLR MRS F CARTWRIGHT – EXECUTIVE
 MEMBER HOUSING

REPORT NO.: CFM358

DATE: 29TH FEBRUARY 2016

TITLE:	Determination of Budget 2016/17 and indicative budgets to 2018/19 – General Fund, Housing Revenue Account and associated capital programmes.	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Budget Framework Proposal	
EXECUTIVE MEMBER: NAME AND DESIGNATION:	Cllr Bob Adams - Leader Cllr Terl Bryant – Executive Member Resources Cllr Mrs Cartwright – Executive Member Housing	
CONTACT OFFICER:	Daren Turner – Strategic Director Corporate Focus Tel: 01476 406080 Email: d.turner@southkesteven.gov.uk Tracey Blackwell – Strategic Director Environment and Property Tel: 01476 406080 Email: t.blackwell@southkesteven.gov.uk Richard Wyles – Corporate Finance Manager Tel: 01476 406080 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ANALYSIS:	Stage 1 Equality impact analysis undertaken and appended	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	Budget Proposals 2016/17 http://moderngovsvr:8080/ieListDocuments.aspx?CId=164&MId=3196&Ver=4	

1. RECOMMENDATIONS (PART A)

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

- a. to set a General Fund budget requirement of £12.403M for 2016/17 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 increase of £5 (Band D equivalent) for 2016/17
- c. to note the indicative base estimates for 2017/18 and 2018/19 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 2016/17 to 2020/21 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 decrease of 1% providing an average rent of £80.09 (an average rental decrease of 81p per week)
- j. to approve an increase in garage rents of 1.5%
- k. to approve a decrease of 1% in service charges for communal facilities and community rooms
- l. to approve the Housing Revenue Account for the year 2016/17 (including the items at Appendix H in the report) and indicative years 2017/18 and 2018/19 shown at Appendix G

In relation to the Housing Revenue Account - Capital

- m. approve the indicative Housing Investment Programme for 2016/17 to 2020/21 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 2016/17, revenue and capital, the level of Council tax, housing rent setting proposals 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 2016/17.

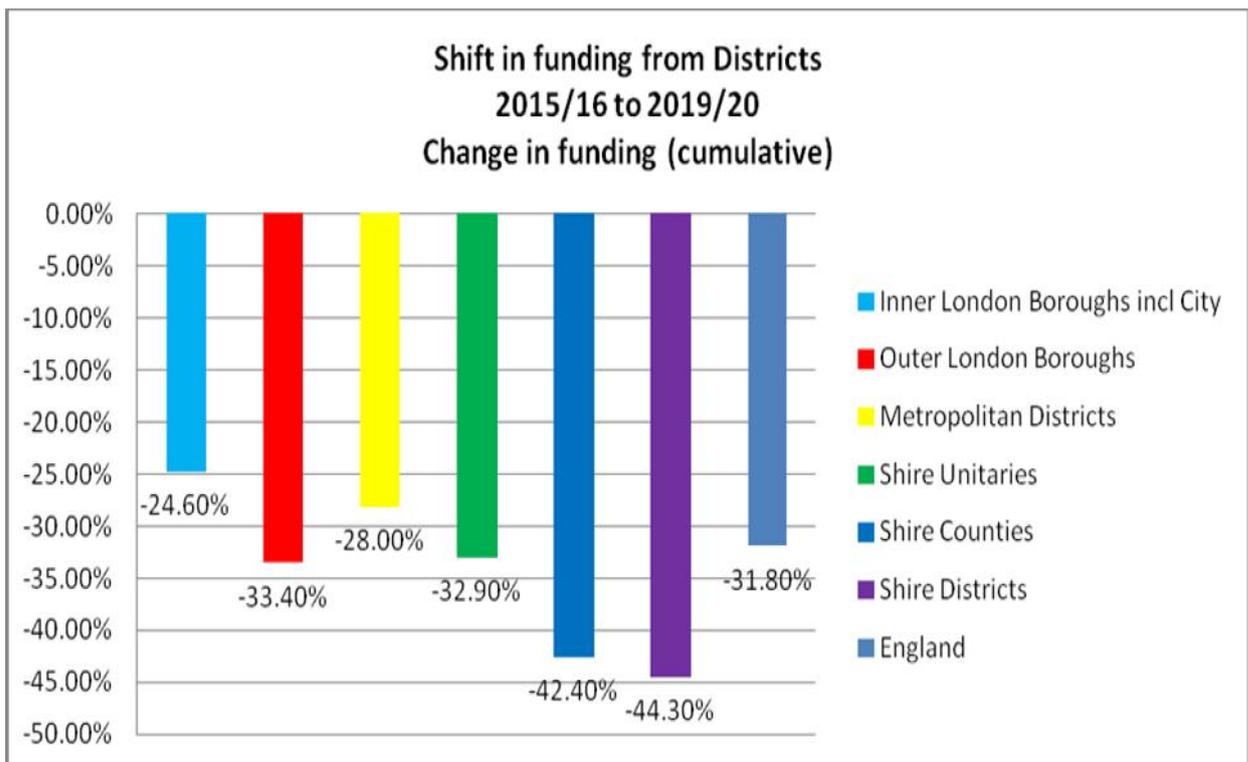
3. DETAILS OF THE REPORT

National Context

- 3.1 The formation of the budgets has been undertaken against a backdrop of significant Government funding announcements that started in the summer 2015. Specifically these were the reduction of social housing rents by 1% per annum for four years and the announcement of 100% local retention of business rates by the end of the Parliament. The spending review and provisional settlements were announced on 17 December 2015 and set out for the first time indicative four year settlements in order to assist local authorities in setting out potential resource levels until the end of 2019/20. Councils have been given the opportunity to agree to the settlements figures over the four year period upon submission and approval of an efficiency plan. This opportunity is being carefully considered and a decision on this proposal will be made later in the year. In overall terms the settlement funding assessment for local government will reduce by 31.8% over the four year period and revenue support grant will be phased out on a projection that is dependent on the individual council's ability to increase their local tax base and local council tax increases. The impact for South Kesteven is given at paragraph 3.6. Further announcements included the opportunity for low cost district councils to increase their element of Council Tax by £5 (which included South Kesteven) and an increase in rural services grant from £16M to £65M by 2019/20. Both of these presented the Council with the opportunity to receive additional funding beyond the levels that had previously been forecast. However the reduction in revenue support grant was more significant than previously anticipated which has mitigated the financial benefit the funding increases had given.
- 3.2 The new homes bonus scheme is set to continue but the scheme itself is being radically changed to allow monies to be diverted away to support the 'improved better care fund' agenda where an increase of funding was announced for those authorities with social care responsibility. Consultation on details of the new scheme is currently underway with a reduction in the funding period of 6 years to 4 years being the most likely outcome.
- 3.3 The Government has announced a new calculation method entitled 'core spending power' which includes the main funding elements for authorities going forward: settlement funding assessment, Council Tax levels, New Homes Bonus and rural services delivery grant. Based on this methodology the core spending power over the four year period is reducing by 12% assuming council tax increases are introduced each year, the tax base increases in line with Government assumptions

and the business rate base continues to grow at the nationally assumed level of inflation (see table 1 for further details).

- 3.4 Final settlement announcements were made on 8 February 2016 and a further £525M nationally has been provided in the core spending power figures. The Government is allowing all district councils to increase their council tax by £5, there is an increase in rural services grant of £91M and an additional £150M is being made available through a transition grant (to support those authorities with the sharpest decline in revenue support grant). These final announcements have had a local impact on the financial projections for the Council and these are detailed later in the report.
- 3.5 A new methodology for determining authorities' Revenue Support Grant (RSG) allocations has been proposed within the settlement. Rather than applying the same percentage cut to all authorities, the new approach has taken into account individual authorities' council tax raising ability and the type of services provided. This would appear to favour upper tier authorities, with significantly larger funding reductions for district councils (as shown below). The Government have made different assumptions than the Office for Budget Responsibility for the growth in tax base which are set at a higher growth level (CLG are based on average growth 2013/14 to 2015/16 and OBR was based on 1.2% in 2016/17 and 0.6% thereafter).



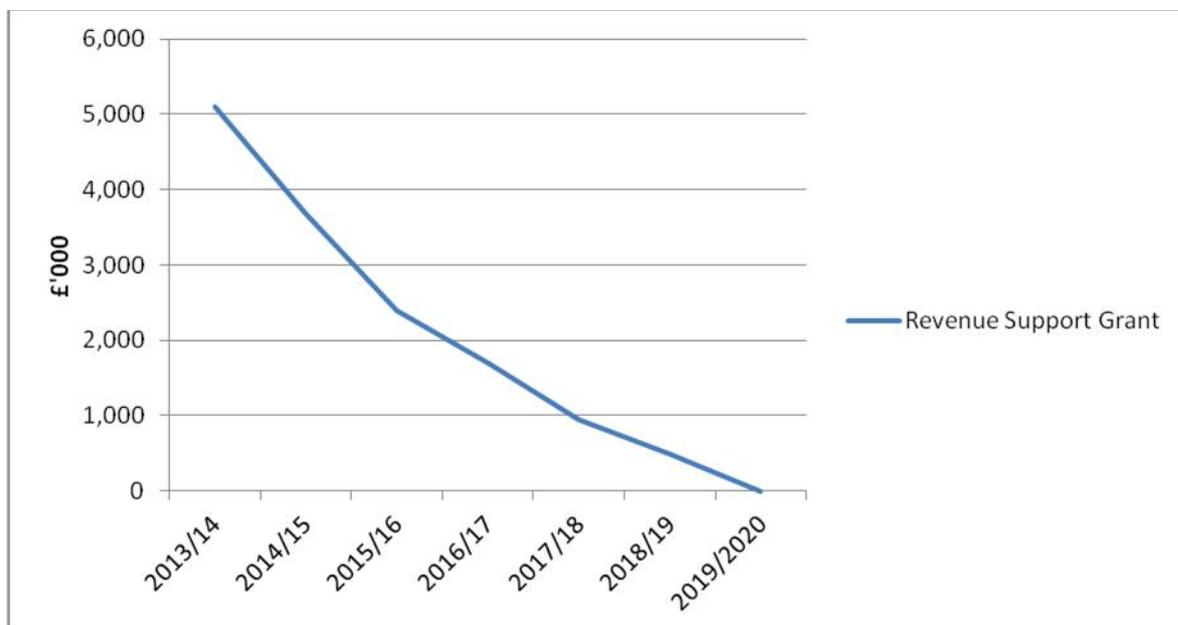
Local Context

- 3.6 The final core spending power figures for the council over the next four years are shown below. The key change between the provisional and final is an increase in rural services grant of £220K to £293K in 2016/17 and £109K totalling £236K in 2017/18. The budget proposals have been updated to reflect this change resulting in a reduction of the amount needed to be used from the business rates volatility reserve.

Table 1 – Core Spending Power

Core Spending Power of South Kesteven District Council					
	2015/16 (adj) £ m	2016/17 £ m	2017/18 £ m	2018/19 £ m	2019/20 £ m
Settlement Funding Assessment (SFA)	6.0	5.1	4.4	4.0	3.6
Council Tax:	6.2	6.5	6.9	7.2	7.5
<i>Council Tax Requirement excluding parish precepts (including base growth and levels increasing by CPI)</i>	6.2	6.4	6.6	6.8	7.0
<i>Additional revenue from £5 referendum principle for lower quartile districts Band D Council Tax level</i>	-	0.1	0.3	0.4	0.5
New Homes Bonus and returned funding	3.3	4.0	4.0	2.5	2.4
Rural Services Delivery Grant (rounded)	0.1	0.3	0.2	0.2	0.2
Core Spending Power	15.6	15.9	15.5	13.9	13.7
Change over the Spending Review period (£ millions)					-1.9
Change over the Spending Review period (% change)					-12%

- 3.7 The graph below shows the reduction in revenue support grant funding from Government over the period 2013/14 – 2019/20 as the Council moves from national funding support to a fully self financing model which is in line with Government stated policy.



- 3.8 The Council is responding to this by adopting a 'fit for the future' strategy which is underpinning the medium term financial strategy and incorporates a number of initiatives to support the changes in the funding model going forward. Specifically these include implementing a commercial investment strategy, the formation of a local authority controlled company, service transformation and partnering of services. These strategic activities will assist the Council bridge future budget gaps as the funding allocations continue to reduce.
- 3.9 The principles contained in the medium term financial strategy have underpinned the budget setting process and these are:

Medium Term Financial Strategy Principles

<p>1</p> <p>Council Tax</p> <p>Council tax levels shall be set each financial year having regard for prevailing conditions at the time.</p>	<p>2</p> <p>Resources & Grants</p> <p>Will be allocated to fund the delivery of the priorities of the residents of SKDC</p>	<p>3</p> <p>Fees & Charges</p> <p>Should be reviewed annually & have regard for inflationary increases and prevailing market conditions</p>	<p>4</p> <p>New Homes Bonus</p> <p>Shall be used to fund the Councils priority projects.</p>
<p>5</p> <p>Pooling</p> <p>Undertake a yearly review of pooling arrangements to ensure that pooling is beneficial to the Council</p>	<p>6</p> <p>Transformation Plan</p> <p>Make the transformation integral part of ensuring saving targets are achieved</p>	<p>7</p> <p>Treasury & Capital</p> <p>Ensure both are regularly reviewed to ensure they assist the Council in meeting its priorities</p>	<p>8</p> <p>Usable Reserves</p> <p>Are annually reviewed to ensure they are appropriate and still meet the priorities of the Council & be reallocated where possible</p>

These principles will be reviewed and updated in response to the significant changes that have taken place to the funding allocations for the next four years. This will be presented to Council in the summer.

4. Budget Estimates – 2016/17

The budget has been compiled in the context of the changing financial announcements and resources have continued to be directed towards delivery of front line services and the Council's stated priorities. A balanced position has been achieved for 2016/17 and also for 2017/18 and 2018/19 without the need to utilise reserves to offset budget shortfalls. This is a significant achievement within the financial climate and is a result of the continuation of driving out efficiencies and savings and implementing new initiatives that are generating new income streams for the Council.

- 4.1 The budget assumptions used in compiling the 2016/17 estimates are set out below:

Table 2 – Budget Assumptions

Cost Heading	Assumption (%)
Retail Price Index	1.5
National Business Rate	1.0
Utility Cost increase	3.0
Drainage Board Levies	Ranging from 1.5 – 2.0
Fuel costs	5.0
Pay award	1.0
Interest Rates	0.9
Salary Vacancy Factor	3.0
Growth in numbers of Band D equivalent properties	1.5

- 4.2 The General Fund budget proposes a net service expenditure of £12.403M for 2016/17 broken down by priority focus as follows:

Table 3 – Summary of General Fund Estimates

		Original base 2015/16 £'000	Estimated base 2016/17 £'000	Indicative base 2017/18 £'000	Indicative base 2018/19 £'000
1	Growth	963	523	433	405
2	Environment	6,104	6,380	6,454	6,591
3	Culture	2,893	2,884	2,796	2,699
4	Housing	992	1,088	1,129	1,175
5	Corporate	4,439	4,551	4,273	4,362
6	Net Service Expenditure	15,391	15,426	15,085	15,232
7	Net Interest	(148)	(173)	(133)	(163)
8	Minimum Revenue Provision	165	159	153	147
9	Capital Charges	(2,867)	(3,028)	(2,993)	(3,054)
10	Revenue contribution to capital	1,202	500	500	500
11	Local CT support grant	105	72	53	34
12	Corporate Savings	(300)	n/a	n/a	n/a
13	Movement on Reserves	(534)	(553)	(247)	(399)
14	Budget Requirement	13,014	12,403	12,418	12,297

- 4.3 The overall General Fund position for 2016/17 is shown at Appendix A. The total service expenditure (net of direct income) for 2016/17 is estimated at £15.426M. The Revenue contribution to the capital programme is £500K as shown at Appendix A of the General Fund position. This contribution has been made to

support the funding of the capital programme utilising available internal resources in order to avoid incurring borrowing costs which currently attract higher interest rates than utilising internal borrowing.

- 4.4 The proposed budgets for 2016/17 include a number of additional items as result of increasing costs, reductions in income and budgetary changes. These can be summarised as:

Table 4 – Additional Items of Expenditure

Heading	Amount
Reduction in recycling credits and changes in gate fee prices	£395,000
St Peters Hill development – income re-profiling	£177,000
Community safety – funding withdrawal of 2 nd home income	£114,000
Reduction in market income - Grantham	£14,000
Register of electors – supplies and services cost increase	£16,500
Asbestos survey work	£13,000
Additional project management office support	£13,300
Local Plan preparation	£110,000
ICT Resourcing (funded from ICT reserve)	£65,000
Neighbourhood Plan support (funded from external grant)	£40,000
Total	£957,800

- 4.5 With respect to second homes income, the Lincolnshire Police Crime Commissioner withdrew funding from April 2015 and Lincolnshire County Council has confirmed it is withdrawing its funding with effect from April 2016. The total amount withdrawn is £128k which had previously been allocated to contribute towards the funding of services of disabled facilities grants and community safety. These services will continue to be delivered at the same level of funding but will now need to be totally financed from Council resources.
- 4.6 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 2016/17, further savings and efficiencies are being delivered and are summarised below (further details are shown at Appendix B).

Table 5 – Savings, Efficiencies & Income Generation

Heading	Amount
Service budget reductions and base budget reviews	£336,950
Income generation initiatives	£407,250
Previous years savings continuing	£759,000
New savings for 2016/17	£1,503,200

- 4.7 The proposed Council fees and charges were agreed by the Executive and have been compiled in accordance with the fees and charges strategy. This sets out the key principles of the methodology to be used when setting fee structures.

5. Council Tax Requirement Proposals 2016/17

- 5.1 The Council's council tax requirement is set at £6.572M (after deducting the revenue support grant and business rates from the budget requirement of

£12.403M. This is detailed at appendix A of the report and provides for a Band D charge of £144.62 including special expense areas and £132.03 for the district charge only.

Business Rates

- 5.2 This fund is now a key element of the Council's funding and remains highly volatile whilst a large number of rating appeals (approximately 600) remain outstanding awaiting a decision by the Valuation Office Agency. For 2016/17, 4.334M (including the projected pooling gain of £274K) has been forecast to be received and will be monitored throughout the year. However due to the high number of business rate appeals it is necessary to utilise £136K of the business rates volatility reserve to offset a proportion of the forecast business rate deficit of the collection fund. This is shown in more detail at section 12 of the report.

6. Housing Revenue Account

- 6.1 The approved Housing Revenue Account Business Plan has driven the budget setting process by providing a key focus for the allocation of resources in order to deliver the stated objectives of the plan. The 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
- Providing a timely and effective responsive repairs service
- Continuing investment in the housing stock which will deliver improvements to approximately 700 properties including new kitchens, bathrooms, doors/windows and roofs.
- Continuing to improve the energy efficiency of the stock supported by external funding, with 721 properties benefiting from such works.
- Ongoing investment in improving access to sheltered schemes and communal areas of accommodation
- Acquisition and/or development of additional homes within the HRA with 9 properties to be built in 2016/17. A further larger development will be started in 2016/17 and will bring 18 properties into use in 2017/18.

- 6.2 As detailed in the report to the Executive the consequences of the Chancellor's announcements have been incorporated into the budget setting process. The main element of these announcements was the 1% reduction in rents for the next four years. The impact of these changes is significant to both 30 year Housing Business Plan and 2016/17 budget setting framework and the financial implications are discussed in more detail further in the report. The reduction also has a detrimental impact on the Council's ability to fully repay the maturity loan of £25M in 2019/20 and alternative financing options will be considered at a future date.

- 6.3 Ministers announced on 27th January that an amendment would be made to the Welfare Reform Bill 2015/16 to exclude specialist supported housing from the 1% decrease in rental levels for 2016/17, deferring this reduction for a further year. This intention sets a limit to rental increases of CPI+1% for supported housing. The Council currently has 1,100 properties that are anticipated to be included in the definition of Supported Housing; this includes both our temporary accommodation units and designated sheltered housing. If implemented this will increase the collectable rental income by £78k in 2016/17 to the previous forecast

reduction of 1%. It is unlikely that the Bill will be given Royal Assent before the Council meeting on 29 February and therefore the 1% reduction will be granted across the whole housing stock.

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

Table 6 – Additional Items of Expenditure

Increase in Repairs Maintenance (materials, plant and equipment, central heating)	£71,000
Housing Improvement Fund	£60,000
Asbestos Management	£40,000
Neighbourhood improvements	£220,000
Electrical Testing	£37,000
Repair & Painting to the Exterior of Properties	£120,000
Total	£548,000

- 6.5 The HRA has continued its track record of delivering savings and efficiencies whilst ensuring that resources are allocated to front line services and delivering strategic outcomes. Further savings have been identified in 2016/17 £145k above those previously identified. These are shown below:

Table 7 – Savings & Efficiencies

Property Improvements	£94,000
Tenancy and Neighbourhood	£4,000
Sheltered Housing	£24,000
Communal Facilities	£2,000
Responsive Housing Repairs	£21,000
Total	£145,000

The details of these additional items and savings are shown in Appendix H.

7 Housing Revenue Account 2016/2017 – Rent Proposals

- 7.1 The main element of policy relating to the HRA for 2016/17 is the setting of rents. Following the Chancellor's announcements in summer 2015, Government will require all social landlords to reduce their rents by 1% every year for the next four years rather than previous policy of increasing social rents by CPI +1%. However as previously stated a recent change to this has been to exclude designated sheltered housing and temporary accommodation units from this decrease on a one year deferral and to increase the rental for these properties by CPI+1% (0.9%). This deferral is to allow the Government to re-assess the wider service implications a reduction in rental income would have for the specialist sector. It is unlikely that Royal Assent will be granted to the Welfare and Reform Bill 2015/16 at the time of setting the budgets and therefore it is recommended not to include the increase to the sheltered housing at this time but to await further clarification.
- 7.2 This decrease in collectable income will see the annual rental income reducing by £9.965M over the four years. At the end of the 30 year Housing Business Plan this will see the working balances reduce from £271m to £117m.

