

Open

Overview & Scrutiny Committee

Agenda

6.00pm
Thursday, 7th February 2013
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Overview & Scrutiny Committee

Members of Committee:

Chairman: Councillor H E Dyke

Vice-Chairman: Councillor T Ingham

Councillor R Bishop

Councillor C Brewer

Councillor L Davies

Councillor N Gale

Councillor J Greener

Councillor J A Hart

Councillor P V Hayward

Councillor V Higgs

Councillor H J Martin

Councillor D C H McCann

Councillor B McFarland

Councillor J Phillips

Councillor M Rayner

Councillor C Rogers

Councillor A M Sewell

Councillor D R Sheppard

Councillor S J Williams

Councillor G C Yarranton

Would Members please note that, to ensure continuity in scrutiny, substitutes should only be appointed for the Scrutiny Committee in exceptional circumstances.

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of “Exempt Information” for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct (“the Code”) requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members’ Code of Conduct as set out in Section 14 of this constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI’s and ODI’s are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council’s Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

Co-opted Members

Scrutiny Committees may wish to appoint Co-Opted Members to sit on their meetings in order to add value to the scrutiny process. To appoint a Co-Opted Member, a Committee must first agree to appoint either a specific person or to approach a relevant organisation to request that they put forward a suitable representative (e.g. the local Police Authority). Co-Optees are non voting by default but Committees can decide to appoint voting rights to a Co-Optee. The Co-Option of the Member will last no longer than the remainder of the municipal year.

Scrutiny Committees can at any meeting agree to terminate the Co-Option of a Co-Opted Member with immediate effect. Where an organisation is appointed to put forward a Co-Opted Member, they are able to send a substitute in exceptional circumstances, provided that they notify Democratic Services in advance. Co-Opted Members must sign up to the Members Code of Conduct before attending their first meeting, failure to sign will mean that they are unable to participate. This also applies to substitute Co-Opted Members, who will need to allow sufficient time before a meeting in order to sign the Code of Conduct.

The following will apply:

- i) The total number of voting co-opted members on any Scrutiny Committee will not exceed 25% at any one time.
- ii) The total number of voting Co-opted Members on any Review Panel will not be limited.
- iii) Those Co-opted Members with voting rights will exercise their rights in accordance with the principles of decision making set out in the constitution.

For Further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information, you should contact Louisa Bright, Democratic Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@wyreforestdc.gov.uk

Wyre Forest District Council
Overview & Scrutiny Committee

Thursday, 7th February 2013

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1 - Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Director of Community Assets & Localism, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the Minutes of the meeting held on the 6 th December 2012.	6
5.	Review of No Surprises Protocol To consider a review of the No Surprises Protocol.	11
6.	Crime and Disorder Update Following the Overview and Scrutiny Committee on 6 th December 2012, to debate the presentation on crime and disorder issues and the progress being made against the Wyre Forest Community Safety Partnership's priorities for 2012/13.	14
7.	Wyre Forest District Revised Statement of Community Involvement - Adoption To consider a report from the Senior Forward Planning Officer which seeks approval to adopt the Revised Statement of Community Involvement.	25
8.	South Worcestershire Development Plan – Publication To consider a report from the Senior Forward Planning Officer which provides Members with an update on the preparation of the South Worcestershire Development Plan.	74

9.	Recommendations from Treasury Management Review Panel: Consideration of Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Policy and Strategy Statement for the Period 1st April 2013 to 31st March 2014 <p>To consider a report from the Director of Resources which seeks approval of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Policy and Strategy Statement for the Period 1st April 2013 to 31st March 2014.</p>	80
10.	Recommendations from Budget Review Panel – Consideration of Financial Strategy 2013/2016 – Cabinet Proposals and Alternative Budget Proposals <p>To consider a report from the Director of Resources on the findings of the Budget Review Panel's scrutiny of the Cabinet's Financial Strategy 2013/2016.</p>	118
11.	Feedback from Cabinet <p>To note the content of the Cabinet action list, following consideration of the recommendations from the meeting on 18th December 2012.</p>	121
12.	Work Programme <p>To review the work programme for the current municipal year with regard to the Sustainable Community Strategy Theme, Corporate Plan Priority, Annual Priorities and the Forward Plan.</p>	122
13.	Press Involvement <p>To consider any future items for scrutiny that might require publicity.</p>	
14.	To consider any other business, details of which have been communicated to the Director of Community Assets & Localism before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
15.	Exclusion of the Press and Public <p>To consider passing the following resolution:</p> <p>“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.</p>	

Part 2 - Not open to the Press and Public

16.	To consider any other business, details of which have been communicated to the Director of Community Assets & Localism before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
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WYRE FOREST DISTRICT COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

THURSDAY, 6TH DECEMBER 2012 (6.00PM)

Present:

Councillors: H E Dyke (Chairman), T Ingham (Vice-Chairman), R Bishop, C Brewer, L Davies, N Gale, J Greener, P B Harrison, J A Hart, V Higgs, H J Martin, D C H McCann, B McFarland, J Phillips, M Rayner, C Rogers, A M Sewell, D R Sheppard and S J Williams.