- 7.3 For 2016/17 the average weekly rental decrease for individual property will be £0.81. The average rent in 2016/17 will be £80.09 with a minimum of £53.06 and a maximum of £116.25. Garage rents are proposed to increase in line by 1.5% and service charges relating to communal facilities and rooms will decrease by 1% as recommended by the Executive on 8 February 2016.
- 7.4 In addition to using the 1% rent reduction in setting the budget for rental income for future years further assumptions have been made. Void rent assumptions will once again be budgeted at 1.5% although during the current year this is closer to 1.3% thus gaining an additional £52k in collectable income. Given the volatility of the void rate it is considered prudent to continue to budget at 1.5% for 2016/17. Right to buy assumptions are set at 26 with the current year projected to be closer to 34 sales. The RTB assumption included in the 30 year business plan is 26 sales per annum but will be reviewed on an annual basis.

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 balances, 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 the Executive has undertaken a review of the reserves and their intended purpose to ensure they are focussed on supporting the delivery of the priorities of the Council. Reserves have been utilised to fund a number of expenditure items including events and festivals, business rates volatility and local plan preparatory work. It is anticipated to utilise the broadband infrastructure reserve to contribute towards the county wide BDUK (part of the Department for Culture, Media and Sport) initiative which aims to improve broadband connectivity in the district. The actual timing of the contribution is not yet confirmed and therefore no reserve movement has been shown. Full details of the reserve movements can be found at Appendix E.
- 8.3 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 is forecast to be £1.663M as at 31 March 2016 in line with Council policy.
- 8.4 The HRA has a number of specific reserves to assist in the delivery of the HRA Strategy and are used to fund both revenue and capital expenditure. In addition the HRA has a specific working balance which provides 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. A statement showing the forecast balances of revenue and capital reserves and their movements is provided at Appendix J.
- 8.5 The balance of the loan repayment reserve will continue to increase to allow part repayment in March 2020. As the reserve will no longer have sufficient funds to

allow for full repayment of the £25m in March 2020 due to the reduction in annual surpluses, the Executive will be considering alternative funding strategies including part repayment and fully refinancing.

9. Capital Programme 2016/17 - 2020/21

General Fund

- 9.1 The capital programme is focussed on the delivery of priority projects particularly in relation to Growth – economic regeneration. Full details are provided at Appendix D and it shows an ambitious programme over the next 5 year period together with the forecast outturn position for 2015/16.
- 9.2 The overall level of investment which includes £5M allocated to support the delivery of the commercial investment strategy. The financing of the programme is also provided and demonstrates the Council can continue to fund the projects over the five year period without the need for external borrowing.

Housing Investment Programme (HIP)

- 9.3 The HIP is forecast to outturn at £6.171M for 2015/16. 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 will be met from the major repairs reserve and useable capital receipts reserve.

The HRA Capital programme is primarily driven by the objectives of the approved Business Plan and delivers a number of outcomes including more fuel efficient housing stock and more new affordable homes. There is a projected increase in the 2016/17 capital programme from £7.1m to £9.3m this includes the 2015/16 slippage. Full details of the HRA programme can be found at appendix I.

Proposed Financing of the Capital Programme

- 9.4 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 £500K in 2016/17. In respect of HIP it is proposed to finance the programme from the Major Repairs Reserve and Useable Capital Receipts Reserve.

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 2016/17 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 2016/17 – 2018/19 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);

11.2 A review of the Treasury Management strategy has taken place in conjunction with the Council's treasury management advisors to ensure the strategy provides a framework for effective, efficient treasury management activity and ensure the Council's exposure to risk is minimised. Whilst it is widely acknowledged that exposure to risk cannot be removed, good governance and scrutiny arrangements help to ensure the exposure is minimised. The Council's arrangements in respect of robust monitoring and reporting of treasury management activities are based on best practice. The updated strategy reflects the ability for the Council to invest in property funds and also allow for consideration of commercial lending to the newly formed Local Authority Controlled Company.

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 or deficit from previous years).

- 12.3 The Council has undertaken a forecast for the collection fund for the financial year 2015/16. The forecast deficit (shown at table 8) will be recovered during 2016/17.
- 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 forecast outturn for 2015/16 is an overall deficit of £863K split between Council Tax and NNDR as shown in table 8. The Council's element of the overall deficit is £632K. The breakdown of the £863K between the parties which will be recovered during 2016/17 is shown below:

Table 8 – Breakdown of the Collection Fund (Deficit)/Surplus

Precepting Body	Council Tax Distribution Surplus/(Deficit) £	NNDR Distribution Surplus/(Deficit) £
South Kesteven District Council	119,791	(751,792)
Central Government	0	(939,741)
Lincolnshire CC	758,224	(187,948)
Lincolnshire Police	138,527	0
Total Surplus/ (Deficit) on Collection Fund	1,016,542	(1,879,481)

13. Statement by Chief Finance Officer (Strategic Director – Corporate Focus)

- 13.1 The 2016/17 budget and indicative budgets for 2017/18 to 2018/19 have been drawn up to take account of the Council's various strategies, policies and the financial context, in particular:
- The Corporate Plan – 2021 Vision
 - The Medium Term Financial Strategy (MTFS)
 - Service Strategies and Plans
 - Asset Management Strategy
 - The economic context and recent grant announcements
 - The 2015/16 forecast outturn

The MTFS will continue to be reviewed and updated following national policy announcements, in particular any further changes to funding arrangements.

- 13.2 The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer must report on:

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

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 the following risks have been taken into account.

- a. The **grant settlement from Government and other funding changes for future years** has been announced and shows a decline and phasing out of the revenue support grant by the end of 2018/19. This is one year sooner than previously anticipated and the outlook is further complicated by the 2017 business rate revaluation and proposed changes to the New Homes Bonus scheme. The Council is also awaiting a Government announcement with respect to the specific details of the 100% retention of business rates. These key strategic funding changes places uncertainty on the medium term financial planning and the Authority is responding by updating its strategy and efficiency plans to ensure it is financially self reliant from 2019/20.
- b. **Investment Income, fees and charges and future pressures** – the forecast in respect of investment income is included in the budget proposals and shows an improvement over the three year period. 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. These will be monitored carefully throughout the year. The actuarial valuation review of the Lincolnshire Local Government Pension scheme will be undertaken by March 2017 and may have implications for employer contributions from April 2017.
- c. **Rental income** – With the introduction of a 4 year reduction in rent levels there is extra financial pressure on the Council's HRA business plan due to the previously modelled income levels not being achievable. The model is updated and the spending plans will be reviewed.

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 approving the budgets, the Council must take account of the advice of the Chief Finance Officer in respect of the above. For 2016/17 it can be confirmed that the budget presented to the Council 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 as the Council's Chief Financial Officer which are set out in section 13 above when making recommendations 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 in the Constitution.

21. COMMENTS FROM OTHER RELEVANT SERVICES

- 21.1 N/a

22. APPENDICES:

Appendix A – Revenue Estimate 2016/17 and indicative budgets 2017/18, and 2018/19

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

Appendix L – Equality Impact Assessments for General Fund & HRA

COUNCIL TAX SETTING - PART B

1 INTRODUCTION

The purpose of this part of the report is to set the level of Council Tax for 2016/17 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") and 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 2016/17 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (as amended)
 - a) £65,121,156 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) £51,378,667 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) £13,742,489 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) £5,695,400 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) £177.09 being the amount at c) above less the amount at d) above, all divided by the Council's tax base of 45,440.40 as recorded in minute 26 of the Executive meeting of 7 December 2015, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year 2016/17.
 - f) £2,111,285 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
 - g) £132.03 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 7 December 2015, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

h) Part of the Council's area

being calculated by adding to the amount at (g) above the amounts of special items 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.

<u>Parish</u>	<u>Adjusted Band D Equivalents</u>
	No.
Grantham combined	10464.01
Stamford combined	6829.02
Bourne Combined	5157.84
Allington	343.76
Ancaster	550.86
Aslackby	108.56
Barholm & Stowe	33.63
Barkston and Syston combined	240.07
Barrowby	701.98
Baston	560.76
Belton & Manthorpe	205.93
Billingborough	456.01
Bitchfield & Bassingthorpe	55.96
Boothby Pagnell	62.49
Braceborough & Wilsthorpe	141.19
Ropsley, Humby, Braceby, Sapperton combined	316.17
Burton Coggles	40.51
Careby	77.21
Carlby	198.44
Carlton Scroop and Normanton combined	125.40
Castle Bytham	292.09
Caythorpe & Frieston	519.39
Claypole	514.45
Colsterwoth, Gunby & Stainby, North Witham combined	739.53
Corby Glen & Birkholme	398.55
Counthorpe & Creeton	26.81
Deeping St James	2390.82
Denton	123.87
Dowsby	55.33
Dunsby	44.20
Stoke Rochford and Easton combined	83.14
Edenham	115.93
Fenton	57.89

Folkingham	274.63
Foston	213.13
Fulbeck	218.44
Greatford	126.29
Great Gonerby	718.62
Great Ponton	119.85
Haconby & Stainfield	183.57
Harlaxton	334.95
Heydour	151.75
Honington	65.74
Horbling	159.04
Hougham	77.33
Hough-on-the-Hill	162.13
Ingoldsby	115.30
Irnham	111.74
Kirkby Underwood	76.94
Langtoft	749.36
Lenton, Keisby & Osgodby	67.48
Little Bytham	110.83
Little Ponton & Stroxtun	67.57
Londonthorpe & Harrowby without combined	1562.12
Long Bennington	919.78
Market Deeping	2092.17
Marston	153.35
Morton & Hanthorpe	805.77
Old Somerby	90.49
Pickworth	74.54
Pointon & Sempringham	189.41
Rippingale	338.28
Sedgebrook	140.09
Skillington	132.31
South Witham	456.22
Stubton	72.45
Swayfield	135.68
Swinstead	78.23
Tallington	224.79
Thurlby	790.21
Toft Lound & Manthorpe	138.02
Uffington	315.68
Welby	80.53
Westborough & Dry Doddington	143.95
West Deeping	116.47
Witham-on-the-Hill	96.79
Woolsthorpe	137.74
Wyville cum Hungerton	18.84

- 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 2016/17, 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 2016/17, 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 £
tbc							

- 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 2016/17 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 Executive 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 45,440.4 was approved at the Executive meeting held on 7 December 2015 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 2016/17 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 19 February 2016, as follows:

Total Council Tax Requirement	tbc
SKDC precept element	tbc
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 22nd February 2016. Subsequently The Police and Crime Commissioner has confirmed his Council Tax requirement as follows:

Total Council Tax Requirement	tbc
SKDC precept element	tbc
Band D tax	tbc

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

Council Tax Details 2016/17				
	2015/16 Band D	2016/17 Band D	Increase £	Increase %
Lincolnshire County Council	1085.94	tbc	tbc	tbc
Lincolnshire Police & Crime Commissioner	197.64	tbc	tbc	tbc
South Kesteven District Council	127.47	132.03	£4.56	3.58%
South Kesteven + Special Expenses	139.62	144.62	£5.00	3.58%
South Kesteven + Special Expenses + Parishes*	171.69	177.09	5.40	3.15%

*the parish precept is net of localised council tax support grant allocation

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 2016/17

Appendix A

	2015/16 Original Base <u>£'000</u>	2016/17 Estimate Base <u>£'000</u>	2017/18 Indicative Base <u>£'000</u>	2018/19 Indicative Base <u>£'000</u>
Priority Focus				
Growth	963	523	433	405
Environment	6,104	6,380	6,454	6,591
Culture	2,893	2,884	2,796	2,699
Housing	992	1,088	1,129	1,175
Corporate	4,439	4,551	4,273	4,362
NET COST OF SERVICES	15,391	15,426	15,085	15,232
Interest and Investment Income	(168)	(185)	(142)	(165)
Interest Payable	20	12	9	2
Minimum Revenue Provision	165	159	153	147
Depreciation Charged to Revenue Accounts	(2,867)	(3,028)	(2,993)	(3,054)
Revenue Contribution to Capital	1,202	500	500	500
Local Council Tax Support Scheme Grant	105	72	53	34
Corporate Savings to be allocated	(300)	-	-	-
Movement on Reserves				
-Net Movement in General Fund Specific Reserves	(534)	(553)	(247)	(399)
BUDGET REQUIREMENT - GENERAL FUND	13,014	12,403	12,418	12,297
Revenue Support Grant	(2,505)	(1,700)	(957)	(492)
Business Rates Income	(3,945)	(4,060)	(4,116)	(4,233)
Pooling Gain	(248)	(274)	(272)	(277)
Council Tax Freeze Grant	(67)	0	0	0
Rural Grant	(56)	(293)	(236)	(182)
New Burdens Funding	(62)	0	-	-
Reserve Funding	0	(136)	-	-
Collection Fund (Surplus)/ Deficit	117	632	-	-
TOTAL FUNDING (exc Council Tax)- GENERAL FUND	(6,766)	(5,831)	(5,581)	(5,184)
DISTRICT COUNCIL TAX REQUIREMENT (EXCL PARISHES)	6,248	6,572	6,837	7,113
SKDC Budget Requirement	5,705	6,000	6,242	6,495
Bourne Special Expense Area	26	28	29	30
Deepings Special Expense Area	13	14	14	15
Grantham Special Expense Area	427	449	467	485
Langtoft Special Expense Area	8	8	9	9
Stamford Special Expense Area	69	73	76	79
Parish Precepts	1,435	1,476	1,491	1,506
COUNCIL TAX REQUIREMENT (INCL PARISHES)	7,683	8,048	8,328	8,619

Band D Properties on which charges are based	44,753.0	45,440.4	46,349.2	47,276.2
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Council Tax Band Charges inc SEA's	2016/17	Council Tax Band Charges exc SEA's	2016/17
Band A	£96.41		£88.02
Band B	£112.48		£102.69
Band C	£128.55		£117.36
Band D	£144.62		£132.03
Band E	£176.76		£161.37
Band F	£208.90		£190.71
Band G	£241.03		£220.05
Band H	£289.24		£264.06

GENERAL FUND	
<u>SAVINGS, EFFICIENCIES INCOME GENERATION</u>	
Service Description	Amount in 2016/17 (£)
1 Transformation of services	113,000
2 Centralised Budgets	44,500
3 Street Care Services - Fuel & Vehicle Repairs	142,550
4 Internal Printing savings	14,500
5 Property Development savings	12,400
6 CCTV service savings	10,000
7 Street Care Services - Additional Green Waste Income	140,000
8 Investment Property Income	200,000
9 Rental Income on commercial properties	67,250
10 Total	744,200
Previous Years savings carried forward - summary	
11 Contractural Savings	151,000
12 Zero Based Budgeting	18,000
13 Review of Services/ Processes	181,000
14 Leisure Centres - management savings	313,000
15 Rental income on commercial properties	96,000
16 Total	759,000
17 Grand Total	1,503,200

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	CAR PARKS - GRANTHAM				
1	SHORT STAY (EXCEPT WHARF ROAD)				
	Up to 30 mins	01/04/2010	0.50	0.50	Included
	Up to 1 hour	01/04/2010	0.80	0.80	Included
	Up to 2 hours	01/04/2010	1.30	1.30	Included
	Up to 3 hours	01/04/2010	1.80	1.80	Included
	Up to 4 hours	01/04/2010	3.00	3.00	Included
	Over 4 hours	01/04/2010	4.00	4.00	Included
	SHORT STAY Wharf Road Grantham				
	Up to 30 mins	01/04/2010	0.50	0.50	Included
	Up to 1 hour	01/04/2010	0.80	0.80	Included
	Up to 2 hours	01/04/2010	1.30	1.30	Included
	Up to 3 hours	01/04/2010	1.80	1.80	Included
	Up to 4 hours	01/04/2011	6.00	6.00	Included
	Over 4 hours	01/04/2011	8.00	8.00	Included
2	LONG STAY				
	Up to 3 hours	01/04/2010	1.80	1.80	Included
	Up to 4 hours	01/04/2010	2.50	2.50	Included
	All day	01/04/2010	3.00	3.00	Included
3	LONG STAY SEASON TICKETS (Monday to Friday)				
	Per quarter	01/04/2010	99.00	99.00	Included
	Per 6 months	01/04/2010	190.00	190.00	Included
4	LONG STAY SEASON TICKETS (Monday to Saturday)				
	Per quarter	01/04/2010	120.00	120.00	Included
	Per 6 months	01/04/2010	230.00	230.00	Included
	Season Ticket Discount Offer	Purchase	Additional Tickets Free		
		4	1		
		8	2		
		15	5		
5	PENALTY CHARGE NOTICES				
	Failure to display	01/04/2013	70.00	70.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/2013	35.00	35.00	O/Scope
	Parking for longer etc	01/04/2013	50.00	50.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/2013	25.00	25.00	O/Scope

NB Blue Badge holders are limited to 3 hours without charge, after which normal charges apply

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	CAR PARKS - STAMFORD				
1	SHORT STAY				
	Up to 30 mins	01/04/2010	0.50	0.50	Included
	Up to 1 hour	01/04/2010	0.80	0.80	Included
	Up to 2 hours	01/04/2010	1.30	1.30	Included
	Up to 3 hours	01/04/2010	1.80	1.80	Included
	Up to 4 hours	01/04/2010	3.00	3.00	Included
	Over 4 hours	01/04/2010	4.00	4.00	Included
2	LONG STAY				
	Up to 3 hours	01/04/2010	1.80	1.80	Included
	Up to 4 hours	01/04/2010	2.50	2.50	Included
	All day	01/04/2010	3.00	3.00	Included
3	COACH PARKING (ALL DAY)				
	Cattle Market	01/04/2010	10.00	10.00	Included
4	LONG STAY SEASON TICKETS (Monday to Friday)				
	Per quarter	01/04/2010	99.00	99.00	Included
	Per 6 months	01/04/2010	190.00	190.00	Included
5	LONG STAY SEASON TICKETS (Monday to Saturday)				
	Per quarter	01/04/2010	120.00	120.00	Included
	Per 6 months	01/04/2010	230.00	230.00	Included
	Season Ticket Discount Offer	Purchase	Additional Tickets Free		
		4	1		
		8	2		
		15	5		
6	PENALTY CHARGE NOTICES				
	Failure to display	01/04/2013	70.00	70.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/2013	35.00	35.00	O/Scope
	Parking for longer etc	01/04/2013	50.00	50.00	O/Scope
	Fine after discount for Payment in 14 days	01/04/2013	25.00	25.00	O/Scope

NB Blue Badge holders are limited to 3 hours without charge, after which normal charges apply

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	BUS STATION - GRANTHAM				
1	Per Departure	01/04/2014	0.77	0.77	Included
2	<u>Minimum Charge</u> 1-75 departures per annum	01/04/2014	51.00	51.00	Included
	BUS STATION - STAMFORD				
3	Per Departure	01/04/2014	0.77	0.77	Included
4	<u>Minimum Charge</u> 1-75 departures per annum	01/04/2014	51.00	51.00	Included
	BUS STATION - BOURNE				
5	Per Departure	01/04/2014	0.77	0.77	Included
6	<u>Minimum Charge</u> 1-75 departures per annum	01/04/2014	51.00	51.00	Included

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	CYCLE CENTRE AT ST CATHERINE'S ROAD GRANTHAM				
1	<u>13 weeks charge</u>				
	Small locker	01/04/2015	28.50	28.50	Included
	Large locker	01/04/2015	34.50	34.50	Included
2	<u>26 weeks charge</u>				
	Small locker	01/04/2015	44.50	44.50	Included
	Large locker	01/04/2015	56.00	56.00	Included
3	<u>52 weeks charge</u>				
	Small locker	01/04/2015	65.50	65.50	Included
	Large locker	01/04/2015	80.50	80.50	Included
4	Deposit for entry key and locker key	01/04/2015	11.50	11.50	Included

Building Control - Detail						
Category of work	Full Plans Application			Building Notice Applications		
	Plan Charge			Building Notice Charge		
	Net Charge £	VAT £	Gross Charge £	Net Charge £	VAT £	Gross Charge £
Extension or loft conversion where floor area does not exceed 6m2	230.00	46.00	276.00	230.00	46.00	276.00
Extension or loft conversion where floor area exceeds 6m2 but does not exceed 10m2	290.00	58.00	348.00	290.00	58.00	348.00
Extension or loft conversion where floor area does not exceed 20m2	300.00	60.00	360.00	300.00	60.00	360.00
Extension or loft conversion where floor area exceeds 20m2 but does not exceed 60m2	455.00	91.00	546.00	455.00	91.00	546.00
Erection or extension of a domestic garage or carport up to 60m2	270.00	54.00	324.00	270.00	54.00	324.00
Conversion of a domestic garage into a habitable room(s)	230.00	46.00	276.00	230.00	46.00	276.00
Renovation of a thermal element to a single existing dwelling (eg external insulation)	200.00	40.00	240.00	200.00	40.00	240.00
Replacement of up to five windows / external doors of an existing dwelling (where all are replaced at the same time)	105.00	21.00	126.00	105.00	21.00	126.00
Replacement of more than five windows / external doors of an existing dwelling (where all are replaced at the same time)	175.00	35.00	210.00	175.00	35.00	210.00
Any electrical work to a dwelling other than a complete rewire	200.00	40.00	240.00	200.00	40.00	240.00
Electrical work involving the complete re-wiring of an existing dwelling	290.00	58.00	348.00	290.00	58.00	348.00
Installation of PV panels or solar heating system to an existing dwelling	200.00	40.00	240.00	200.00	40.00	240.00
Re-roofing of an existing dwelling	200.00	40.00	240.00	200.00	40.00	240.00
Work for which the estimated cost is up to £1,000	115.00	23.00	138.00	115.00	23.00	138.00
Work for which the estimated cost is over £1,000 and up to £2,000	200.00	40.00	240.00	200.00	40.00	240.00
Work for which the estimated cost is over £2,000 and up to £5,000	260.00	52.00	312.00	260.00	52.00	312.00
Work for which the estimated cost is over £5,000 and up to £10,000	290.00	58.00	348.00	290.00	58.00	348.00
Work for which the estimated cost is over £10,000 and up to £20,000	320.00	64.00	384.00	320.00	64.00	384.00

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	2015/16 £	2016/17 £	VAT
	BUILDING CONTROL CHARGES				
1	<u>Photocopying Charges</u>				
	Photocopying - A4/A3 per sheet (up to 5 sheets)	01/04/2016	0.30	0.30	Included
	Photocopying - A2 per sheet (up to 5 sheets)	01/04/2016	3.16	3.20	Included
	Photocopying - A1 per sheet (up to 5 sheets)	01/04/2016	4.42	4.50	Included
	Photocopying - A0 per sheet (up to 5 sheets)	01/04/2016	6.94	7.00	Included
2	<u>Administration Charges</u>				
	Photocopying - general administration charge	01/04/2016	7.56	7.70	Included
	Searching of historic records	01/04/2016	30.00	30.50	Included
	Copy of completion certificate	01/04/2016	24.00	24.40	Included
	On-line copy of completion certificate	01/04/2016	12.00	12.20	Included
	Copy of notice of decision	01/04/2016	24.00	24.40	Included
	On-Line copy of notice of decision	01/04/2016	12.00	12.20	Included
	Stamped approved plans	01/04/2016	18.00	18.30	Included
3	<u>Additional Inspection Charges</u>				
	Inspection booked - nobody on site	01/04/2016	30.00	30.50	Included
	Inspection booked - work not ready	01/04/2016	30.00	30.50	Included
	Additional inspections for quality of building works including help with snagging list	01/04/2015	20% of original charge	20% of original charge	
4	<u>Other Charges</u>				
	Failure to notify at required stages including the completion stage	01/04/2016	60.00	60.90	Included
	Pre-application advice including 'do I need permission'	01/04/2016	40.00	40.60	Included
	SAP and EPC Charges	01/04/2016	N/A	150.00	Included
	Domestic structural design	01/04/2016	N/A	115.00	Included
	Administration charge for dangerous structures, demolitions, withdrawn applications, historic buildings etc. (per hour)	01/04/2016	N/A	60.00	Included

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
MARKETS - GRANTHAM					
1	Standard Stall (3.05m x 1.22m)	01/04/2012	21.50	21.50	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/2015	24.30	24.30	Exempt
2	Pitch (3.05m x 3.05m)	01/04/2012	20.00	20.00	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/2015	21.20	21.20	Exempt
	Hot food & drinks units	01/04/2015	24.30	24.30	Exempt
3	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/2015	6.60	6.60	Included
	Large vehicles	01/04/2015	10.10	10.10	Included
MARKETS - STAMFORD					
4	Standard Stall (3.05m x 1.22m)	01/04/2016	23.50	23.85	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/2016	26.90	27.30	Exempt
5	Pitch (3.05m x 1.22m)	01/04/2016	21.00	21.30	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/2016	23.80	24.15	Exempt
	Hot food & drinks units	01/04/2016	26.90	27.30	Exempt
6	Craft fair - Table	01/04/2016	24.80	25.15	Exempt
7	Craft fair - Stall	01/04/2016	30.00	30.45	Exempt
8	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/2016	6.70	6.80	Included
	Large vehicles	01/04/2016	10.30	10.45	Included
MARKETS - BOURNE					
9	Standard Stall (3.05m x 1.22m)	01/04/2016	19.00	19.30	Exempt
	Standard Casual Stall (3.05m x 1.22m)	01/04/2016	20.70	21.00	Exempt
10	Pitch (3.05m x 3.05m)	01/04/2016	16.00	16.25	Exempt
	Casual Pitch (3.05m x 3.05m)	01/04/2016	16.50	16.75	Exempt
	Hot food & drinks units	01/04/2016	20.70	21.00	Exempt
11	<u>Vehicles parked for storage</u>				
	Cars and light vans	01/04/2016	6.80	6.90	Included
	Large vehicles	01/04/2016	10.30	10.45	Included
12	Hire of stall for private function (collection only)*	01/04/2016	10.90	11.05	Exempt
13	FOR ALL MARKETS				
	Farmers market - supply of stall cover in addition to standard stall charge	01/04/2007	1.00	1.00	Exempt
	Fruit and Veg Excessive Waste Surcharge	01/04/2016	£5.20/Stall	5.30/Stall	Included

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

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>BOURNE LEISURE CENTRE</u>				
1	<u>Swimming Pool</u>				
	Swimming - full rate	01/04/2015	4.85	4.85	Exempt
	Swimming - concession	01/04/2015	3.20	3.20	Exempt
	Under 5's	01/04/2012	0.75	0.75	Exempt
	Parent and toddler session	01/04/2015	4.90	4.90	Exempt
	Exclusive pool hire (per hour)	01/04/2016	143.75	145.90	Exempt
	LCC Schools (per individual)	01/04/2015	1.10	1.10	Exempt
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/2016	54.15	54.95	Exempt
	Commercial	01/04/2012	Negotiable	Negotiable	Exempt
	Badminton - full rate	01/04/2016	11.40	11.55	Exempt
	Cricket nets - full rate	01/04/2016	53.95	54.75	Exempt
	Table tennis - full rate per hour	01/04/2016	6.55	6.65	Exempt
3	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/2016	7.90	8.00	Exempt
4	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/2016	2.80	2.85	Exempt
	Activity room/meeting room - full rate	01/04/2016	24.00	24.35	Exempt
	Spectator (per individual)	01/04/2015	1.20	1.20	Exempt
5	<u>Hire of equipment</u>				
	Rackets and balls (all types of rackets and balls)	01/04/2016	2.15	2.20	Exempt

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>BOURNE LEISURE CENTRE</u>				
6	<u>Membership</u>				
	Adult member	01/04/2016	23.25	24.00	Exempt
	Junior (U16)	01/04/2016	11.25	11.40	Exempt
	Club	01/04/2016	44.15	44.80	Exempt
	Concessionary	01/04/2016	11.25	11.40	Exempt
	Family membership	01/04/2016	49.10	49.85	Exempt
	THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES				
	LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>DEEPINGS LEISURE CENTRE</u>				
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/2015	4.25	4.25	Exempt
	Swimming - concession	01/04/2015	2.75	2.75	Exempt
	Under 5's	01/04/2012	0.65	0.65	Exempt
	Parent and toddler session	01/04/2015	4.40	4.40	Exempt
	Exclusive pool hire (per hour)	01/04/2016	87.80	89.10	Exempt
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/2016	49.10	49.85	Exempt
	Commercial	01/04/2012	Negotiable	Negotiable	Exempt
	Badminton - full rate	01/04/2016	11.65	11.80	Exempt
	Roller skating - adult	01/04/2016	3.20	3.25	Exempt
	Roller skating - concession	01/04/2016	2.60	2.65	Exempt
	Cricket nets - full rate	01/04/2016	49.10	49.85	Exempt
	Table tennis - full rate per hour	01/04/2016	6.70	6.80	Exempt
3	<u>Squash Court (per 40 mins) - full rate</u>	01/04/2016	8.05	8.15	Exempt
4	<u>Second Hall (per hour)</u>				
	Sporting - full rate	01/04/2016	24.00	24.35	Exempt
	Commercial	01/04/2012	Negotiable	Negotiable	Exempt
5	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/2016	5.15	5.25	Exempt
6	<u>Miscellaneous (per hour)</u>				
	Crèche (per child)	01/04/2016	1.90	N/A	Exempt
	Activity room/meeting room - full rate	01/04/2016	15.30	N/A	Exempt
	Sports bar - full rate	01/04/2016	15.30	N/A	Exempt
	Committee room - full rate	01/04/2016	9.80	N/A	Exempt
	Whole bar area - full rate	01/04/2015	N/A	N/A	Exempt
	Spectator (per individual)	01/04/2015	1.35	1.35	Exempt

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>DEEPINGS LEISURE CENTRE</u>				
7	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/2016	2.15	2.20	Exempt
	Skate hire / shuttlecock	01/04/2016	2.15	2.20	Exempt
	Badminton/tennis/squash racket	01/04/2016	2.15	2.20	Exempt
8	<u>Synthetic Pitch (per hour)</u>				
	Full synthetic pitch - full rate	01/04/2016	49.05	49.80	Exempt
	Six-a-side - full rate	01/04/2016	19.40	19.70	Exempt
	Floodlights (full pitch) - full rate	01/04/2016	19.75	20.05	Exempt
	Floodlights (six-a-side) - full rate	01/04/2016	7.35	7.45	Exempt
9	<u>Outdoor Facilities (per hour)</u>				
	Tennis court - full rate	01/04/2016	10.90	11.05	Exempt
	Netball - full rate	01/04/2016	21.40	21.70	Exempt
10	<u>Outdoor pitches</u>				
	per pitch (2 hours) - full rate	01/04/2016	55.70	56.55	Exempt
	Includes marking out and accommodation				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>THE GRANTHAM MERES LEISURE CENTRE</u>				
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/2015	4.85	4.85	Exempt
	Swimming - concession	01/04/2015	3.25	3.25	Exempt
	Under 5's	01/04/2012	0.75	0.75	Exempt
	Parent and toddler session	01/04/2015	5.00	5.00	Exempt
	Exclusive pool hire (per hour)	01/04/2016	141.95	144.10	Exempt
	LCC Schools (per individual)	01/04/2015	1.10	1.10	Exempt
2	<u>Main Hall (per hour)</u>				
	Sporting - full rate	01/04/2016	76.40	77.55	Exempt
	Commercial	01/04/2012	Negotiable	Negotiable	Exempt
	Badminton - full rate	01/04/2016	11.25	11.40	Exempt
	Climbing wall - full rate	01/04/2016	7.70	7.80	Exempt
	Table tennis centre hall	01/04/2016	56.85	57.70	Exempt
	Table tennis - full rate per hour	01/04/2016	6.65	6.75	Exempt
3	<u>Second Hall (per hour)</u>				
	Sporting - full rate	01/04/2016	36.20	36.75	Exempt
	Commercial	01/04/2012	Negotiable	Negotiable	Exempt
4	<u>Fitness Room (per hour)</u>				
	Individual use - full rate	01/04/2016	8.50	8.65	Exempt
5	<u>Miscellaneous (per hour)</u>				
	Activity room/meeting room - full rate	01/04/2016	15.85	16.10	Exempt
	Sports bar - full rate	01/04/2016	18.25	18.50	Exempt
	Function room - full rate	01/04/2016	16.70	16.95	Exempt
	Spectator (per individual)	01/04/2015	1.30	1.30	Exempt
6	<u>Hire of equipment</u>				
	Table tennis bat/ball	01/04/2016	2.25	2.30	Exempt
	Badminton/tennis/squash racket	01/04/2016	2.25	2.30	Exempt

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>THE GRANTHAM MERES LEISURE CENTRE</u>				
7	<u>Synthetic Pitch (per hour)</u>				
	Full synthetic pitch - full rate	01/04/2016	53.45	54.25	Exempt
	Six-a-side - full rate	01/04/2016	18.95	19.25	Exempt
	Floodlights (full pitch) - full rate	01/04/2016	21.70	22.05	Exempt
	Floodlights (six-a-side) - full rate	01/04/2016	7.45	7.55	Exempt
8	<u>Outdoor Facilities - (per hour)</u>				
	Floodlights - full rate	01/04/2016	8.70	8.85	Exempt
	Tennis court - full rate	01/04/2016	13.80	14.00	Exempt
	Netball - full rate	01/04/2016	19.65	19.95	Exempt
9	<u>Membership</u>				
	Adult member	01/04/2016	25.05	29.00	Exempt
	Junior (U16)	01/04/2016	12.05	12.25	Exempt
	Concessionary	01/04/2016	12.05	12.25	Exempt
	Family membership	01/04/2016	57.85	58.70	Exempt
	THE LIST OF CHARGES IS NOT DEFINITIVE AND ARE NON-MEMBER RATES LOWER CHARGES ARE AVAILABLE FOR LEISURE CENTRE MEMBERS				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>STAMFORD LEISURE CENTRE</u>				
1	<u>Swimming pool</u>				
	Swimming - full rate	01/04/2016	4.80	4.85	Exempt
	Swimming - concession	01/04/2015	3.25	3.25	Exempt
	Under 5's	01/04/2012	0.75	0.75	Exempt
	Parent and toddler session	01/04/2015	5.05	5.05	Exempt
	Exclusive pool hire (per hour)	01/04/2016	143.55	145.70	Exempt
	LCC schools (per individual)	01/04/2015	1.10	1.10	Exempt
	Spectator (per individual)	01/04/2015	1.30	1.30	Exempt
2	<u>Membership</u>				
	Adult member	01/04/2016	25.05	25.45	Exempt
	Junior (U16)	01/04/2016	12.05	12.25	Exempt
	Concessionary	01/04/2016	12.05	12.25	Exempt
	Family membership	01/04/2016	57.85	58.70	Exempt

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	<u>SOUTH KESTEVEN SPORTS STADIUM</u>				
1	<u>Track Hire</u>				
	Adult	01/04/2016	46.90	47.60	Exempt
	Concession	01/04/2016	29.50	29.95	Exempt
	Floodlights	01/04/2016	36.55	37.10	Exempt
	Commercial	01/04/2012	Negotiable	Negotiable	Exempt
	Non-sporting / Non-commercial	01/04/2016	56.15	57.00	Exempt
2	<u>Individual use (per hour)</u>				
	Adult	01/04/2016	4.05	4.10	Exempt
	Concession	01/04/2016	2.55	2.60	Exempt
	Spectator (per individual)	01/04/2015	1.30	1.30	Exempt
	Hire of equipment (per booking)	01/04/2016	23.25	23.60	Exempt
	Setting up time - by SKDC	01/04/2016	23.25	23.60	Exempt
3	<u>Football pitch hire</u>				
	Pitch hire (up to 2 hours)				
	Adult	01/04/2016	129.90	131.85	Exempt
	Concession	01/04/2016	78.05	79.20	Exempt
	Floodlights (per match)	01/04/2016	73.55	74.65	Exempt
	Commercial (per hour)	01/04/2012	Negotiable	Negotiable	Exempt
4	<u>Individual room hire (per hour)</u>				
	P.A. room	01/04/2016	14.30	14.50	Exempt
	Committee room	01/04/2016	14.30	14.50	Exempt