Observers

Councillors: G W Ballinger, I Hardiman, M J Hart, P V Hayward and J A Shaw.

OS.62 Apologies for Absence

Apologies for absence were received from Councillor G C Yarranton.

OS.63 Appointment of Substitutes

Councillor J Phillips was appointed as a substitute for Councillor G C Yarranton.

OS.64 Declarations of Interests by Members

No declarations of interest were made.

OS.65 Minutes

Decision: The minutes of the meeting held on 8th November 2012 be confirmed as a correct record and signed by the Chairman.

OS.66 Wyre Forest District Infrastructure Plan

The Committee considered a report from the Principal Planning Policy Officer on the production of a District wide Infrastructure Plan. Recommendations from the Local Development Framework Review Panel were also considered. Members held a full debate and were informed that the plan accompanied the submission of the District Council's Development Plan Documents (DPD's) and would also be used to help inform the work being undertaken on the Community Infrastructure Levy (CIL).

Members were led through the report and a full debate ensued. Members were informed that it was important to note that the Infrastructure Plan was a 'live' document and only a snapshot of the current situation. Regular updates would be required as the process was gone through.

Agenda Item No. 4

Following the Autumn statement, it had been announced that £5 billion would be available for Local Enterprise Partnerships which could benefit local areas.

The main points raised were as follows:

- a. Speed controls on the A449 and A456 needed to be looked into, especially as the A456 had been detrunked and one significant company had left the area because of this. Speed cameras were very active on the A449 and it was felt that this led to huge tailbacks and it was thought that this could lead to a major accident happening.
- b. As the British Sugar site was to be regenerated, a rail link should be provided between Kidderminster and Bewdley. A report by Jacobs Consultants had been commissioned many years ago to look at the potential use of a Parry People Mover on the line and Members asked if the report could be available to Members of the Committee. It was confirmed that this would be circulated.
- c. Concerns were raised about the comments made to alter the provision from West Midlands Ambulance services, as it was felt that this could increase risks to service users. It was perceived that if the number of ambulances on the road were to be reduced, more motorbikes could be used as quick response. There was a suggestion that community stations become operational in the area but it was not known where these would be located. In response, it was confirmed that the District Council would continue to feed comments to West Midlands Ambulance Service and raise concern about the proposals.
- d. Police stations continued to be downgraded and this needed to be investigated further especially as it was perceived crime was increasing. Members were informed that a document with detailed proposals in relation to planned new Police Infrastructure within the District was available and this would be circulated.
- e. In response to a Members question, it was confirmed that Birchen Coppice School and St Marys School should be included and this had been an oversight when preparing the plan. In terms of pressure on numbers for local schools, guidance came from Worcestershire County Council and future consideration for education provision is generally covered when considering planning applications.
- f. With the Kidderminster Academy now open, Members noted with disappointment that there was no courses for engineering. In light of the Severn Valley Railway being active in the area and with the possible involvement they would have with the link via the British Sugar Site, a relevant course would have been beneficial.
- g. Efforts needed to be taken to ensure Stourport Leisure Centre taken over therefore ensure the town did not lose their leisure facilities.
- h. It was suggested there an increased mobile library service could be more operational in the Wyre Forest area and it was agreed that this could be included in the plan. There were concerns that library services were not

overly reduced. It was agreed that the Infrastructure Plan would make reference to the Mobile Library service that exists within the District.

Councillor N Gale left the meeting at this point, (6.47pm) and came back at 6.48pm.

In agreeing a recommendation to Cabinet, Members stressed that they were happy to note and endorse majority of the report with the exception of the emergency services and library services where further information was to be obtained due to the concerns of the Committee.

Agreed:

Recommend to Cabinet

The contents of the briefing paper to the Overview and Scrutiny Committee at its meeting on 6th December 2012 be noted and the Infrastructure Plan as a suitable evidence base document be endorsed to support the delivery of the Development Plans and to provide the background information required for implementing Community Infrastructure Levy (CIL) with the exception on the section on emergency services where the comments are only noted pending further information and request that clarity be sought regarding police and ambulance services as soon as possible. Members also express concerns about library services and request that clarity be sought on these proposals as soon as possible.

OS.67 Health and Wellbeing in Wyre Forest

The Committee considered a report from the Strategic Housing Services Manager which provided an update on work to improve Health and Wellbeing in Wyre Forest.

Members were taken through the report and asked for clarification on what books were available on prescription and details of the membership of Strategic Health and Inequalities Partnership (SHIP).

Members also asked if SHIP could be promoted as they had seen nothing on this.

Agreed:

The Strategic Housing Services Manager to obtain information on books available on prescription and details of the SHIP membership.

Recommend to Cabinet: The Wyre Forest District Council Health Action Plan 2012/13 be endorsed.

OS.68 Crime and Disorder Update

The Committee received a presentation from the Community Safety and Partnership Officer on crime and disorder issues and received an update regarding progress made against the Wyre Forest Community Safety Partnership's (WFCSP) priorities for 2012/13.

Members received a powerpoint presentation which included information that had been requested following the previous annual report.