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	ARTSCENE MEMBERSHIP - ARTS CENTRES				
	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:				
1	Guildhall Arts Centre, Grantham				
	<u>Theatre Hire</u>				
	Performances - Commercial	01/04/2016	310.00	315.00	Exempt
	Performances - Non Profit making	01/04/2016	248.00	252.00	Exempt
	Dress rehearsals	01/04/2016	196.00	199.00	Exempt
	Rehearsals (incl tech)	01/04/2016	125.00	127.00	Exempt
	Lecture/demonstrations (Daytime)	01/04/2016	92.00	93.00	Exempt
	Lecture/demonstrations (Evening)	01/04/2016	201.00	204.00	Exempt
	Set up charge/technical support (max. 8 hours)	01/04/2016	125.00	127.00	Exempt
2	Stamford Arts Centre				
	<u>Theatre Hire</u>				
	Performances - Commercial	01/04/2016	328.00	333.00	Exempt
	Performances - Non Profit making	01/04/2016	275.00	279.00	Exempt
	Dress rehearsals	01/04/2016	196.00	199.00	Exempt
	Rehearsals (incl tech)	01/04/2016	125.00	127.00	Exempt
	Lecture/demonstrations (Daytime)	01/04/2016	92.00	93.00	Exempt
	Lecture/demonstrations (Evening)	01/04/2016	201.00	204.00	Exempt
	Set up charge/technical support (max. 8 hours)	01/04/2016	125.00	127.00	Exempt
	Technical surcharge per hire	01/04/2016	54.00	55.00	Exempt
3	Bourne Corn Exchange				
	<u>Theatre Hire - Main Hall</u>				
	Performances	01/04/2016	118.00	120.00	Exempt
	Dress Rehearsals	01/04/2016	93.00	94.00	Exempt
	Rehearsals	01/04/2016	77.00	78.00	Exempt
	Set up charge/technical support (max. 8 hours)	01/04/2016	118.00	120.00	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	2015/16 £	2016/17 £	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.					
4	Guildhall Arts Centre, Grantham				
	<u>Casually let rooms (per hour)</u>				
	Ballroom - hourly day rate up to 6pm	01/04/2016	33.00	33.50	Exempt
	Ballroom - hourly evening rate 6 to 11pm - meetings & workshops	01/04/2016	54.00	55.00	Exempt
	Ballroom - whole evening 6 to 11pm parties	01/04/2016	295.00	299.00	Exempt
	Ballroom - whole evening 6 to 11pm concerts	01/04/2016	235.00	239.00	Exempt
	Ballroom - (all day) Wedding rate	01/04/2016	458.00	465.00	Exempt
	Ballroom - (all day) Wedding rate including setting up charge previous evening	01/04/2016	759.00	770.00	Exempt
	Use of ballroom kitchen per day	01/04/2016	54.00	55.00	Exempt
	<u>Meeting rooms (per hour)</u>				
	Newton room	01/04/2016	27.00	27.50	Exempt
	Studio 4	01/04/2016	22.00	22.50	Exempt
5	Bourne Corn Exchange				
	<u>Casually let rooms</u>				
	Main hall - hourly rate	01/04/2016	36.00	36.55	Exempt
	Main hall - Friday or Saturday whole evening 6pm-12pm incl prem rate	01/04/2016	267.00	271.00	Exempt
	Main hall - (all day) 9am to 12pm excluding kitchen	01/04/2016	420.00	426.30	Exempt
	Kitchen hire (use of kitchen area excluding equip)*	01/04/2016	64.00	64.95	Exempt
	Kitchen hire (full use of kitchen and equipment including crockery and cutlery etc)*	01/04/2016	120.00	121.80	Exempt
	Room set up or clear down (as per hourly rate or part thereof)	01/04/2016	36.00	36.55	Exempt
	Room set up or clear down after midnight (as per hourly rate or part thereof)	01/04/2016	51.00	51.75	Exempt
	Use of bar for functions when hirer providing bar for sale of alcohol	01/04/2016	50.00	50.75	Exempt
6	Stamford Arts Centre				
	<u>Casually let rooms (per hour)</u>				
	Ballroom - hourly day rate up to 6pm	01/04/2016	33.00	33.50	Exempt
	Ballroom - hourly evening rate 6 to 11pm - meetings & workshops	01/04/2016	54.00	55.00	Exempt
	Ballroom - whole evening 6 to 11pm - parties	01/04/2016	448.00	455.00	Exempt
	Ballroom - whole evening 6 to 11pm - concerts	01/04/2016	338.00	343.00	Exempt
	Function ballroom/Blue room - all day wedding rate	01/04/2016	825.00	837.00	Exempt
	Function ballroom/Blue room - wedding rate including setting up charge previous evening	01/04/2016	1225.00	1243.00	Exempt
	<u>Meeting rooms - per hour</u>				
	Blue Room/Rehearsal evening	01/04/2016	22.00	22.50	Exempt
	Blue Room/Rehearsal daytime	01/04/2016	17.00	17.50	Exempt
	Ireson/Burley/Exeter Room evening	01/04/2016	16.00	16.50	Exempt
	Ireson/Burley/Exeter Room daytime	01/04/2016	14.00	14.50	Exempt
	Additional cleaning for social functions	01/04/2016	59.00	60.00	Included
	*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	2015/16 £	2016/17 £	VAT
1	<u>Green Waste</u>				
	Delivery of Green bin (or bins to same address)	01/04/2012	10.00	10.00	O/Scope
	Provision of green bin (all new or additional bins)	01/04/2010	26.00	26.00	O/Scope
	Annual collection charge (first bin) - Paid by cash/chq/card	01/04/2016	25.00	33.00	O/Scope
	Annual collection charge (first bin) - Paid by direct debit	01/04/2016	N/A	30.00	O/Scope
	Annual collection charge (each subsequent bin) - paid by cash/chq/card	01/04/2016	10.00	16.50	O/Scope
	Annual collection charge (each subsequent bin) - paid by direct debit	01/04/2016	N/A	15.00	O/Scope
2	<u>Other street care charges</u>				
	Additional Silver recycling bin	01/04/2010	26.00	26.00	O/Scope
	Additional clear recycling sacks (pack of 15)	01/04/2010	1.25	1.25	O/Scope
	Replacement of damaged wheelie bins*	01/04/2010	26.00	26.00	O/Scope
	Replacement of damaged wheels and axles*	01/04/2010	20.00	20.00	O/Scope
	Replacement of bin lid pegs*	01/04/2010	5.00	5.00	O/Scope
3	<u>Additional bins for Landlords (subject to qualifying criteria)</u>				
	Delivery of bin (or bins to the same address)	01/04/2016	N/A	10.00	O/Scope
	240 ltr bin	01/04/2016	N/A	26.00	O/Scope
	360 ltr bin	01/04/2016	N/A	49.00	O/Scope
	660 ltr bin	01/04/2016	N/A	116.00	O/Scope
	1100 ltr bin	01/04/2016	N/A	149.00	O/Scope
4	<u>Additional bins for Families (subject to qualifying criteria)</u>				
	Delivery of bin (or bins to the same address)	01/04/2016	N/A	10.00	O/Scope
	240 ltr bin	01/04/2016	N/A	26.00	O/Scope
	360 ltr bin	01/04/2016	N/A	49.00	O/Scope
	660 ltr bin	01/04/2016	N/A	116.00	O/Scope
	1100 ltr bin	01/04/2016	N/A	149.00	O/Scope
5	<u>Smaller bins (subject to qualifying criteria)</u>				
	Delivery of bin (or bins to the same address)	01/04/2016	N/A	10.00	O/Scope
	Replacement of 140 ltr bin	01/04/2016	N/A	15.00	O/Scope
	Replacement of 180 ltr bin	01/04/2016	N/A	17.00	O/Scope
6	<u>Developers charge for new developments</u>				
	Delivery of bin (or bins to the same address)	01/04/2016	N/A	10.00	O/Scope
	Set of bins (1 black 240 ltr & 1 silver 240 ltr)	01/04/2016	N/A	52.00	O/Scope
7	<u>Domestic refuse collection</u>				
	Bulk household items - first item	01/04/2015	12.00	12.00	O/Scope
	- each additional item	01/04/2015	6.00	6.00	O/Scope
	White Goods collection	01/04/2015	12.00	12.00	O/Scope
	Piano collection	01/04/2015	50.00	50.00	O/Scope
	Ad Hoc Bulky collections (non standard items) - to be assessed by Supervisor, charged appropriately				
8	Private street cleansing	01/04/2010	Based on cost recovery		
9	Commercial waste collections - please contact us by email; waste@southkesteven.gov.uk for a quotation	01/04/2016			
	*Where bins have been damaged by the resident				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	MOT Testing				
1	<u>Classes 1 and 2</u>				
	Motorcycles	01/04/2010	29.65	29.65	O/Scope
	Motorcycles with sidecar	01/04/2010	37.80	37.80	O/Scope
2	<u>Class 4</u>				
	Cars (up to 8 passenger seats) and motor caravans	01/04/2010	54.85	54.85	O/Scope
	Quads (max unladen weight 400kg - for goods vehicles 550kg and max net power 15kw)	01/04/2010	54.85	54.85	O/Scope
	Dual purpose vehicles	01/04/2010	54.85	54.85	O/Scope
	Private hire vehicles and PSVs (up to 8 seats)	01/04/2010	54.85	54.85	O/Scope
	Goods vehicles (up to 3,000 kg DGW)	01/04/2010	54.85	54.85	O/Scope
	Ambulances and Taxis (Taxis and private hire vehicles may be subject to additional local requirements)	01/04/2010	54.85	54.85	O/Scope
	Private passenger vehicles and ambulances (9-12 Passenger Seats)	01/04/2010	57.30	57.30	O/Scope
3	<u>Class 7</u>				
	Goods vehicles (over 3,000kg up to 3,500kg DGW)	01/04/2010	58.60	58.60	O/Scope
	NOTES				
	These are the maximum fees chargeable in accordance with Vehicle and Operator Standards Agency				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	ENVIRONMENTAL HEALTH				
1	<u>Premise/Business registration fees</u>				
	Acupuncture	01/04/2016	135.00	137.00	O/Scope
	Tattooing	01/04/2016	135.00	137.00	O/Scope
	Electrolysis	01/04/2016	135.00	137.00	O/Scope
	Cosmetic piercing	01/04/2016	135.00	137.00	O/Scope
	Semi permanent skin colouring	01/04/2016	135.00	137.00	O/Scope
	Additional activities (eg cosmetic piercing and tattooing) per activity	01/04/2016	67.00	68.00	O/Scope
	Amendment or replacement certificate	01/04/2016	21.00	21.50	O/Scope
2	<u>Personal registration fees (Per activity)</u>				
	Acupuncture	01/04/2016	67.00	68.00	O/Scope
	Tattooing	01/04/2016	67.00	68.00	O/Scope
	Electrolysis	01/04/2016	67.00	68.00	O/Scope
	Cosmetic piercing	01/04/2016	67.00	68.00	O/Scope
	Semi permanent skin colouring	01/04/2016	67.00	68.00	O/Scope
	Amendment or replacement certificate	01/04/2016	21.00	21.50	O/Scope
3	<u>Unsound food</u>				
	Voluntary surrender certificate	01/04/2016	37.00	37.50	Included
4	<u>Frozen food exports</u>				
	Inspection and certification	01/04/2016	74.00	75.00	Included
	Certification only	01/04/2016	27.00	27.50	Included
5	<u>Control of dogs</u>				
	Collecting and detaining stray dogs (statutory fine)	01/04/1996	25.00	25.00	O/Scope
	Handling, Kenneling & Administration	01/04/2016	25.50	35.00	O/Scope
	Kenneling per day or part of	01/04/2016	16.00	16.25	O/Scope
6	<u>Scrap Metal</u>				
	Dealer initial licence - 2 year licence	01/04/2016	556.00	564.00	O/Scope
	Collector initial licence	01/04/2016	145.00	147.00	O/Scope
	Dealer licence renewal	01/04/2016	526.00	534.00	O/Scope
	Collector licence renewal	01/04/2016	115.00	117.00	O/Scope
	Licence name change	01/04/2016	20.00	20.00	O/Scope
	Copy of a licence	01/04/2016	11.00	11.00	O/Scope
	<i>** per individual</i>				
7	Dog fouling penalty	01/04/2009	75.00	75.00	O/Scope
8	Fixed Penalty Notice - Community Protection Notice	06/11/2014	75.00	75.00	O/Scope
	Fixed Penalty Notice - Public Space Protection Order	06/11/2014	75.00	75.00	O/Scope
	Fixed Penalty Notice - Section 46	01/04/2016		75.00	O/Scope
9	Litter - Fixed penalty notice	01/04/2009	75.00	75.00	O/Scope
10	<u>Caravan Sites & Park Homes</u>				
	Application for a new site Licence - Fixed cost	01/04/2016	372.00	377.00	O/Scope
	Transfer/amendments of up to 2 Licence conditions	01/04/2016	153.00	155.00	O/Scope
	Significant amendments involving a site visit	01/04/2016	220.00	223.00	O/Scope
	Annual Fee - per pitch	01/04/2016	10.00	10.00	O/Scope
	Enforcement - Based on a hourly rate	01/04/2016	Variable	Variable	O/Scope
	Deposit of site rules	01/04/2016	53.00	54.00	O/Scope
	<i>** New legislation introduced in 2014/15, enabling Local Authorities to charge for these licences</i>				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	ENVIRONMENTAL HEALTH				
11	ENQUIRIES IN CONNECTION WITH CONTAMINATED LAND				
	Enquiries	01/04/2016	119.00	121.00	O/Scope
	Private sector housing charges	01/04/2012	Hourly Rate	Hourly Rate	O/Scope
	Immigration inspections	01/04/2012	Hourly Rate	Hourly Rate	O/Scope
12	HOUSES OF MULTIPLE OCCUPATION				
	Initial/New Licence	01/04/2016	446.00	453.00	O/Scope
	Renewal of licence	01/04/2016	159.00	161.00	O/Scope
13	REQUESTS FOR RELEASE OF CCTV IMAGES				
	Private Individuals	01/04/2016	N/A	10.00	O/Scope
	Legal Representative/Insurance Company	01/04/2016	N/A	50.00	O/Scope
14	SAMPLING OF PRIVATE WATER SUPPLIES INTENDED FOR HUMAN CONSUMPTION				
	Risk Assessment (each assessment) maximum fee	01/04/2016	N/A	500.00	O/Scope
	Sampling (each visit) maximum fee	01/04/2016	N/A	100.00	O/Scope
	<u>Investigation (each visit) maximum fee</u>	01/04/2016	N/A	100.00	O/Scope
	Grant of authorisation (each authorisation) max fee	01/04/2016	N/A	100.00	O/Scope
	Analysing sample:				
	<u>Taken under Reg 10 (domestic) maximum fee</u>	01/04/2016	N/A	25.00	O/Scope
	Taken during check monitoring (commercial) max fee	01/04/2016	N/A	100.00	O/Scope
	Taken during audit monitoring maximum fee	01/04/2016	N/A	500.00	O/Scope
15	SMOKE FREE FIXED PENALTY NOTICES				
	Smoking in smoke free designated premises, place, vehicle	01/04/2016	N/A	50.00	O/Scope
	If paid within 15 days of issue	01/04/2016	N/A	30.00	O/Scope
	Failing to display smoke free signage as per law	01/04/2016	N/A	200.00	O/Scope
	If paid within 15 days of issue	01/04/2016	N/A	150.00	O/Scope
16	SMOKE AND CARBON MONOXIDE ALARMS FOR RELEVANT LANDLORDS				
	Full cost recovery plus penalty charge for failure to comply (Maximum penalty allowed by legislation £5,000)	01/04/2016	N/A	£700 - £4500	O/Scope

	Detail	Effective Date	2016/17	2016/17	2016/17	VAT
	POLLUTION PREVENTION AND CONTROL ACT 2010					
	AIR POLLUTION					
1	Initial application for permitting	01/04/2010	1579.00			O/Scope
	additional fee for operating without a permit	01/04/2010	1137.00			O/Scope
	except:-					
	- where the process comprises one or more waste oil burning appliance under 0.4 MW	01/04/2010	148.00			O/Scope
	Additional fee for operating without a permit	01/04/2010	68.00			O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/2010	148.00			O/Scope
	Additional fee for operating without a permit	01/04/2010	68.00			O/Scope
	- where the process relates to Dry Cleaners	01/04/2010	148.00			O/Scope
	Additional fee for operating without a permit	01/04/2010	68.00			O/Scope
	PVR I & II combined	01/04/2010	246.00			O/Scope
	Vehicle refinishers (VRs) and other reduced fees activities	01/04/2010	346.00			O/Scope
	- mobile screening and crushing plant	01/04/2010	1579.00			O/Scope
	- for the third to seventh application	01/04/2010	943.00			O/Scope
	- for the eighth and subsequent applications	01/04/2010	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)	01/04/2010	1005.00			O/Scope
	except:-					
	- where the process comprises one or more waste oil burning appliance under 0.4 MW	01/04/2010	98.00			O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/2010	98.00			O/Scope
	- where the process relates to Dry Cleaners	01/04/2010	98.00			O/Scope
	Transfer of a permit - Standard Process	01/04/2010	162.00			O/Scope
	- in respect of a waste oil burner less than 0.4 MW	01/04/2010	75.00			O/Scope
	- where the process relates to Dry Cleaners	01/04/2010	75.00			O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/2010	75.00			O/Scope
	Partial transfer of a permit	01/04/2010	476.00			O/Scope
	- in respect of a waste oil burner less than 0.4MW	01/04/2010	45.00			O/Scope
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/2010	45.00			O/Scope
	- where the process relates to Dry Cleaners	01/04/2010	45.00			O/Scope
3	Temporary transfer for mobiles					
	First transfer	01/04/2010	51.00			O/Scope
	Repeat following enforcement or warning	01/04/2010	51.00			O/Scope
4	Annual Subsistence Charge					
	Standard Process - LOW	01/04/2010	739.00			O/Scope
	Standard Process - MEDIUM	01/04/2010	1111.00			O/Scope
	Standard Process - HIGH	01/04/2010	1672.00			O/Scope
	except:-					
	- where the process comprises one or more waste oil burning appliance under 0.4MW	01/04/2010	76.00	LOW	MED	HIGH
	- where the process relates to the unloading of petrol into storage tanks at a service station	01/04/2010	76.00	151.00	227.00	O/Scope
	- where the process relates to Dry Cleaners	01/04/2010	76.00	151.00	151.00	O/Scope
	PVR I & II combined	01/04/2010	108.00	216.00	326.00	O/Scope
	Vehicle refinishers	01/04/2010	218.00	349.00	524.00	O/Scope
	Mobile Plant	01/04/2010	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.gov.uk

* As of 2 November 2015, DEFRA have not confirmed any increase to these charges

	Detail	Effective Date	2016/17 £	2016/17 £	2016/17 £	2016/17 £	VAT
POLLUTION PREVENTION AND CONTROL ACT 2010							
AIR POLLUTION							
			Application fee	LOW	MED	HIGH	
5	LAPPC mobile plant charges						
	number of permits						
	1	01/04/2012	1579.00	618.00	989.00	1484.00	O/Scope
	2	01/04/2012	1579.00	618.00	989.00	1484.00	O/Scope
	3	01/04/2012	943.00	368.00	590.00	884.00	O/Scope
	4	01/04/2012	943.00	368.00	590.00	884.00	O/Scope
	5	01/04/2012	943.00	368.00	590.00	884.00	O/Scope
	6	01/04/2012	943.00	368.00	590.00	884.00	O/Scope
	7	01/04/2012	943.00	368.00	590.00	884.00	O/Scope
	8 and over	01/04/2012	477.00	189.00	302.00	453.00	O/Scope
6	LA-IPPC						
	Application (LA element)	01/04/2010	3218.00				O/Scope
	additional fee for operating without a permit	01/04/2010	1137.00				O/Scope
	Annual subsistence LOW	01/04/2010	1384.00				O/Scope
	Annual subsistence MEDIUM	01/04/2010	1541.00				O/Scope
	Annual subsistence HIGH	01/04/2010	2233.00				O/Scope
	Late payment fee	01/04/2010	50.00				O/Scope
	Substantial variation	01/04/2010	1309.00				O/Scope
	Transfer	01/04/2010	225.00				O/Scope
	Partial transfer	01/04/2010	668.00				O/Scope
	Surrender	01/04/2010	668.00				O/Scope

NOTES

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	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	LICENCES				
1	<u>Hackney Carriage and Private Hire</u>				
	Driver's licence - 3 Year - Standard Licence Period	01/04/2016	232.90	236.40	O/Scope
	Driver's licence - annual (conditions apply)	01/04/2016	85.10	86.40	O/Scope
	Dual licence - supplementary charge	01/04/2016	13.20	13.40	O/Scope
	Driver's badge - replacement	01/04/2016	12.70	12.90	O/Scope
	Lost plate replacement	01/04/2016	38.20	38.70	Included
	Replacement licence certificate	01/04/2016	10.60	10.75	O/Scope
	Replacement of internal vehicle plate	01/04/2016	5.30	5.40	O/Scope
	Transfer of vehicle ownership	01/04/2016	24.40	24.80	O/Scope
	Knowledge test (initial and retest)	01/04/2016	40.00	40.60	O/Scope
	Private Hire Operator Licence - 5 Year	01/04/2016	138.30	140.40	O/Scope
2	<u>Annual vehicle licence</u>				
	Private Hire	01/04/2016	200.00	203.00	O/Scope
	Hackney Carriage	01/04/2016	218.10	221.40	O/Scope
	*10% reduction for LPG/Hybrid vehicles: Private Hire	01/04/2016	180.00	182.70	O/Scope
	*10% reduction for LPG/Hybrid vehicles: Hackney Carriage	01/04/2016	196.30	199.30	O/Scope
	Exemption from displaying Private Hire plate	01/04/2013	30.00	30.00	O/Scope
	Exemption from displaying Private Hire plate (renewal fee)	01/04/2013	20.00	20.00	O/Scope
3	<u>Refund for unexpired days due to change of vehicle</u>		Daily	Daily	
	Private Hire	01/04/2016	0.55	0.56	O/Scope
	Hackney Carriage	01/04/2016	0.60	0.61	O/Scope
4	<u>One-off admin charge in respect of refund</u>				
	Hackney Carriage	01/04/2014	25.00	25.00	O/Scope
	Private Hire	01/04/2014	25.00	25.00	O/Scope
5	<u>Animal Licences</u>				
	Pre application/Licence variation inspections (where applicable)	01/04/2016	N/A	60.00	O/Scope
	Dog Boarding	01/04/2016	103.00	104.50	O/Scope
	Cat Boarding	01/04/2016	103.00	104.50	O/Scope
	Dual Dog and Cat Boarding	01/04/2016	N/A	143.00	O/Scope
	Dog Day Care	01/04/2016	N/A	104.50	O/Scope
	Home Boarding	01/04/2016	103.00	90.00	O/Scope
	Dog Breeding Establishments	01/04/2016	103.00	104.50	O/Scope
	Pet Shops	01/04/2016	103.00	104.50	O/Scope
	Riding Establishments	01/04/2016	103.00	104.50	O/Scope
	Dangerous Wild Animals	01/04/2016	103.00	104.50	O/Scope
6	<u>Sex Establishments</u>	01/04/2016	1549.50	1572.00	O/Scope
7	<u>Street Trading</u>				
	Stamford Pedestrian Precinct Per Day	01/04/2015	23.00	23.00	O/Scope
	Other Locations per day from	01/04/2015	18.50	18.50	O/Scope
	Private Land per day	01/04/2016	N/A	10.00	O/Scope

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	ALCOHOL LICENSING				
1	Licensed Premises				
	Grant of Premises Licence or Club Premises Certificate				
	Band A (Rateable Value £0 - £4,300)	24/11/2005	100.00	100.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/2005	190.00	190.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/2005	315.00	315.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/2005	450.00	450.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/2005	635.00	635.00	O/Scope
2	Variation of Premises Licence or Club Premises Certificate				
	Band A (Rateable Value £0 - £4,300)	24/11/2005	100.00	100.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/2005	190.00	190.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/2005	315.00	315.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/2005	450.00	450.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/2005	635.00	635.00	O/Scope
	Minor Variation	30/06/2009	89.00	89.00	O/Scope
3	Annual Fee for Premises Licence or Club Premises Certificate				
	Band A (Rateable Value £0 - £4,300)	24/11/2005	70.00	70.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/2005	180.00	180.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/2005	295.00	295.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/2005	320.00	320.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/2005	350.00	350.00	O/Scope
4	Grant of Premises Licence where alcohol is primary use				
	Band A (Rateable Value £0 - £4,300)	24/11/2005	100.00	100.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/2005	190.00	190.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/2005	315.00	315.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/2005	900.00	900.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/2005	1905.00	1905.00	O/Scope
5	Annual Fee for Premises Licence where alcohol is primary use				
	Band A (Rateable Value £0 - £4,300)	24/11/2005	70.00	70.00	O/Scope
	Band B (Rateable Value £4,301 - £33,000)	24/11/2005	180.00	180.00	O/Scope
	Band C (Rateable Value £33,001 - £87,000)	24/11/2005	295.00	295.00	O/Scope
	Band D (Rateable Value £87,001 - £125,000)	24/11/2005	640.00	640.00	O/Scope
	Band E (Rateable Value £125,001+)	24/11/2005	1050.00	1050.00	O/Scope

Fees set by government

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	ALCOHOL LICENSING				
6	Grant of Premises Licence or Club Premises Certificate				
	Number of Persons				
	5,000 to 9,999	24/11/2005	1000.00	1000.00	O/Scope
	10,000 to 14,999	24/11/2005	2000.00	2000.00	O/Scope
	15,000 to 19,999	24/11/2005	4000.00	4000.00	O/Scope
	20,000 to 29,999	24/11/2005	8000.00	8000.00	O/Scope
	30,000 to 39,999	24/11/2005	16000.00	16000.00	O/Scope
	40,000 to 49,999	24/11/2005	24000.00	24000.00	O/Scope
	50,000 to 59,999	24/11/2005	32000.00	32000.00	O/Scope
	60,000 to 69,999	24/11/2005	40000.00	40000.00	O/Scope
	70,000 to 79,999	24/11/2005	48000.00	48000.00	O/Scope
	80,000 to 89,999	24/11/2005	56000.00	56000.00	O/Scope
	90,000 and over	24/11/2005	64000.00	64000.00	O/Scope
7	Annual Fee - Number of Persons				
	5,000 to 9,999	24/11/2005	500.00	500.00	O/Scope
	10,000 to 14,999	24/11/2005	1000.00	1000.00	O/Scope
	15,000 to 19,999	24/11/2005	2000.00	2000.00	O/Scope
	20,000 to 29,999	24/11/2005	4000.00	4000.00	O/Scope
	30,000 to 39,999	24/11/2005	8000.00	8000.00	O/Scope
	40,000 to 49,999	24/11/2005	12000.00	12000.00	O/Scope
	50,000 to 59,999	24/11/2005	16000.00	16000.00	O/Scope
	60,000 to 69,999	24/11/2005	20000.00	20000.00	O/Scope
	70,000 to 79,999	24/11/2005	24000.00	24000.00	O/Scope
	80,000 to 89,999	24/11/2005	28000.00	28000.00	O/Scope
	90,000 and over	24/11/2005	32000.00	32000.00	O/Scope

Fees set by government

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	ALCOHOL LICENSING				
8	<u>Other Charges - Licensing Act 2003</u>				
	Personal Licence (Grant/ renewal)	24/11/2005	37.00	37.00	O/Scope
	Theft, loss etc of a personal licence	24/11/2005	10.50	10.50	O/Scope
	Duty to notify change of name or address	24/11/2005	10.50	10.50	O/Scope
	Temporary Event Notice	24/11/2005	21.00	21.00	O/Scope
	Theft, loss etc of a Temporary Event Notice	24/11/2005	10.50	10.50	O/Scope
	Theft, loss etc of a premises licence or summary	24/11/2005	10.50	10.50	O/Scope
	Application for a provisional statement where premises being built etc	24/11/2005	315.00	315.00	O/Scope
	Notification of change of name or address	24/11/2005	10.50	10.50	O/Scope
	Application to vary licence to specify individual as DPS	24/11/2005	23.00	23.00	O/Scope
	Transfer of premises licence	24/11/2005	23.00	23.00	O/Scope
	Interim authority notice following death etc of licence holder	24/11/2005	23.00	23.00	O/Scope
	Theft, loss etc of certificate of summary	24/11/2005	10.50	10.50	O/Scope
	Notification of change of name or alteration of rules of club	24/11/2005	10.50	10.50	O/Scope
	Change of relevant registered address of club	24/11/2005	10.50	10.50	O/Scope
	Right of freeholder etc to be notified of licensing matters	24/11/2005	21.00	21.00	O/Scope

Fees set by government

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	GAMBLING LICENSING				
1	<u>Bingo Premises Licence</u>				
	Application Fee for Provisional Status	01/04/2016	686.00	696.00	O/Scope
	Licence for Provisional Statement Premises	01/04/2016	456.00	463.00	O/Scope
	Application Fee New Premises	01/04/2016	723.00	734.00	O/Scope
	Annual Fee	01/04/2016	483.00	490.00	O/Scope
	Variation of Licence	01/04/2016	659.00	669.00	O/Scope
	Transfer Fee	01/04/2016	552.00	560.00	O/Scope
	Application for Reinstatement	01/04/2016	552.00	560.00	O/Scope
2	<u>Adult Gaming Centre</u>				
	Application Fee for Provisional Status	01/04/2016	632.00	641.00	O/Scope
	Licence for Provisional Statement Premises	01/04/2016	404.00	410.00	O/Scope
	Application Fee New Premises	01/04/2016	659.00	669.00	O/Scope
	Annual Fee	01/04/2016	425.00	431.00	O/Scope
	Variation of Licence	01/04/2016	611.00	620.00	O/Scope
	Transfer Fee	01/04/2016	494.00	501.00	O/Scope
	Application for Reinstatement	01/04/2016	494.00	501.00	O/Scope
3	<u>Family Entertainment Centre</u>				
	Application Fee for Provisional Status	01/04/2016	632.00	641.00	O/Scope
	Licence for Provisional Statement Premises	01/04/2016	404.00	410.00	O/Scope
	Application Fee New Premises	01/04/2016	659.00	669.00	O/Scope
	Annual Fee	01/04/2016	425.00	431.00	O/Scope
	Variation of Licence	01/04/2016	611.00	620.00	O/Scope
	Transfer Fee	01/04/2016	494.00	501.00	O/Scope
	Application for Reinstatement	01/04/2016	494.00	501.00	O/Scope
4	<u>Betting Premises</u>				
	Application Fee for Provisional Status	01/04/2016	632.00	641.00	O/Scope
	Licence for Provisional Statement Premises	01/04/2016	404.00	410.00	O/Scope
	Application Fee New Premises	01/04/2016	659.00	669.00	O/Scope
	Annual Fee	01/04/2016	425.00	431.00	O/Scope
	Variation of Licence	01/04/2016	611.00	620.00	O/Scope
	Transfer Fee	01/04/2016	494.00	501.00	O/Scope
	Application for Reinstatement	01/04/2016	494.00	501.00	O/Scope
5	<u>Miscellaneous</u>				
	Change of Circumstances	01/04/2016	50.00	51.00	O/Scope
	Fee for copy of licence	01/04/2016	25.00	25.00	O/Scope

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	GAMBLING LICENSING				
6	<u>Unlicensed Family Entertainment Centres (10 year duration)</u>				
	Gaming Machine Permit (no annual fee)	31/01/2007	300.00	300.00	O/Scope
	Renewal	31/01/2007	300.00	300.00	O/Scope
	Change of name	31/01/2007	25.00	25.00	O/Scope
	Copy of Permit	31/01/2007	15.00	15.00	O/Scope
	Prize Gaming Permit (no annual fee)	31/01/2007	300.00	300.00	O/Scope
	Renewal	31/01/2007	300.00	300.00	O/Scope
	Change of name	31/01/2007	25.00	25.00	O/Scope
	Copy of Permit	31/01/2007	15.00	15.00	O/Scope
7	<u>Club Gaming Permit & Club Machine Permit (10 years duration)</u>				
	New	31/01/2007	200.00	200.00	O/Scope
	Renewal	31/01/2007	200.00	200.00	O/Scope
	Annual Fee	31/01/2007	50.00	50.00	O/Scope
	Variation	31/01/2007	100.00	100.00	O/Scope
	Copy of Permit	31/01/2007	15.00	15.00	O/Scope
8	<u>Gaming Machines</u>				
	2 or less - One off fee	31/01/2007	50.00	50.00	O/Scope
	3 or more machines plus annual fee below	31/01/2007	150.00	150.00	O/Scope
	Transfer	31/01/2007	25.00	25.00	O/Scope
	Variation	31/01/2007	100.00	100.00	O/Scope
	Change of name on a Gaming Permit (more than 2 machines)	31/01/2007	25.00	25.00	O/Scope
	Copy of Gaming Machine Permit (more than 2 machines)	31/01/2007	15.00	15.00	O/Scope
	Annual Fee	31/01/2007	50.00	50.00	O/Scope
9	<u>Small Lotteries</u>				
	Registration	01/09/2007	40.00	40.00	O/Scope
	Renewal	01/09/2007	20.00	20.00	O/Scope

Fees set by government

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	OUTDOOR RECREATION				
1	<u>Pitches - Football/Rugby</u> Senior pitch letting (2 hrs), marking out and changing accommodation included				
	Full rate	01/04/2016	44.00	45.00	Included
	Concessions	01/04/2016	26.00	26.50	Included
2	<u>Junior pitch (ages 11-16) letting (2 hrs) and marking out</u>				
	Full rate	01/04/2016	19.50	20.00	Included
3	<u>Mini pitch letting (ages 8-11) (1 hr) and marking out</u>				
	Full rate	01/04/2016	11.70	12.00	Included
4	<u>Tennis Court</u> Hard Courts				
			Free	Free	Included
5	<u>Cricket</u> Per Match				
		01/04/2016	41.30	41.90	Included

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	GRANTHAM CEMETERY				
	TRADITIONAL BURIAL GROUND				
1	<u>Exclusive Right of Burial</u> (Not exceeding 50 years)				
	Standard grave space - Parishioners	01/04/2016	497.00	505.00	Exempt
2	<u>Interment</u>				
	Person aged 16 years or over - single depth	01/04/2016	507.00	515.00	Exempt
	Person aged 16 years or over - double depth	01/04/2016	568.00	577.00	Exempt
	Child stillborn or below 16 years	01/04/2016	223.00	226.00	Exempt
	Each additional coffin space	01/04/2016	178.00	181.00	Exempt
3	<u>Licence for the Erection of Memorials</u>				
	Headstone (not exceeding 3 feet in height)	01/04/2016	123.00	125.00	Exempt
	Headstone (each additional 6 inches)	01/04/2016	123.00	125.00	Exempt
	Metal faced tablet	01/04/2016	85.00	86.00	Exempt
	Additional inscription	01/04/2016	47.00	48.00	Exempt
	Kerbed memorial	01/04/2016	132.00	134.00	Exempt
4	<u>Mausoleum</u>				
	Single vault mausoleum plot	01/04/2016	638.00	648.00	Exempt
5	<u>Re-Open Graves</u>				
	Interment Fee - single depth	01/04/2016	433.00	439.50	Exempt
	Interment Fee - double depth	01/04/2016	568.00	577.00	Exempt
	Interment ashed into grave	01/04/2016	148.00	150.00	Exempt
6	<u>Woodland Burial Ground</u>				
	All inclusive charge covering standard grave space, single depth interment, tree and plaque - Parishioners	01/04/2016	1140.00	1157.00	Exempt
	Please note there is a 50% additional charge for Non Parishioners (i.e. outside of Grantham boundary) on items 1- Exclusive Right of Burial, 4- Re-open Graves and 6- Woodland Burial Ground				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	LOCAL LAND CHARGE FEES				
1	Registration of a Charge on Part II of Register	01/04/2016	79.00	80.15	O/Scope
2	Filing a Definitive Certificate of Lands Tribunal	01/04/2016	3.30	3.35	O/Scope
3	Filing adjustment etc. for variation - cancellation of entry in Part II	01/04/2016	8.40	8.50	O/Scope
4	Inspection of documents filed under Rule 10	01/04/2016	3.30	3.35	O/Scope
5	Official search (including issue of certificate) - whole of register	01/04/2016	13.90	14.10	O/Scope
6	Office copy of entry in register	01/04/2016	12.80	13.00	O/Scope
7	Con 29 Part I enquiries - one parcel of land - each additional parcel	01/04/2016 01/04/2016	86.50 14.90	87.80 15.10	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	01/04/2016 01/04/2016 01/04/2016 01/04/2016	12.80 15.90 15.90 15.90	13.00 16.10 16.10 16.10	O/Scope O/Scope O/Scope O/Scope
9	Enquiries by personal searchers (per item)	01/04/2016	15.90	16.10	O/Scope
10	Commercial Basic Search LLC1 and CON 29R	01/04/2016	129.00	130.90	O/Scope
11	Expedited Search - 3 Day Turnaround	01/04/2016	31.90	32.40	O/Scope
	CON 29R UNREFINED DATA CHARGES*				
12	Building Regulations Q1.1 (F to H)	01/04/2016 04/07/2016	5.60 N/A	4.00 4.80	O/Scope Included
13	Nearby Railway Schemes Q3.5	01/04/2016 04/07/2016	1.10 N/A	1.00 1.20	O/Scope Included
14	Outstanding Notices Q3.7 (A-D & F)	01/04/2016 04/07/2016	4.15 N/A	2.70 3.24	O/Scope Included
15	Contravention of Building Regulations	01/04/2016 04/07/2016	1.30 N/A	0.70 0.84	O/Scope Included
16	Notices, Orders, Directions and Proceedings under Planning Acts Q3.9 (A-N)	01/04/2016 04/07/2016	4.50 N/A	4.40 5.28	O/Scope Included
17	Conservation Area Q3.10 (B)	01/04/2016 04/07/2016	1.10 N/A	0.95 1.14	O/Scope Included
18	Compulsory Purchase Q3.11	01/04/2016 04/07/2016	1.10 N/A	1.20 1.44	O/Scope Included
19	Contaminated Land Q3.12 (Bi & C)	01/04/2016 04/07/2016	9.90 N/A	8.90 10.68	O/Scope Included
	* From 4th July 2016, Local Authorities must account for standard rate VAT on their supplies of CON29 search services in accordance with HMRC guidance				

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 dwelling houses, £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.

* Set by Government

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	2015/16 £	2016/17 £	VAT
	PLANNING CHARGES				
1	<u>Charges in connection with land/property transactions</u>				
	Detailed queries on consents involving search for relevant information*	01/04/2016	27.20	27.60	Included
	Check involving site inspection**	01/04/2016	21.70	22.00	Included
	*stated charge plus relevant copying charges				
	**stated charge plus mileage plus officer hourly rates				

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
	PRE-PLANNING CHARGES				
1	<u>Householders</u>				
	Charge for any pre-planning advice undertaken	01/04/2013	60.00	60.00	Included
2	<u>Non-residential changes of use including siting of caravans for sites</u>				
	Under 1 ha or buildings under 1,000 sqm (gross)	01/04/2016	190.80	193.70	Included
	of 1 ha or above or buildings under 1,000 sqm (gross)	01/04/2016	383.04	388.80	Included
3	<u>Development of dwellings</u>				
	1-9 dwellings including changes of use to residential, for 1st dwelling	01/04/2016	253.20	257.00	Included
	for each additional dwelling	01/04/2016	127.20	129.10	Included
	10-49 dwellings including changes of use to residential, for the 10th dwelling	01/04/2016	1276.80	1296.00	Included
	for each additional dwelling	01/04/2016	63.60	64.50	Included
	50 plus dwellings, including changes of use to residential, for 1st dwelling	01/04/2016	4584.00	4652.70	Included
4	<u>Non-residential development</u>				
	Where no floor space is created	01/04/2016	96.00	97.40	Included
	Up to 499 sqm floor area or 0.5 ha site area	01/04/2016	190.80	193.70	Included
	between 500 and 999 sqm floor area, or between 0.51 ha and 1.0 ha	01/04/2016	315.60	320.30	Included
	between 1,000 and 4,999 sqm floor area or between 1.1 ha and 2.0 ha	01/04/2016	638.40	648.00	Included
	between 5,000 sqm or more or 2.1 ha or more*	01/04/2016	1276.80	1296.00	Included
	*minimum fee for specified service and hourly rate thereafter				
5	<u>Others</u>				
	Variation or removal of condition	01/04/2016	96.00	97.40	Included
	Advertising	01/04/2016	96.00	97.40	Included
	Development that would require conservation area consent	01/04/2016	63.60	64.50	Included
	Non-householder works or alterations to a listed building	01/04/2016	63.60	64.50	Included
	Hazardous substances	01/04/2016	127.20	129.10	Included

	Detail	Effective Date	2015/16 £	2016/17 £	VAT
HOUSING REVENUE ACCOUNT DISCRETIONARY CHARGES					
1	<u>Community Rooms</u>				
	Residents weekly charge	01/04/2016	5.91	5.85	O/Scope
	Voluntary agencies & organisations usage				
	- up to 3 hours	01/04/2016	N/A	20.00	Exempt
	- more than 3 hours/all day	01/04/2016	N/A	30.00	Exempt
2	<u>Communal Facilities</u>				
	Residents weekly charge	01/04/2016	6.80	6.73	O/Scope
3	<u>Guest Rooms</u>				
	Double Room - per night *	01/04/2016	10.00	20.00	Included
	Single Room - per night *	01/04/2016	7.50	15.00	Included
	Folding bed - per night *	01/04/2016	3.00	5.00	Included
	* 50% discount for persons over 60.				

CAPITAL PROGRAMME

Appendix D

GENERAL FUND

Description	2015/16 Forecast Outturn £'000	2016/17 Indicative Base £'000	2016/17 Updated Base £'000	2017/2018 Indicative Base £'000	2018/2019 Indicative Base £'000	2019/2020 Indicative Base £'000	2020/2021 Indicative Base £'000
GROW THE ECONOMY							
Town Centre Development							
1 St Peter's Hill Grantham redevelopment	189	168	4,650	-	-	-	-
2 Bourne Core Area	80	-	-	-	-	-	-
3 Shop front scheme	36	-	163	163	163	-	-
4 Serviced Land	-	-	220	-	-	-	-
5 Strategic Land Acquisition	900	-	-	-	-	-	-
6 Park Air Systems	437	-	-	-	-	-	-
7 Property Investment Strategy	-	-	5,000	500	500	500	500
	1,642	168	10,033	663	663	500	500
SUPPORT GOOD HOUSING FOR ALL							
8 Home Grant Assistance	145	380	274	150	150	150	150
9 Disabled Facilities Grant	450	300	376	-	-	-	-
	595	680	650	150	150	150	150
PROMOTE LEISURE, ARTS & CULTURE							
Provision for Existing Assets							
10 Deepings Leisure Centre - New Heater	12	-	-	-	-	-	-
11 Deepings Leisure Centre - distribution boards and LV panel	17	-	-	-	-	-	-
12 Grantham Council Offices - LV Panel	-	-	25	-	-	-	-
13 Meres Leisure Centre Improvements - Extension of Gym	400	-	-	-	-	-	-
14 Stamford Leisure Centre - Replace HWS Calorifiers	-	-	15	-	-	-	-
15 Bourne Leisure Centre - Replace HWS Calorifiers	-	-	-	40	-	-	-
16 Stamford Arts Centre - Theatre Seats	19	-	-	-	-	-	-
17 Guildhall Arts Centre - PA System	20	-	-	-	-	-	-
18 Guildhall Arts Centre - Replacement of Outside Lighting	16	-	-	-	-	-	-
19 Wyndham Improvement Works	-	-	-	853	-	-	-
	484	-	40	893	-	-	-
KEEP SK CLEAN, GREEN & HEALTHY							
Waste Management							
20 Street Scene Vehicle Procurement	223	125	185	161	326	245	55
21 Vehicle Replacement Programme	175	380	380	502	497	502	825
22 New Street Cleaning Vehicles	137	-	-	-	-	-	-
23 Pool Car Vehicles	-	-	-	-	-	44	-
24 Wheelie Bin Replacements	109	110	110	111	112	113	114
26 Wyndham Park footpath and Kerb Improvements	25	25	-	-	-	-	-
27 Replacement Lighting Programme	64	106	-	-	-	-	-
	733	746	675	774	935	904	994
WELL RUN COUNCIL							
28 Customer Access Strategy	28	-	-	-	-	-	-
29 ICT Infrastructure	308	30	20	-	-	-	-
	336	30	20	-	-	-	-
30 TOTAL GENERAL FUND CAPITAL PROGRAMME	3,790	1,624	11,418	2,480	1,748	1,554	1,644

SUMMARY FINANCING STATEMENT

	Description	2015/16 Forecast Outturn £'000	2016/17 Indicative Base £'000	2016/17 Updated Base £'000	2017/18 Indicative Base £'000	2018/19 Indicative Base £'000	2019/20 Indicative Base £'000	2020/21 Indicative Base £'000
1	Grow the economy	1,642	168	10,033	663	663	500	500
2	Support good housing for all	595	680	650	150	150	150	150
3	Promote leisure, arts and culture	484	-	40	893	-	-	-
4	Keep SK clean, green and healthy	733	746	675	774	935	904	994
5	Well run council	336	30	20	-	-	-	-
6	TOTAL - CAPITAL PROGRAMME	3,790	1,624	11,418	2,480	1,748	1,554	1,644
	GENERAL FUND FINANCED BY:							
7	Supported Borrowing	-	-	-	-	-	-	-
8	Unsupported Borrowing	-	-	-	-	-	-	-
9	Specific Reserve - Capital	189	-	2,980	-	-	-	-
10	Usable Capital Receipts	2,725	814	841	1,019	336	-	-
11	Capital Grants and Contributions							
	- Disabled Facility Grant	376	300	376	-	-	-	-
	- Regional Housing Allowance	17	-	-	-	-	-	-
12	Direct Revenue Financing							
	- Cemetery works	5	5	5	5	6	-	-
	- Wyndham Park Water Fountain- SEA	5	5	5	5	5	-	-
	- Wyndham Park Improvements	-	-	-	55	-	-	-
	- S106 Monies	-	-	-	15	-	-	-
	- Regional Grant Funding	-	-	-	15	-	-	-
	- Transformation Reserve	231	-	-	-	-	-	-
	- ICT Reserve	-	-	20	-	-	-	-
	- Shop Front Scheme	-	-	98	98	98	-	-
	- Heritage Lottery Funding	-	-	-	768	-	-	-
	- Local Priorities Reserve	242	-	6,593	-	803	1,054	1,144
	- Contribution from Revenue	-	500	500	500	500	500	500
13	TOTAL - GF CAPITAL PROGRAMME	3,790	1,624	11,418	2,480	1,748	1,554	1,644

GENERAL FUND RESERVES STATEMENT

	Forecast Balance as at 31 March 2015 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2016 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2017 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2018 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2019 £'000
Revenue Reserves									
Service Specific Funds	212	(212)	-	-	-	-	-	-	-
Capacity Building, Priority Setting and Service Improvement Reserve									
Events and Festivals - Gravity & Georgian	177	138	315	(100)	215	(115)	100	(100)	0
Apprenticeships	100	-	100	-	100	-	100	-	100
Broadband infrastructure	550	-	550	-	550	-	550	-	550
Waste & Recycling Initiatives	156	-	156	-	156	-	156	-	156
Support for Corporate Reviews - PDG's	53	-	53	-	53	-	53	-	53
Small Business Loan Reserve	100	(100)	-	-	-	-	-	-	-
ICT investment	200	-	200	(85)	115	-	115	-	115
Transformation Programme	913	(281)	632	0	632	-	632	-	632
Business Rate and Council Tax volatility Reserve	513	1,248	1,761	203	1,964	267	2,231	119	2,350
Maintenance	200	(200)	-	-	-	-	-	-	-
Economic Development & Growth	-	160	160	(110)	50	(20)	30	(110)	30
Community Based Initiatives	-	-	-	-	-	-	-	-	-
Empty Homes Review	10	(10)	-	-	-	-	-	-	-
Hardship Fund	26	-	26	-	26	-	26	-	26
Welfare Reform Initiatives	40	-	40	-	40	-	40	-	40
Future Service Improvement Reserve	1,050	5	1,055	-	1,055	-	1,055	-	1,055
Community Fund	300	(100)	200	(200)	-	-	-	-	-
	4,388	860	5,248	(292)	4,956	132	5,088	19	5,107
Local Priorities Reserve	6,409	3,091	9,500	(948)	8,552	3,951	12,503	3,171	15,674
Business Rates Reserve (S31 grant)	1,386	(1,386)	-	-	-	-	-	-	-
Invest to Save	358	-	358	-	358	-	358	-	358
Insurance Reserve	401	-	401	-	401	-	401	-	401
Pensions Reserve - Former Employees	244	(68)	176	(68)	108	(69)	39	(39)	-
- Current Employees	1,513	0	1,513	(377)	1,136	(415)	721	(453)	268
Building Control	(93)	15	(78)	46	(32)	45	13	45	58
Special Expense Areas Reserve	120	(11)	109	5	114	(37)	77	39	116
Total General Revenue Reserves	14,938	2,289	17,227	(1,634)	15,593	3,607	19,200	2,782	21,982
Government Grants Received	779	(263)	516	(84)	432	(7)	425	-	425
Working Balance	1,912	(249)	1,663	-	1,663	-	1,663	-	1,663
Total Revenue Reserves	17,629	1,777	19,406	(1,718)	17,688	3,600	21,288	2,782	24,070
Capital Reserve									
Local Authority Mortgage Scheme Reserve	133	67	200	67	267	1,067	1,334	1,029	2,363
Regional Housing Grant	15	-	15	-	15	(15)	-	-	-
General Fund Capital Reserve	1,078	-	1,078	(1,078)	-	-	-	-	-
St Peter's Hill Development	889	1,013	1,902	(1,902)	-	-	-	-	-
Useable Capital Receipts Reserve	3,413	(2,042)	1,371	(16)	1,355	(1,019)	336	(336)	-
Total Capital Reserves	5,528	(962)	4,566	(2,929)	1,637	33	1,670	693	2,363
Total General Fund Reserves	23,157	815	23,972	(4,647)	19,325	3,633	22,958	3,475	26,433

Treasury Management Strategy Report 2016/17

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 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 2016/17.

Treasury Management Strategy for 2016/17

The strategy for 2016/17 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 Governance and Audit and further training will be arranged as required. Capita Asset Services provided a member training session on 3rd December 2015.

The training needs of treasury management officers are periodically reviewed.

Treasury management consultants

The Council uses Capita Asset Services, Treasury Solutions 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 2016/17 to 2018/19**Introduction**

1. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is 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:

	2015/16 Outturn £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Capital Expenditure				
Non-HRA	3.790m	11.418m	2.480m	1.748m
HRA	6.171m	9.257m	7.183m	5.823m
Total	9.961m	20.675m	9.663m	7.571m

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.

	2015/16 Outturn £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Capital Expenditure				
Non-HRA	3.790m	11.418m	2.480m	1.748m
HRA	6.171m	9.257m	7.183m	5.823m
Financed by:				
Capital receipts reserve	3.661m	2.749m	1.761m	1.078m
Capital grants	0.393m	0.376m	0.000m	0.000m
Capital reserves	5.424m	10.329m	6.441m	5.081m
Revenue	0.483m	7.221m	1.461m	1.412m
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 historic 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. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset life.
7. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst this increase 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
8. The Council is asked to approve the CFR projections below:

	2015/16 Revised £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Capital Financing Requirement				
Closing CFR – Non Housing	3.975m	3.816m	3.663m	3.517m
Closing CFR - Housing	112.514m	109.292m	106.070m	102.848m
Opening CFR	119.876m	116.489m	113.108m	109.733m
Movement in CFR	(3.387m)	(3.381m)	(3.375m)	(3.368m)

	2015/16 Revised £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Movement in CFR represented by				
Net Financing need for the year (above)	0.00m	0.000m	0.000m	0.000m
Less MRP/VRP and other financing movements	(0.166m)	(0.159m)	(0.153m)	(0.147m)
Movement in CFR	(0.166m)	(0.159m)	(0.153m)	(0.147m)

Minimum revenue provision (MRP) policy statement

9. 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 revenue payments (VRP) if required.
10. 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, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.
11. 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 outlined in former CLG Regulations.
12. 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).

13. For authorities who participate in LAMS using the cash backed option, the mortgage lenders require a five year cash advance from the local authority to match the five year life of the indemnity. The cash advance placed with the mortgage lender provides an integral part of the mortgage lending, and should therefore be 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 cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance 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. The position should be reviewed on an annual basis.

Core Funds and Expected Investment Balances

14. 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	2015/16 Revised £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Fund balances	17.742m	16.023m	19.623m	22.405m
Capital reserves – General Fund	4.566m	1.637m	1.670m	2.363m
Capital reserves – HRA	12.144m	13.471m	14.660m	15.601m
HRA reserve	1.207m	1.050m	0.881m	0.701m
Major Repairs Reserve	6.266m	5.232m	5.312m	6.763m
Total Core Funds	41.925m	37.413m	42.146m	47.833m
Working Capital - GF*	1.663m	1.663m	1.663m	1.663m
Working Capital - HRA*	3.800m	2.532m	2.510m	2.506m
Expected Investments	47.388m	41.608m	46.319m	52.002m

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

Affordability Prudential Indicators

15. 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 Council’s overall finances. The Council is asked to approve the following indicators:

16. **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.

%	2015/16 Revised	2016/17 Estimated	2017/18 Estimated	2018/19 Estimated
Non-HRA	(1.14%)	(1.39%)	(1.07%)	(1.33%)
HRA	19.92%	18.68%	18.19%	16.84%

17. 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.

18. 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.

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

	2015/16 Revised	2016/17 Estimated	2017/18 Estimated	2018/19 Estimated
Variance change in original to revised spending programme	(£3.10)	£6.47	£1.10	£0.52

20. 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.

21. Incremental impact of capital investment decisions Housing Rent levels

	2015/16 Revised	2016/17 Estimated	2017/18 Estimated	2018/19 Estimated
Variance change in original to revised spending programme	(£195.38)	£355.28	(£71.36)	£343.94

22. This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls

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**

23. 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

24. The Councils treasury portfolio position at 31 March 2015, 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.

	2015/16 Revised £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
External Debt				
Existing Debt at 1 April	(113.487m)	(109.765m)	(106.543m)	(102.322m)
Expected change in debt	0.500m	0.000m	1.000m	0.000m
HRA Settlement	3.222m	3.222m	3.222m	3.222m
Debt at 31 March	(109.765m)	(106.543m)	(102.321m)	(99.100m)
CFR	116.489m	113.108m	109.733m	106.365m
Under / (over) borrowing	6.724m	6.565m	7.412m	7.265m
Total Investments at 31 March				
Investment change	47.388m	41.608m	46.319m	52.002m
Net Debt	(62.377m)	(64.935m)	(56.002m)	(47.098m)

25. 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 2016/17 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

26. The Corporate Finance Manager 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

27. **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	2015/16 Revised £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Debt	1.500m	1.000m	1.000m	0.000m
+ HRA Reform	111.987m	108.765m	105.543m	102.322m
Other long term liabilities	0.000m	0.000m	0.000m	0.000m
Total	113.487m	109.765m	106.543m	102.322m

28. **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.

- 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.
- The Council is asked to approve the following authorised limit:

Authorised limit	2015/16 Revised £	2016/17 Estimated £	2017/18 Estimated £	2018/19 Estimated £
Debt	18.000m	18.000m	18.000m	18.000m
+ HRA Reform	111.987m	108.765m	105.543m	102.322m
Other long term liabilities	0.000m	0.000m	0.000m	0.000m
Total	129.987m	126.765m	123.543m	120.322m

Prospects for Interest Rates

29. The Council has appointed Capita Asset Services, Treasury Solutions 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 current sector central view:

Annual Average %	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2016	0.50	2.40	3.70	3.60
Jun 2016	0.75	2.60	3.80	3.70
Sep 2016	0.75	2.70	3.90	3.80
Dec 2016	1.00	2.80	4.00	3.90
Mar 2017	1.00	2.80	4.10	4.00
Jun 2017	1.25	2.90	4.10	4.00
Sep 2017	1.50	3.00	4.20	4.10
Dec 2017	1.50	3.20	4.30	4.20
Mar 2018	1.75	3.30	4.30	4.20
Jun 2018	1.75	3.40	4.40	4.30
Sep 2018	2.00	3.50	4.40	4.30
Dec 2018	2.00	3.50	4.40	4.30

Borrowing Strategy 2016/17 – 2017/18

30. 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.

31. Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Corporate Finance Manager will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
32. The uncertainty over future interest rate increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
33. 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

34. 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 structure 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.

35. The Council is asked to approve the limits:

	2015/16	2016/17	2017/18	2018/19
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 2016/17				
		Lower	Upper	Upper
Under 12 months		0%	40%	0%
12 months to 2 years		0%	40%	40%
2 years to 5 years		0%	100%	100%
5 years to 10 years		0%	100%	100%
10 years and above		0%	100%	100%

Policy on Borrowing in Advance of need

36. 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.

37. The Corporate Finance Manager may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Corporate Finance Manager 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.
38. It would not look to borrow more than 24 months in advance of need.
39. 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

40. 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).
41. 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).
42. 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.

Municipal Bonds Agency

43. It is likely that the Municipal Bonds Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This authority intends to make use of this new source of borrowing as and when appropriate.

SECTION 3 - ANNUAL INVESTMENT STRATEGY

Investment Policy and Counterparty Selection Criteria

44. The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 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.
45. In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
46. Ratings will not be the sole determinant of the quality of an institution; 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.
47. 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.
48. Investment instruments identified for use in the financial year are listed in Annex 3 under the 'specified' and 'non-specified' investment 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.
49. 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

50. 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.

51. Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of short term rating F1, long term rating A-. There may be occasions when the counterparty ratings from one 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.

52. 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.

53. 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 any external support for banks to help support its decision making process.

54. The Treasury Management Officer will use the Capita Credit Rating weekly listing as a tool for guidance, with the option to deviate from this guidance only

when there are clear alternative options that are available to the Council. Any decision of this nature should be clearly documented for audit purposes.

Local Authority Mortgage Scheme

55. 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 is classified as being a service investment, rather than a treasury management investment, and is therefore outside of the specified/non specified investment categories

Investment Strategy

56. **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).

57. **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:

• 2016/17	1.00%
• 2017/18	1.75%
• 2018/19	2.00%

58. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

• 2016/17	0.90%
• 2017/18	1.50%
• 2018/19	2.00%
• 2019/20	2.25%
• 2020/21	2.50%
• 2021/22	3.00%
• 2022/23	3.00%
• Later years	3.00%

59. The overall balance of risks to these forecasts is currently to the downside (i.e. start if increases in Bank Rate occurs later). However, should the pace of growth quicken and/or forecasts for increases in inflation rise, there could be an upside risk.

60. **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.

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

Maximum principal sums invested > 364 days			
	2016/17	2017/18	2018/19
Principal sums invested > 364 days	£12.000m	£13.000m	£15.000m

62. **Investment 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.

63. 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 change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

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

- 0.049% historic risk of default when compared to the whole portfolio.

65. **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.

66. **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.

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

	1 year	2 years	3 years	4 years	5 years
Maximum	0.04%	0.09%	0.17%	0.25%	0.34%

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

68. 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

69. The Council uses Capita Asset Services as its external treasury management advisors.
70. 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.
71. 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 2014/2018

Capita Asset Services Interest Rate View													
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank Rate View	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%	2.00%
3 Month LIBID	0.70%	0.80%	0.90%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	1.90%	2.00%	2.00%	2.10%
6 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.10%	2.20%	2.20%	2.30%
12 Month LIBID	1.20%	1.30%	1.40%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.40%	2.50%	2.50%	2.70%
5yr PWLB Rate	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%
10yr PWLB Rate	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%
25yr PWLB Rate	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%	4.50%
50yr PWLB Rate	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%	4.40%
Bank Rate													
Capita Asset Services	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%	2.00%	2.00%
Capital Economics	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	-	-	-	-	-
5yr PWLB Rate													
Capita Asset Services	2.40%	2.60%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%
Capital Economics	2.60%	2.70%	2.80%	3.00%	3.10%	3.20%	3.30%	3.50%	-	-	-	-	-
10yr PWLB Rate													
Capita Asset Services	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
25yr PWLB Rate													
Capita Asset Services	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%	4.40%	4.40%	4.40%	4.50%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
50yr PWLB Rate													
Capita Asset Services	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%	4.30%	4.40%
Capital Economics	3.40%	3.50%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	-	-	-	-	-

Annex 2 – Economic Background

Global economy

Eurozone (EZ). The ECB unleashed a programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to an improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and +0.3% in quarter 3. However, this more recent lacklustre progress, combined with the recent downbeat Chinese and emerging markets news, has prompted comments by the ECB that it stands ready to strengthen this programme of QE by extending its time frame and / or increasing its size in order to get inflation up from the current level of around zero towards its target of 2%. The ECB will also aim to help boost the rate of growth in the EZ.

The US economy

GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded remarkably strongly in Q2 to 3.9% (annualised) before falling back to +2.1% in Q3.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed. to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong; this, therefore, opened up the way for the Fed. to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

China.

The Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market during the summer. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of the bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, concerns about whether the Chinese economy could be heading for a hard landing, and the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September, remain a concern.

Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

Greece

During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain.

The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost power. A left wing / communist coalition has taken power in Portugal which is heading towards unravelling previous pro austerity reforms. This outcome could be replicated in Spain. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

UK economy

UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% – 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.2%.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get

back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but only to be followed by a second, more recent, round of falls in fuel prices which will now delay a significant tick up in inflation from around zero. CPI inflation is now expected to get back to around 1% in the second half of 2016 and not get near to 2% until 2017, though the forecasts in the Report itself were for an even slower rate of increase.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that they need to raise rates sooner, rather than later, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively during 2015 from Q4 2015 to Q2 2016. Increases after that are also likely to be at a much slower pace, and to much lower final levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

Forward guidance.

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. Capita Asset Services undertook its last review of interest rate forecasts on 9 November 2015 shortly after the publication of the quarterly Bank of England Inflation Report. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

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

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if

recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in November, (based on short sterling), for the first Bank Rate increase are currently around mid-year 2016.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

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

- Uncertainty around the risk of a UK exit from the EU.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

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 Corporate Finance Manager 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.

These would include sterling investments which would not be defined as capital expenditure 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	<p>The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity)</p>	no amount limit
c	<p>UK local authorities, Parish Council or Community Council</p>	<p>£5m per LA, £10m all LAs</p>
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. 	<p>£5m per fund,</p>
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>	<p>£5m per fund,</p>
f	<p>Corporate Bond Funds</p>	<p>£5m per fund</p>

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 35% of the total Invested. The Corporate Finance Manager 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 The use of these instruments can be deemed capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	£5m per fund No maximum duration period.

Note: This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties – The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principle and interest. Any counterparty failing to meet the criteria will be removed from the list

immediately by the Corporate Finance Manager, and if required new counterparties which meet the criteria will be added to the list.

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.

Local Authority Controlled Company – LACC.

The Council has the ability to make loans to a Local Authority Controlled Company. The criteria for a Loan being made with a LACC will be that there is a clear business plan that demonstrates the affordability of the investment for the LACC.

Registered Social Landlords (RSL's)

- This scheme would lend amounts up to £5m per investment to Registered Social Landlords for the purpose of providing housing within the District.
- Repayment terms of up to 10 years would be offered.
- Can be deemed as a service investment as apposed to a Treasury Investment.
- Individual Housing Associations do not have credit ratings therefore it is proposed that we use our external treasury advisers to undertake due diligence checks to assess borrowers' ability to make good the repayment of the loan.
- Loans would be secured by means of a legal charge over the borrowers assets. Related legal costs and loan set up fees would be charged to the borrower.
- Interest rates charged would be set at PWLB/market rates available at the time the loan is agreed. This will provide an investment return and ensure that no gratuitous benefit is included which would have soft loan or state aid implications.
- For accounting purposes loans would be treated as capital expenditure and financed from internal borrowing. This will increase the Capital Financing Requirement (CFR) by the amount of the loan and then this will be written down upon repayment of the principal.
- This approach means that there is no requirement to make a Minimum Revenue Provision (MRP) contribution which would be a charge to the working balances, therefore avoiding any additional cost to the tax payer.
- Any activity of this type would only take place after detailed due diligence work be been undertaken.

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 King & Shaxson, Tradition UK and Sterling International. The fund managers are required to adhere to the following:

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

The performance of investment managed by Fund Managers is reviewed at least quarterly by the Corporate Finance Manager.

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

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:

	2015/16	2016/17	2017/18	2018/19
Detail	Original Base	Estimate Base	Indicative Base	Indicative Base
	£'000	£'000	£'000	£'001
INCOME				
1 Dwelling Rents	(25,552)	(25,212)	(24,910)	(24,606)
2 Non Dwelling Rents	(297)	(296)	(300)	(305)
3 Charges for Services and Facilities	(566)	(594)	(603)	(612)
4 Other Income	(63)	(65)	(66)	(67)
5 TOTAL INCOME	(26,478)	(26,167)	(25,879)	(25,590)
EXPENDITURE				
6 Repair and Maintenance	8,035	8,262	7,948	8,006
7 Supervision and Management - General	2,564	2,542	2,512	2,538
8 Supervision and Management - Special	1,093	1,039	1,053	1,067
9 HRA share of Corporate and Democratic Costs	357	364	371	371
10 Depreciation and Impairment of Fixed Assets	2,778	2,689	2,728	2,768
11 Debt Management Expenses	25	25	25	25
12 Provision for bad debts	517	300	310	320
13 Other Expenditure	0	157	169	180
14 TOTAL EXPENDITURE	15,369	15,378	15,116	15,275
15 NET COST OF HRA SERVICES	(11,109)	(10,789)	(10,763)	(10,315)
16 Interest Payable and Similar Charges	3,242	3,089	2,972	2,816
17 Interest and Investment Income	(181)	(217)	(222)	(244)
18 DEFICIT (SURPLUS) FOR THE YEAR ON THE HRA	(8,048)	(7,917)	(8,013)	(7,743)
MOVEMENT ON THE HRA BALANCE				
19 (Deficit)/Surplus for the Year	8,048	7,917	8,013	7,743
20 Contribution to Loan Repayment Reserve	(2,630)	(2,494)	(1,189)	(941)
21 Revenue Contribution to Capital	0	0	0	0
22 Other Reserve Movements	(50)	157	169	180
23 Repayment of Principal	(3,222)	(3,222)	(3,222)	(3,222)
24 Major Repairs Reserve Transfer	(3,339)	(3,626)	(3,793)	(3,764)
25 Housing Revenue Account balance at start of year	4,432	3,800	2,532	2,510
26 Housing Revenue Account balance at end of year	3,239	2,532	2,510	2,506
27 Major Repairs Reserve balance at start of year	5,372	6,266	5,232	5,312
28 Depreciation	6,117	6,315	6,521	6,532
29 Capital Financing	(5,779)	(7,349)	(6,441)	(5,081)
30 Major Repairs Reserve balance at end of year	5,710	5,232	5,312	6,763

	2016/17 £	2017/18 £	2018/19 £
SUMMARY OF SAVINGS			
1 Structural Improvements	40,000	44,900	44,900
2 Wall Finishes	9,000	15,600	15,600
3 Disability Act Works	40,000	40,000	40,000
4 Drainage & Water Services	5,000	0	0
5 Tenancy & Neighbourhood	4,000	4,500	4,500
6 Homelessness - Warden Service Charges	10,000	10,200	10,500
7 Sheltered Housing	14,000	8,900	8,900
8 Communal Facilities	2,000	1,000	1,000
9 Responsive Repairs - Fuel & Vehicle Repairs	21,000	21,400	16,600
10 Total Savings	145,000	146,500	142,000
Previous Years savings carried forward (material items)			
11 Saving on gas contract	216,000	209,000	209,000
12 Saving on central heating contract	158,000	145,000	145,000
13 Saving on Council Tax	25,000	25,000	25,000
14 Saving on business travel claims	23,000	23,000	23,000
15 Communal Facilities Heating	23,000	21,000	21,000
16 Communal Heating Gas	31,000	24,000	24,000
	476,000	447,000	447,000
ADDITIONAL ITEMS			
17 Housing Transformation	60,000	0	0
18 Asbestos Management	40,000	40,000	40,000
19 Provision of Car Parking	100,000	0	0
20 Replacement Fencing	120,000	0	0
21 Responsive Repairs to Central Heating	31,000	38,600	41,300
22 Electrical Testing	37,000	37,000	37,000
23 Repair & Painting to the exterior of our properties	120,000	0	0
24 Responsive Housing Repairs - Materials	30,000	0	0
25 Responsive Housing Repairs - Plant & Equipment	10,000	0	0
26 Road, Park & Footway Resurfacing Works	0	50,000	50,000
27 Total additional items	548,000	165,600	168,300

SUMMARY FINANCING STATEMENT

Description	2015/16 Forecast Outturn £'000	2016/17 Indicative Base £'000	2016/17 Estimate Base inc slippage £'000	2017/2018 Indicative Base £'000	2018/2019 Indicative Base £'000	2019/2020 Indicative Base £'000	2020/21 Indicative Base £'000
<u>HOUSING REVENUE ACCOUNT</u>							
1 Stock Improvements & new build programme	5,976	6,304	8,914	7,010	5,490	3,483	2,733
2 IT Software	55	591	156	-	-	-	-
3 Purchase of Vehicles	140	187	187	173	333	276	46
4 TOTAL - HOUSING REVENUE ACCOUNT	6,171	7,082	9,257	7,183	5,823	3,759	2,779
<u>HRA FINANCED BY:</u>							
5 Major Repair Reserve	5,235	6,340	7,349	6,441	5,081	3,759	2,779
6 HRA Useable Capital Receipts	936	742	1,908	742	742	-	-
7 TOTAL - HRA CAPITAL PROGRAMME	6,171	7,082	9,257	7,183	5,823	3,759	2,779

Description	2015/16 Forecast Outturn £'000	2016/17 Indicative Base £'000	2016/17 Updated Base inc slippage £'000	2017/2018 Indicative Base £'000	2018/2019 Indicative Base £'000	2019/2020 Indicative Base £'000	2020/2021 Indicative Base £'000
HOUSING REVENUE ACCOUNT							
Repairs and Improvements							
1 Purchase of land for creation of road	13	-	-	-	-	-	-
	13	-	-	-	-	-	-
Energy Efficiency Initiatives:							
2 Central Heating, Ventilation and boiler replacements	1,050	1,050	1,482	1,300	1,350	1,050	1,050
3 LED Lighting	275	-	-	-	-	-	-
Refurbishment and Improvement:							
4 New Build Properties	852	2,500	1,801	575	-	-	-
5 Stock Growth & Acquisitions	84	-	1,804	1,690	1,690	-	-
6 Re-roofing (includes chimneys)	1,278	1,107	1,107	1,110	1,112	1,050	-
7 Re-wiring	250	250	250	250	250	250	250
8 Kitchen & Bathroom Refurbishments	1,050	1,160	1,160	850	1,000	1,000	1,300
9 Replacement door programme	40	39	140	35	88	133	133
10 External Wall Insulation	1,010	-	1,170	1,200	-	-	-
11 Installation of Air Source Heat Pumps	74	50	-	-	-	-	-
12 Windows	-	148	-	-	-	-	-
	5,963	6,304	8,914	7,010	5,490	3,483	2,733
IT Software							
13 Upgrade Opti-time software	55	-	-	-	-	-	-
14 Vehicle management system for repairs	-	-	50	-	-	-	-
15 Resource Planning System	-	-	15	-	-	-	-
16 New Housing System	-	500	-	-	-	-	-
17 Customer Relationship Management System	-	91	91	-	-	-	-
	55	591	156	-	-	-	-
Purchase of Vehicles							
18 Repairs Vehicles	140	187	187	173	333	276	46
	140	187	187	173	333	276	46
19 TOTAL - HOUSING INVESTMENT PROGRAMME	6,171	7,082	9,257	7,183	5,823	3,759	2,779

HRA RESERVES STATEMENT

	Forecast Balance as at 31 March 2015 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2016 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2017 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2018 £'000	Forecast Movement on Reserve in year £'000	Forecast Balance as at 31 March 2019 £'000
Housing Revenue Account (HRA)									
Revenue Reserves									
1	Insurance Reserve	250	(50)	200	-	200	-	200	200
2	Service Specific Funds (inc Pension)	255	251	506	(157)	349	(169)	180	0
3	HRA Improvement Reserve	501	-	501	-	501	-	501	501
4	Working Balance	4,783	(983)	3,800	(1,269)	2,531	(21)	2,510	2,506
5	Total HRA Revenue Reserves	5,789	(782)	5,007	(1,426)	3,581	(190)	3,391	3,207
HRA Capital Reserve									
6	HRA Capital Receipts Reserve	961	206	1,167	(1,167)	0	-	0	0
7	Loan Repayment Reserve	8,347	2,630	10,977	2,494	13,471	1,189	14,660	15,601
8	Major Repairs Reserve	5,384	882	6,266	(1,034)	5,232	80	5,312	6,763
9	Total HRA Capital Reserves	14,692	3,718	18,410	293	18,703	1,269	19,972	22,364
10	Total HRA Reserves	20,481	2,936	23,417	(1,133)	22,284	1,079	23,363	25,571

South Kesteven Pay Policy Statement 2016-17

Introduction

1. It is a requirement of the Localism Act 2011 that the Council produces an annual pay policy statement. This statement summarises current policies and arrangements already in place relating to pay. 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 2016 to 31st March 2017.
3. The Council may amend the pay policy statement at any point in the year.

Context

4. The Council's current 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. These arrangements will be reviewed during the year.
5. The Council employs all staff on local terms and conditions. It has a local pay agreement in place that takes account of the national agreement on annual cost of living pay awards. The Council makes its own determination of cost of living pay awards for all staff (except craft employees) in April every year in accordance with this local agreement. The mechanism for determining the annual pay award will be reviewed during the year.

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 (the Statutory Officers), Strategic Directors, Executive Managers.

7. The Council determines the pay grade for its Chief Executive through the Chief Executive's remuneration panel. The panel and its remit are 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 Council's 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, or salary band, the same holiday entitlement based on length of service, the same sick pay arrangements, the same pension scheme arrangements and no enhanced remuneration elements are included. The Council does not pay essential 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 2016 – 2017 to enable cost effective flexible working.

10. Local government elections are a separate statutory responsibility and rates of pay for local elections 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 will take place during the period of this pay policy statement.

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 level of pay for all staff is determined, except for the Chief Executive as set out in para7, 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 generally pays spot rate salaries based on the job evaluation outcome. Where salary bands are used they are based on an assessment of competency and supported by development plans. The Council does not pay annual bonuses and 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 essential car allowances are paid to staff. The Council offers a range of voluntary benefits paid for by staff.

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. The Council operates an apprenticeship scheme remunerated in line with national terms and conditions.

18. During 2013/14 the Council adopted a local living wage for lower paid staff (SKDC 1-3). This is reviewed annually. This is in line with, and satisfies the newly introduced national living wage.

19. 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.

20. 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 paid in accordance with the Council's local agreement.

21. 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.

22. 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.

23. 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.

24. 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.

25. Remuneration for staff on secondment will be in line with the Councils secondment policy.

Pay Multipliers

26. 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 2011.

27. 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.

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

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

Termination Payments

30. 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.

31. The Council has a pensions' 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 was introduced in April 2014 for which there is a new pension policy.

32. 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. This gives the Council flexibility and to ensure that specialist skills and knowledge are retained.

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.

33. 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.

34. 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.

35. 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. (This may be subject to legislative change in spring/summer 2016).

Shared Staffing arrangements

36. The Council will enter into shared staffing arrangements with other Councils, public and private sector partners 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.



South Kesteven District Council

Equality Analysis (Stage 1)

General Fund Budget and Council Tax Setting 2016/17

Service Area:	Lead officer: Richard Wyles	Date of Meeting 4 February 2016
	Assessors: Amy Oliver	
	Neutral Assessor: Elaine Claridge	

1. Name and description of policy:

The aim of the budget setting process is to establish the Council Tax base for the residents of South Kesteven for 2016/17. The Budget proposals are to financially support delivery the Council's stated priorities and to enable the authority to deliver on specific service policies. The budget provides a financial framework for Council Tax setting purposes for the financial year 2016/17 taking into account the council's overall financial position and service delivery requirements.

Is this a new or existing policy?

This is an Annual process as part of the Council's budget setting framework and constitutional requirements.

2. Complete the table below, considering whether the proposed policy/service/function/strategy could have any potential positive, or negative impacts on groups from any of the protected characteristics (or diversity strands) listed, using demographic data, user surveys, local consultations evaluation forms, comments and complaints etc.

Equality Group	Does this policy have a positive, or negative impact on any of the equality groups? Please state which for each group	Please describe why the impact is positive, or negative. If you consider this policy etc is not relevant to a specific characteristic please explain why
Age	Negative	The protective characteristic of age is not a determinant in the introduction of the budgetary proposals for 2016/17
Disability	Negative	The protective characteristic of disability is not a determinant in the introduction of the budgetary proposals for 2016/17
Race	Negative	The protective characteristic of race is not a determinant in the introduction of the budgetary proposals for 2016/17
Gender Reassignment	Negative	The protective characteristic of gender reassignment is not a determinant in the introduction of the

		budgetary proposals for 2016/17
Religion or Belief	Negative	The protective characteristic of religion/belief is not a determinant in the introduction of the budgetary proposals for 2016/17
Sex	Negative	The protective characteristic of sex is not a determinant in the introduction of the budgetary proposals for 2016/17
Sexual Orientation:	Negative	The protective characteristic of sexual orientation is not a determinant in the introduction of the budgetary proposals for 2016/17
Pregnancy and Maternity	Negative	The protective characteristic of pregnancy or maternity is not a determinant in the introduction of the budgetary proposals for 2016/17
Marriage and Civil Partnership	Negative	The protective characteristic of marriage and civil partnership is not a determinant in the introduction of the budgetary proposals for 2016/17
Carers	No adverse impact if eligible resident is defined as a carer will be protected as part of the LCTSS	As part of the Local Council Tax Support Scheme those eligible residents defined as carers (as defined within the scheme) will be protected from any increases in the level of council Tax.
Other Groups (e.g. those from deprived (IMD*) communities;	None specified	

those from rural communities, those with an offending past)		
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*(IMD = Indices of multiple deprivation)

3. What equality data and information did you use to inform the outcomes of the proposed policy? (Note any relevant consultation who took part and key findings)

Consultation has been undertaken on the proposals to increase Council Tax by £5 per an average band D equivalent property, both through utilising direct email alerts to representatives of the business community and an on-line survey.

If there are any gaps in the consultation/monitoring data, how will this be addressed?

No

4. Outcomes of analysis and recommendations (please note you will be required to provide evidence to support the recommendations made): Please tick one of the options.

- a. No major change needed: equality analysis has not identified any potential for discrimination or for negative impact and all opportunities to promote equality have been taken

If you have ticked option (a) go to stage 3

- b. Adjust the proposal to remove barriers identified by equality analysis or to better promote equality. Please complete the questions in the box below.

b.1 In brief, what changes are you planning to make to your proposed policy/service/function/strategy to minimise or eliminate the negative equality impacts?

b.2 Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

If you have ticked option b go to Stage 2

- c. Adverse impact but continue Please provide an explanation in the box below that clearly sets out your justification for continuing with the proposed policy. You should consider in stage 2 whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.**

As the payments for Council Tax support is demand-led the Local Scheme the Council has adopted does not limit the number of awards if residents are eligible for benefit.

The Local Council Tax Support Scheme mitigates the impact on those residents considered to be most vulnerable. Additional capacity has been built into the proposed budget for 2016/17 to off-set increased demand as a result of the current financial climate.

If you have ticked option c please go to Stage 2

- d. Stop and remove the policy/function/service/strategy as equality analysis has shown actual or potential unlawful discrimination**

Signed (Lead Officer): Richard Wyles – Corporate Finance Manager

Date completed: 4 February 2016

Signed (Neutral Assessor): Elaine Claridge
Research & Information Officer (Housing)

Date signed off: 4 February 2016



South Kesteven District Council

Equality Analysis (Stage 1)

HRA – Rent Setting 2016/17

Service Area: Housing	Lead officer: Richard Wyles	Date of Meeting 4 February 2016
	Assessors: Amy Oliver	
	Neutral Assessor: Elaine Claridge	

1. Name and description of policy/service/function/strategy

HRA – Rent Setting 2016/17 set in line with Government Guidance. The Government directive will propose an increase in Supported Housing of CPI+1% and with all other dwellings a 1% decrease.

Is this a new or existing policy?

Annual

2. Complete the table below, considering whether the proposed policy/service/function/strategy could have any potential positive, or negative impacts on groups from any of the protected characteristics (or diversity strands) listed, using demographic data, user surveys, local consultations evaluation forms, comments and complaints etc.

Equality Group	Does this policy/service/function/strategy have a positive or negative impact on any of the equality groups? Please state which for each group	Please describe why the impact is positive or negative. If you consider this policy etc is not relevant to a specific characteristic please explain why
Age	Positive – All Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Disability	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Race	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.

Gender Reassignment	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Religion or Belief	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Sex	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Sexual Orientation	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Pregnancy and Maternity	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.
Marriage and Civil Partnership	Positive – All other Dwellings	Any rent decrease has a positive impact on the individual however the requirement to review and decrease charges for rent is not determined by protected characteristic.

<p>Other Groups (e.g. those from deprived (IMD*) communities; those from rural communities, those with an offending past)</p> <p>*(IMD = Indices of multiple deprivation)</p>		
<p>General comments</p>	<p>The Council is following Government guidance that is currently in draft through the Welfare Reform Bill. The actual rent is calculated on a property by property basis.</p> <p>There is a potential positive impact on those living in all other dwellings.</p>	

3. What equality data/information did you use to inform the outcomes of the proposed policy/service/function/strategy? (Note any relevant consultation who took part and key findings)

Consultation has been undertaken with tenants via the tenants' panel; no specific concerns were raised with regard the rental decrease.

If there are any gaps in the consultation/monitoring data, how will this be addressed?

None identified

4. Outcomes of analysis and recommendations (please note you will be required to provide evidence to support the recommendations made): Please check one of the options.

a)	No major change needed: equality analysis has not identified any potential for discrimination or for negative impact and all opportunities to promote equality have been taken	<input type="checkbox"/>
<i>If you have checked option a) you will need to complete a Stage 3 analysis when your policy/service/function/strategy has been implemented</i>		
b)	Adjust the proposal to remove barriers identified by equality analysis or to	<input type="checkbox"/>

	better promote equality.	
<i>If you have checked option b) you will need to answer questions b.1 and b.2</i>		
c)	Adverse impact but continue	<input checked="" type="checkbox"/>
<i>If you have checked option c) you will need to answer questions c.1</i>		
d	Stop and remove the policy/function/service/strategy as equality analysis has shown actual or potential unlawful	<input type="checkbox"/>

b.1 In brief, what changes are you planning to make to your proposed policy/service/function/strategy to minimise or eliminate the negative equality impacts?

b.2 Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

If you have checked option b) you will need to complete a Stage 2 equality analysis

c.1 Please provide an explanation in the box below that clearly sets out your justification for continuing with the proposed policy/function/service/strategy.

The Council is required to follow the requirements of the Governments Welfare Reform Bill once implemented.

If you have checked option c) you will need to complete a Stage 2 equality analysis. You should consider in stage 2 whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.

Signed (Lead Officer): Richard Wyles
(Name and title) Corporate Finance Manager

Date completed: 4 February 2016

Signed (Neutral Assessor): Elaine Claridge
(Name and title)

Date signed off: 4 February 2016

REPORT TO COUNCIL

**REPORT OF: CHAIRMAN OF THE CONSTITUTION COMMITTEE –
COUNCILLOR RAY WOOTTEN**

REPORT NO: LDS168

DATE: 29th February 2016

TITLE:	Recommendations from the Constitution Committee - 1st February 2015	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Council Decision	
EXECUTIVE MEMBER: NAME AND DESIGNATION:	Councillor Kelham Cooke – Executive Member for Governance	
CONTACT OFFICER:	Lucy Youles – Executive Manager, Corporate E-mail: l.youles@southkesteven.gov Telephone: 01476 406105	
INITIAL IMPACT ANALYSIS:	Carried out and appended to the report: n/a	Full impact assessment: 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	The Council’s Constitution http://www.southkesteven.gov.uk/index.aspx?articleid=1974 Constitution Committee Agenda – 01.02.16 http://modeste:8080/ieListDocuments.aspx?MIId=3167&x=1 Minutes of the Executive Meeting 7.12.15 http://modeste:8080/documents/g3226/Printed%20minutes%2007th-Dec-2015%2011.00%20Executive.pdf?T=1	

1. RECOMMENDATIONS

It is recommended that Council approve the recommendations made by the Constitution Committee at its meeting on the 1st February 2016 as detailed in the minutes of the meeting of the Constitution Committee, appended to this report at the Appendix 1, as follows:

1.1

1.1.1 A new Article 12 to be added to the Constitution to establish a Shareholder Committee to support the development of a wholly owned local authority company.

1.1.2 The Terms of Reference as shown at Appendix 2 to this report are incorporated into the Constitution at the new Article 12.

1.1.3 That the numbering of subsequent Articles be amended to include the new Article 12.

1.1.4 These recommendations to take effect at the Annual Council meeting on 21st April 2016.

1.2 The timing of meetings remain as currently scheduled.

1.3 Voting to appoint representatives on outside bodies remains as currently set out in the Constitution at Article 4.13.7.

1.4 The proposed changes to the Policy Development Groups, as agreed at Council on the 21st January 2016, should be implemented from the Annual Council Meeting on the 21st April 2016

2. PURPOSE OF THE REPORT

2.1 The purpose of this report is to set out the recommendations made by the Constitution Committee at its meeting on the 1st February 2016. The agenda and report made to the Constitution Committee are included as a link to background papers and the minutes of the Constitution Committee meeting of the 1st February are attached to this report as Appendix 1 for information. Appendix 2 to this report sets out the terms of reference for the shareholder committee referred to in recommendation 1.1.2

3. DETAILS OF REPORT

3.1 Shareholder Committee

At its meeting on the 1st February 2016, the Constitution Committee considered report CFM356 of the Corporate Finance Manager which set out the proposals for a shareholder committee to be established to represent the Council as the sole shareholder of a local authority controlled company which will be established in accordance with the Executive Decision CO23 made at the meeting of the Executive on the 7th December 2015. It is proposed that a shareholder committee is established as a committee of the Council with the provision of a new Article 12 of the Constitution as detailed at Appendix 2 of this Report.

3.2 Timing of Meetings

At a Council meeting on the 21st May 2015, the Council determined that:

the times of meetings should be set by members of the relevant PDG and/or committee following a consultation carried out by the Chief Executive with the decision and rationale to be reported to the first meeting of the Committee or PDG and proposed that it be referred to the Constitution Committee for consideration.

Following the determination of meeting times at each PDG and Committee, the Chairman of the Constitution Committee contacted all Chairmen to determine views on current timings. The majority of Chairmen contacted had no issue with the current timings of meetings or the way in which those timings were determined. The Constitution Committee agreed the recommendation made at 1.2 above

3.3 Voting for Representatives on Outside Bodies

The Constitution Committee was asked by Council to consider the method of voting as set out in Article 4.13.7 of the Constitution. Members considered alternative methods of voting and agreed as set out at recommendation 1.3 above

3.4 Changes to Policy Development Groups

Members were reminded of the changes agreed at Council to the Policy Development Groups and recommended that those changes should not take effect until the Annual Meeting of Council to be held on the 21st April 2016 when Members would be appointed to committees and policy development groups from the start of the new municipal year.

4. OTHER OPTIONS CONSIDERED

Options considered in respect of all the recommendations made in this report are set out in the minutes of the Constitution Committee held on the 1st February 2016

5. RESOURCE IMPLICATIONS

There are no resource implications relating to the recommendations.

6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
No high risks were identified	

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

No assessment is required in respect of this report.

8. CRIME AND DISORDER IMPLICATIONS

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

9. COMMENTS OF FINANCE SECTION

There are no financial implications resulting from this report.

10. COMMENTS OF LEGAL AND DEMOCARATIC SERVICES

Members are required to consider the recommendations made which will effect change to the Constitution and determine whether or not those changes should be made.

11. COMMENTS OF OTHER RELEVANT SERVICE MANAGERS

None relevant

12. APPENDICES:

- **Appendix 1:** Minutes of the Constitution Committee held on the 1st February 2016
- **Appendix 2:** Terms of reference for the Shareholder Committee

MINUTES

CONSTITUTION COMMITTEE
MONDAY, 1 FEBRUARY 2016



COMMITTEE MEMBERS PRESENT

Councillor Damian Evans
Councillor Mrs Rosemary Kaberry-Brown (Vice-Chairman)
Councillor Bob Sampson
Councillor Ray Wootten (Chairman)

OFFICERS

Corporate Finance Manager (Richard Wyles)
Executive Manager Corporate (Lucy Youles)
Democratic Officer (Lucy Bonshor)

OTHER MEMBERS

Councillor Bob Adams
Councillor Teri Bryant
Councillor Kelham Cooke

81. APOLOGIES

An apology for absence was received from Councillor Johnson.

82. DISCLOSURE OF INTERESTS

None disclosed.

83. MINUTES OF THE MEETING HELD ON 14TH DECEMBER 2015

The minutes of the meeting held on 14th December 2015 were agreed as a correct record.

84. FORMATION OF SHAREHOLDER COMMITTEE AND TERMS OF REFERENCE

Recommendation:

That the Constitution Committee recommends to Council the following:

- 1) *A new Article 12 to be added to the Constitution to establish a Shareholder Committee to support the development of a wholly owned local authority company.*
- 2) *The Terms of Reference as shown at Appendix 1 to report CFM356*

Your council working for you

- are incorporated into the Constitution at the new Article 12.*
- 3) *That the numbering of subsequent Articles be amended to include the new Article 12.*

These recommendations to take effect at the Annual Council meeting on 21st April 2016.

Members had been circulated with report CFM356 which set out the requirement for a new Committee of the Council to be established to support the development and Strategic Management of a wholly owned local authority company. The Corporate Finance Manager explained the background to the work that had been done by a cross PDG Working Group considering the business case to form a Local Authority Controlled Company (LACC). They had considered and made recommendations in respect of the governance arrangements. Following the Executive meeting on 7th December work was continuing to establish the governance arrangements in accordance with the Executive decision. The Council, as the sole shareholder would be represented by the Shareholder Committee which would set the strategic direction of the company including the development of the business plan. The Shareholder Committee would be made up of Councillors and the Board would be made up of Officers. The Committee would hold the Board to account, but the Board was responsible for the operational delivery of the business plan of the Company. Non executive Members of the Board may be brought in based on their specific specialism's or commercial expertise. The proposal was for a generic parent company that had appointed directors and associated articles of association with a clear focus to operate on commercial activity. Individual business cases would be considered by the Board, initially these would focus on:

- Acquisition of housing (market rentals)
- Acquisition of commercial property (capital investment for revenue return)
- New build programme outside of HRA
- Trading of services (to other LA's, private sector)

With financial pressure currently on the HRA the LACC could generate a return on investments that would benefit both the General Fund and the Housing Revenue Account. It would help stimulate the private sector housing market and create long term capital growth by investing in assets that generated income streams.

The Shareholder Committee needed to be clear about its Terms of Reference and what the Board was permitted to do. Changes to the business plan would be authorised by the Shareholder Committee and also the composition of the Board.

Two other key documents were the Shareholder Agreement and the Articles of Association both of these were being worked on and once the Terms of Reference were agreed the Company could be registered. Reference was made to page 17 of the agenda pack and parameters noted in 1, 2 and 3, these

had the potential to be on the low side and a mandate for step change to increase the amount slightly maybe needed to allow the Committee and Board to operate.

The Chairman asked about set up costs of the Company. The Corporate Finance Manager confirmed that no further set up costs were required. Another Member referred to the Investment Strategy which had been dealt with at a recent PDG. The Corporate Finance Manager replied that this was a completely separate document and dealt with how the Council could be self financing by 2019 when the RSG funding stopped. A further question was asked about the Remuneration policy. This referred to the Remuneration Panel that the Council had to consider remuneration for the new Chairman and Vice-Chairman of the Committee. Another question was asked about tax and the financial implications to which the Corporate Finance Manager replied. Other questions were asked about how many meetings the Shareholder Committee would hold during a year (scheduled to meet quarterly), how many Councillors would be on the Committee, how many for the meeting to be quorate (Council Procedure Rules would apply to the new meeting) would there be enough provision within the Shareholder Committee for the subsidiary companies to which the Corporate Finance Manager replied.

The Shareholder Committee would be a public meeting and political balanced would be required as per the Council's other Committees. It was proposed that the recommendation to Council should include that the proposed changes should take effect from the Annual Council meeting and that the Committee membership would be allocated at the Annual Council meeting on 21st April 2016 together with all the other allocations.

Further questions were asked about the decision making carried out by the Chairman and the Vice-Chairman of the Committee. Any decisions made would be reported back to the next meeting of the Shareholder Committee. If it was felt that a decision needed to be made by the whole Committee then a further meeting of the Shareholder Committee would be arranged. Reference was then made to the Shareholder Agreement and the Articles of Association. These documents were necessary to establish a LACC and together with the proposed Terms of Reference for the Shareholder Committee had been drafted in accordance with specialist external advice which took into account lessons learnt from other authorities.

The recommendations contained within the report were taken en bloc and were proposed, seconded and agreed as recommendations to Council which would be put into effect at the Annual Council meeting on 21st April 2016.

85. TIMINGS OF MEETINGS

The Chairman informed the Committee that he had been in contact with all the Chairmen of the PDGs' and Committees to get their views on the timing of meetings. Each Chairman had discussed the issue with their relevant Group/Committee and each were happy with the current timings of meetings apart from the Chairman of the Communities PDG. The timetable that was

agreed at the Annual Council meeting was an indicative timetable of meeting dates and if the Chairman of the Group/Committee could not attend then the Vice-Chairman should chair the meeting. A discussion followed on holding meetings at different times - during mornings, afternoons and evenings, it was acknowledged that this was an ongoing issue and regardless of when a meeting was held there would always be someone who would not be able to attend due to other commitments/responsibilities. Employers were required to let employees attend meetings when they were elected; however, this was only if the operational requirements of the organisation could be met. It was felt that in order to change the demographics of elected Members the timing of meetings perhaps needed to change. A proposal was put forward to let the Chairmen of the Group/Committee decide on the timing of meetings with possibly some being held at alternative times, however although this received a seconder the proposal was lost. The Leader indicated that he would take it up with the Group Leaders and the Chief Executive about the timing of meetings and would report back to the Committee. It was proposed, seconded and agreed to leave the timing of the meetings as they were currently and wait to hear back from the Leader.

Decision:

That timing of meetings remain as they are currently and to wait to hear back from the Leader following his discussion with the Group Leaders and the Chief Executive

86. VOTING ON OUTSIDE BODIES

Recommendation:

That the Constitution Committee recommends to Council that voting on outside bodies remains as it is currently outlined (Article 4.13.7) within the Constitution.

Members discussed voting on outside body appointments and whether or not they wished to make a recommendation to change the way in which nominations were dealt with when there were multiple nominees and multiple posts for one organisation. Reference was made to the Annual meeting last year at which paper slips had been used. The majority of the Members present were happy using the electronic voting system and the system used as described in the Constitution provided the instructions given were clear. It was pointed out that it was only in exceptional circumstances that the number of nominations exceeded the number of vacancies. Usually the nominations were agreed in group before the annual meeting and ratified at the Council meeting. One Member was minded to support using the paper method but on the recommendations being put to the vote it was agreed to leave the method of voting as already outlined within the Constitution at 4.13.7.

87. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT

The following item was considered as a matter of urgency due to the need to clarify when the proposed changes to the Policy Development Groups would take place following the decision made at Council on 21st January.

At Council on 21st January the decision was made to make changes to the Policy Development Groups which included the name change for Engagement PDG and also to increase the number of places on each PDG. Rather than carry out the changes mid cycle it was recommended that the changes proposed with regard to the Policy Development Groups would be made to take effect from the Annual Council meeting on 21st April 2016. Members agreed that the changes proposed to the Policy Development Groups would not take effect until the Annual Council meeting in April this proposal was moved, seconded and agreed.

Recommendation

That the Constitution Committee recommend to Council that the proposed changes to the Policy Development Groups as agreed at Council on 21st January 2016 be implemented from the Annual Council meeting on 21st April 2016.

88. CLOSE OF MEETING

The meeting closed at 11.23am.



Appendix 2

Article 12 – The Shareholder Committee

The Council will establish and maintain a Shareholder Committee to act in accordance with the terms of reference so far as they relate to any company established as a wholly owned company of the Council.

12.1 Membership

The Committee will comply with the Political Balance Rules in Section 15 of the Local Government and Housing Act 1989.

12.2 Meetings of the Committee

- (i) Meetings will take place at least four times per annum.
- (ii) Additional meetings will be arranged as required to consider exceptional items.
- (iii) Appropriate officers (as representatives of the company) will be included as regular attendees.

12.3 Chairman and Vice-Chairman

- (i) At the Annual Meeting the Council shall appoint the Chairman and Vice-Chairman of the Shareholder Committee.
- (ii) If the Chairman or Vice-Chairman resigns by giving written notice of resignation to the Chief Executive, the committee shall, as the first item of business at the next ensuing meeting, elect a successor.
- (iii) The Chairman, if present, shall preside.
- (iv) If the Chairman is absent, the Vice-Chairman shall preside.
- (v) If the Chairman and Vice-Chairman are absent, the Committee shall elect one of the members present as Chairman of the meeting.

12.4 Powers of Chairman and Vice-Chairman

- (i) The Chairman and Vice-Chairman of a Committee (acting together as a Sub-committee) are authorised to give decisions on any matter
 - (a) Of a routine or straight-forward nature



- (b) Which the Chairman and Vice-Chairman, after consultation with the Chief Executive or relevant Executive Manager most directly concerned, are satisfied should be dealt with as a matter of urgency

- (ii) Any decision taken under paragraph (i) above shall be reported by the officer concerned to the next meeting of the Committee

- (iii) No decision shall be taken under paragraph (i) which would constitute a departure from a settled strategy, policy or programme of the Council, nor outside the powers of the Committee concerned.

11.5 Terms of Reference

Terms of Reference of the Shareholder Committee are as follows:-

- (i) Power to remove and appoint company directors.
- (ii) Monitor the company business plan and ensure that it aligns with the corporate objectives of the Council.
- (iii) Periodically evaluate financial performance of a company
- (iv) Consider any recommendations to cease trading by a company
- (v) Monitor compliance with relevant legislation.
- (vi) Ensure the company activities are conducted in accordance with the corporate values of the Council

Terms of Reference

Shareholder Consent Matters – Part A (Corporate Matters)

The Company shall not, unless it has the Shareholder Committee's consent:

- 1 vary in any respect its articles of association or the rights attaching to any of its shares; or

- 2 permit the registration (upon subscription or transfer) of any person as a member of the Company other than the Shareholder in accordance with the terms of this Agreement; or

- 3 increase the amount of its issued share capital except as provided in this Agreement, grant any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeem or purchase any of its own shares or effect any other reorganisation of its share capital; or



- 4 issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital; or
- 5 make any borrowing other than under the Finance Documents; or
- 6 apply for the listing or trading of any shares or debt securities on any stock exchange or market; or
- 7 pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent); or
- 8 engage in any business other than as contemplated by the Business Plan or defray any monies other than in good faith for the purposes of or in connection with the carrying on of such business; or
- 9 form any Subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not); or
- 10 close down any business operation, or dispose of or dilute its interest in any Subsidiary for the time being, or dispose of any material asset, unless in each case such closure or disposal is expressly contemplated by the Business Plan; or
- 11 amalgamate or merge with any other company or business undertaking; or
- 12 alter its name or registered office; or
- 13 enter into any transaction or arrangement of any nature whatsoever (including, for the avoidance of doubt, a service contract) with any of its directors or any person who is connected (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) to any of its directors, whether or not any other person shall be party to such transaction or arrangement; or
- 14 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms; or
- 15 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any material asset or its business in whole or in part or on any of its shares other than:
 - 15.1 as contemplated in the Finance Documents;
 - 15.2 liens arising in the ordinary course of business; or
 - 15.3 any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business; or



- 16 adopt or amend its annual Business Plan; or
- 17 change either:
 - 17.1 its statutory auditors; or
 - 17.2 its financial year end; or
- 18 make or permit to be made any material change in the accounting policies and principles adopted by the Company in the preparation of its audited accounts except as may be required to ensure compliance with relevant accounting standards under the CA2006 or any other generally accepted accounting principles in the United Kingdom; or
- 19 make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit, guarantee or indemnity (otherwise than in all three cases in the normal course of trading); or
- 20 give any guarantee, suretyship or indemnity to secure the liability of any person or assume the obligations of any person outside the scope of its Business Plan; or
- 21 factor or assign any of its book debts; or
- 22 establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors, officers or employees; or
- 23 establish or amend any pension scheme or grant any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family; or
- 24 dismiss any director
- 25 adopt or amend its Remuneration Policy;
- 26 agree to remunerate (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) or to increase the remuneration of any employee, officer or consultant to the Company unless the annual aggregate amount of such remuneration (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) is in accordance with the Company's current Remuneration Policy or is expressly referred to in the Business Plan; or
- 27 institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business, in accordance with the Debt Recovery Policy or where the value of such is less than [£50,000]) instituted or threatened against it or submit to



arbitration or alternative dispute resolution any dispute if the effect of this is that its solvency may be imperilled, or it may require additional funding in order to deliver its Business Plan; or

- 28 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election or consent for tax purposes in relation to the Company or its business if the effect of this is that its solvency may be imperilled, or it may require additional funding in order to deliver its Business Plan.

Shareholder Consent Matters – Part B (Operational Matters)

The Company shall not, unless it has the Shareholder Committee's consent:

- 1 acquire any land or assets with a value in excess of £[500,000] or which would mean that the aggregate value of the land and assets held by it exceeds £[1,000,000]; or
- 2 enter into any contract with a value in excess of £[500,000] or which would mean that the aggregate value of its current contracts exceeds £[1,000,000] ; or
- 3 enter into, as lessor or as lessee, any finance lease [if doing so would mean that the aggregate value of such arrangements entered into exceeds £[50,000]]; or
- 4 make any amendments to:
 - 4.1 the Financial Model; or
 - 4.2 the Lettings Policy and/or Sales Policy; or
 - 4.3 the Rent Policy; or
 - 4.4 the Debt Recovery Policy; or
 - 4.5 the Remuneration Policy.

REPORT TO COUNCIL

REPORT OF: Independent Remuneration Panel Chairman

REPORT NO: LDS169

DATE: 29 February 2016

TITLE:	Recommendations from Welland Independent Remuneration Panel	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Decision of Council in accordance with Article 4.2(iv) of the Constitution	
EXECUTIVE MEMBER: NAME AND DESIGNATION:	Not applicable	
CONTACT OFFICER:	Jo Toomey, Principal Democracy Officer Telephone: 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	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	Council meeting – 23 January 2014 http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=261&MId=2985&Ver=4	

1. RECOMMENDATIONS

1.1 That the Council adopts the recommendations made by the Welland Independent Remuneration Panel:

- a. That travel and subsistence expenses should be met for all Councillors on Working Groups provided that they have been appointed in a properly constituted Meeting Body comprising more than one Political Group and that the membership of the Working Group is open to all Members of that Meeting Body.**
- b. That the same principle should apply for a Councillor invited to serve on a Working Group but not on the parent Meeting Body.**
- c. That, whilst recognising that the role of Chairman and Vice-Chairman of the new Shareholder Committee is likely to justify an enhanced Special Responsibility Allowance for the post holders, it is premature at this moment to take an objective judgement on the matter. The matter should be revisited when the workload and increased responsibilities are clearer.**

1.2 That the Constitution be amended to incorporate the revisions to the approved Scheme of Remuneration

2. PURPOSE OF THE REPORT

- 2.1 This report details the recommendations of the Independent Remuneration Panel in its report dated 16 January 2016 (appendix A to this report).

3. DETAILS OF REPORT

- 3.1 At the Council meeting on 23 January 2014, members approved an updated scheme of remuneration, which came into effect from April 2014. Since the scheme was approved the political composition of the Council has changed and a decision has been made to establish a local authority controlled company.
- 3.2 The Council invited the Welland Independent Remuneration Panel to consider whether it would be appropriate to update the current scheme with regard to payment of expenses for attendance at working group meetings set up by the policy development groups and scrutiny committee. Under the current remuneration scheme travel expenses were only payable to Councillors attending working groups so long as the membership of that working group comprised members of more than one political group. Payment was not contingent on representatives of multiple groups being present at the meeting. Given the size of the current majority and availability of members to participate in working groups, it may in some circumstances prove challenging to secure representatives of more than one political group.
- 3.3 The panel was also asked to consider whether it was appropriate at this time to determine special responsibility allowances for the chairman and vice-chairman of the shareholder committee of the Local Authority Controlled Company.

4. OTHER OPTIONS CONSIDERED

- 4.1 The Council can choose to adopt all, none or some of the Independent Remuneration Panel's recommendations.

5. RESOURCE IMPLICATIONS

- 5.1 Resource provision for the Independent Remuneration Panel came from the Legal and Democratic Services budget. Staff support for the review was provided from within existing resources.
- 5.2 It is not anticipated that proposed changes to travel and subsistence claims in relation to the membership of working groups will have a significant impact on the democratic representation budget, from which expenses are paid.

6. RISK AND MITIGATION

- 6.1 No significant risks were identified in preparation of this report.

7. ISSUES ARISING FROM IMPACT ANALYSIS

- 7.1 An equality analysis is not applicable. Recommendations were made by an Independent Remuneration Panel which used a robust evidence-gathering methodology.

8. CRIME AND DISORDER IMPLICATIONS

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

9. COMMENTS OF FINANCIAL SERVICES

- 9.1 The financial costs arising from travel and subsistence claims are met from the allocated revenue budget that is included in the 2016/17 budget proposals.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 10.1 In accordance with the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003, before an authority makes or amends a scheme of remuneration, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel.

11. COMMENTS OF OTHER RELEVANT SERVICES

- 11.1 Not applicable

12. APPENDICES:

- 12.1 Appendix A: Report of the Welland Independent Remuneration Panel

The Welland Partnership Remuneration Panel

Report to South Kesteven District Council Meeting

Interim Review of Members' Remuneration Scheme

1. Introduction

- 1.1 The Local Government (Members' Allowances) 2003 Regulations put in place a consolidated and simplified framework for allowances that covers Principal Councils and Parish and Town Councils.
- 1.2 Part 4 of the Regulations makes provision for the establishment of an Independent Panel to make recommendations concerning Allowances. The Welland Remuneration Panel – comprising John Cade (Chairman), Collette Eames, John Greenwood and Gordon Wells – is compliant with the necessary arrangements.
- 1.3 Unfortunately Collette Eames was indisposed on the day of taking evidence, but the Panel was quorate with John Cade, John Greenwood and Gordon Wells present.

2. Overview

- 2.1 We were invited to consider two areas of your Council's remuneration scheme:
 - a) Payment of travel and subsistence to members of Scrutiny and Policy Development Working Groups when the members of that Working Group represent only one Political Group
 - b) Payment of a Special Responsibility Allowance for the Chairman and Vice-Chairman of a Shareholder Committee of a Company wholly owned by the Local Authority.
- 2.2 These issues have arisen since we last reviewed Members' allowances in 2013/14.

- 2.3 Our meeting for this purpose was held at the Council offices on Friday 8th January 2016. We are very grateful to Jo Toomey, Principal Democracy Officer for her excellent support. Jo also involved John Armstrong and Richard Wyles with specific advice on a couple of topics.
- 2.4 As is our practice, we also asked that all Councillors be advised of our Interim Review and invited to make comments. Councillors Baxter, Cartwright, Cook, Evans, Smith and Wootten provided us with thoughtful and helpful emails.

3. Context

3.1 Working Groups

- 3.1.1 Your Council's current Members' allowance scheme specifies that travel and subsistence claims may only be paid for attendance at "meetings in effect 'set-up' by the Council, such as working groups provided membership includes more than one political group..."
- 3.1.2 The Council operates Executive arrangements, specifically the strong Leader and Cabinet model. The Scrutiny function is separated into two parts: a Scrutiny Committee comprising 11 members which is responsible for post-decision scrutiny and the scrutiny of external bodies, and 3 Policy Development Groups each with 7 members. These groups carry out detailed policy development work on behalf of the Cabinet in addition to any necessary pre-decision scrutiny. Both the Scrutiny Committee and the Policy Development Groups may set up Working Groups/ Task and Finish groups.
- 3.1.3 We were advised that arrangements are being refreshed and while the structure will remain the same greater emphasis is being placed on further developing the Cabinet support role with a considerable proportion of the detailed work taking place within working groups.
- 3.1.4 We understand that Working Groups vary in size and quantity – sometimes a group will set one up in a year, others will set up multiple groups.

3.1.5 Within the wording of the current remuneration scheme expenses would be payable so long as the membership of the group included representatives from more than one Political Group regardless of whether or not they attend the meeting.

3.2 Special Responsibility Allowances for Shareholder Committee Chairman and Vice-Chairman

3.2.1 At its meeting on 7 December 2015 your Cabinet made the following decision:

“Cabinet approves the formation of a local authority controlled company (LACC) as a company limited by shares. Delegated authority is given to the Strategy Director (Environment and Property) and the Strategic Resources and Well Run Council Portfolio Holder to incorporate a company wholly owned by the Council so as to allow the Council to exercise the power to trade contained within the Local Government Act 2003 and pursuant to the general power of competence in the Localism Act 2011.

Formation of the Articles of Association, Shareholder Agreement and Shareholder, the Shareholder Committee is delegated to the Strategic Director (Environment and Property) and the Strategic Resources and Well Run Council Portfolio Holder in order to provide the governance arrangements between the Council and the Company.”

3.2.2 We appreciate that the drivers behind the establishment of a Local Authority Controlled Company include the need to address the pace and direction of change being seen in the current financial climate and the impact of public expenditure reductions.

3.2.3 The report submitted to Cabinet also suggested governance structures under which the Company would operate and outlined the broad scope of service to be traded and the commercial activity to be carried out through the Company.

3.2.4 From the corporate vehicles available for the delivery of a Local Authority Controlled Company, legal advice confirmed that a company limited by shares was the most appropriate structure to

deliver the ambitions of the Council with the Council as sole shareholder.

3.2.5 The proposal is to create a generic parent company that is wholly owned by the Council with a clear commercial focus and the primary objective of generating additional income to the shareholder (i.e. the Council). Business proposals would be considered and approved by the Board of Directors in support of the overall delivery of the business plan as approved by the Shareholder Committee.

3.2.6 The LACC would be a limited company by shares with the Council retaining a 100% shareholding. All decisions regarding business development and any consideration of commercial opportunities which may arise, would be a matter for the Board of the new LACC. However, the Council, as the shareholder, would be required to approve any decisions which would have an effect on the shareholders' rights – this will normally be done at a meeting called by the Directors of the company.

3.2.7 The Council, as the sole shareholder, will also have certain powers such as removing a director from office or changing the name of the company. In general, the shareholder's main role is to ensure that the directors do not operate beyond their powers.

4. Findings

4.1 Working Groups

3.2.8 We felt that the use of Working Groups to support the work of the Scrutiny Committee and the Policy Development Groups was a good development and should be encouraged. It was recognised that with the political composition of the Council there may not always be the capacity of all Political Groups to participate in Working Groups. What is essential, however, in our view, is that they should have the opportunity to do so if they wish.

3.2.9 This requirement, it seems to us, can be met so long as any Working Group is properly established by the Scrutiny Committee or Policy Development Group all of which comprise Councillors from other than the Majority Group.

- 3.2.10 We were also asked to take a view on whether a Councillor who was asked to serve on a Working Group because of their particular knowledge/interest, but was not a member of the appointing body could also receive travel and subsistence expenses.
- 3.2.11 For the Panel, the same principle applies. Provided the offer to serve on the Working Group was made by the Scrutiny Committee or a Policy Development Group comprising Members from more than one Political Group, then travel and subsistence expenses should be permissible.
- 3.3 Special Responsibility Allowances for Shareholder Committee Chairman and Vice-Chairman
- 3.3.1 We were advised that the Articles of Association and Shareholder Agreement will set out in detail the powers and responsibilities of the Council as the sole shareholder of the Company, which will be exercised through the Shareholder Committee. Further, that it is proposed that the Shareholder Committee will be chaired by the Leader of the Council and consist of the Leader with representatives from the Executive and the Chairman of the Resources Policy Development Group.
- 3.3.2 We believe that this Committee will, in all probability, create further responsibilities but that it is premature at this stage to make an objective judgement on this.
- 3.3.3 We felt that this matter should be revisited in, say, about 9 months to 1 year's time when we will be in a better position to consider the level of probable enhanced responsibilities. If an enhanced SRA is considered appropriate this could then be backdated.
5. Recommendations
- 5.1 That travel and subsistence expenses should be met for all Councillors on Working Groups provided that they have been appointed in a properly constituted Meeting Body comprising more than one Political Group and that the membership of the Working Group is open to all Members of that Meeting Body.

- 5.2 That the same principle should apply for a Councillor invited to serve on a Working Group but not on the parent Meeting Body.
- 5.3 That, whilst recognising that the role of Chairman and Vice-Chairman of the new Shareholder Committee is likely to justify an enhanced Special Responsibility Allowance for the post holders, it is premature at this moment to take an objective judgement on the matter. The matter should be revisited when the workload and increased responsibilities are clearer.

John Cade,

Chairman, Welland Independent Remuneration Panel

16th January 2016