In response to a Members question, it was confirmed that a report could be produced to show the current problems with car burglaries. It was acknowledged that the statistics would never be accurate but gave a general consensus of what was being reported.

Councillor M J Hart left the meeting at this point, (7.50pm).

Members were concerned that they had not had the time to digest the information and asked for the item to be represented to the next Overview & Scrutiny Committee meeting where it could be fully scrutinised.

It was confirmed that the WFCSP did not attend PACT meetings but did receive all the necessary information from police officers

Agreed: The Community Safety and Partnership Officer would present a report to the next meeting of the Overview & Scrutiny Committee where Members could scrutinise the report.

Councillor J A Shaw left the meeting at this point, (8.00pm).

OS.69 Budget Review Panel

The Committee considered a paper, which was tabled at the meeting, from the Director of Resources which sought agreement for the Terms of Reference for the Budget Review Panel.

Members were taken through the report and three dates for meetings were proposed, these being 10th, 17th, and 24th January 2013 with a commencement time of 4pm.

Agreed:

- **The membership for the Budget Review Panel consist of 4 Members (one from each political Group).**
- **The Committee/Scrutiny Officer to contact Group Leaders asking for nominations for the Panel.**

OS.70 Feedback from Cabinet

Agreed: The content of the Cabinet decision list, following considered of the recommendations from the meeting on 12th November 2012.

OS.71 Work Programme

The Chairman of the Overview & Scrutiny Committee reminded Members of the procedure for adding items to the Work Programme. In response to a Members question, it was confirmed that partners could be scrutinised.

Members were also reminded that the Members Forum on 17th December 2012 would focus on systems thinking.

Agreed: The work programme be noted.

OS.72 Press Involvement

There were no future items that might require scrutiny.

There being no further business, the meeting ended at 8.12 pm.

Scrutiny Committee & Review Panel Scoping of Scrutiny Exercises

Preliminary Information	
Title of Exercise	Review of No Surprises Protocol
Lead Committee	Overview and Scrutiny Committee
Chair of Review Panel	Councillor Helen Dyke
Client Officer Support	Alison Braithwaite
Aims and Objectives	
Terms of Reference Purpose of group/strategic objectives.	<p>To continue to strengthen officer communication with Members by reviewing the effectiveness of the Council's No Surprises Protocol.</p> <p>To identify how the implementation and the effectiveness of the protocol can be improved so Members are kept informed about forthcoming decisions or developments concerning their wards.</p> <p>To consider a re-launch of the Think Local, Think Member Campaign.</p>
Rational Key issues and/or reasons for doing the review.	<p>To consider the effectiveness of the current 'No Surprises Protocol'.</p>
Review Objectives Specify exactly what the review should achieve.	<p>To review with all Members their experience of the effectiveness of the 'No Surprises Protocol' and its component elements. This will include whether Members are:</p> <ol style="list-style-type: none"> 1. Informed of matters on which they may be required to make decisions that affect their ward. 2. Kept informed during the formative stages of policy development for matters affecting their ward. 3. Advised of and invited to attend any public meetings for matters affecting their ward. 4. Notified at the outset of any consultation exercises affecting their ward and advised of the results of the exercise.

Agenda Item No. 5

	<p>To highlight areas of excellent practice where Members are kept fully informed by certain service areas.</p> <p>To use the results of the review in a proactive and positive manner to further strengthen officer communication with Members.</p>
<p>Barriers, Dangers and Risks Identify any weaknesses and potential pitfalls.</p>	<p>The possibility that the review turns into a negative process with the potential of damaging current good officer and Member working relationships.</p>
<p>Financial Implications How much money is needed and where will the money likely to come from?</p>	<p>N/A</p>
<p>Methodology</p>	
<p>Approach What methods will be used to gather evidence and why?</p>	<p>To re-run the survey sent to all Members in February 2012 which asked for their views on the effectiveness of the protocol, including identifying those council service areas that are very good at keeping them informed and those that are not so good. The results can then be reviewed against the data captured in February and will enable us to see whether the effectiveness of the protocol is improving.</p>
<p>Co-opted Members and Expert Witnesses Who will be able to inform the process and when?</p>	<p>To involve members of CMT at the relevant stage of the review for their comments. This will include seeking their views on the results of the re-run survey. The protocol specifies that Chief Officers should ensure that all relevant staff are aware of the protocol.</p>
<p>Evidence Sources for Documents Could CfPS Review Library help?</p>	<p>There was a Scrutiny Review of the Protocol in November 2008 and a further review was undertaken in February 2012. Both reviews asked Members for their experience of whether the protocol works for them in their role as Ward Member. The results from these surveys will be used for benchmarking purposes – are things improving or not.</p>
<p>Specify if any sites visits are required? Where and when?</p>	<p>N/A</p>

Agenda Item No. 5

Specify evidence sources for views of stakeholders Could the Councils Youth On-line facility be used? Could the County Council's Consultation Facility "Ask Me" be used?	N/A
Publicity Requirements What is needed – fliers, leaflets, radio broadcast, press-release etc.	N/A
Deadlines	
Anticipated Start Date:	February 2013
Number of Meetings:	
Feedback to Scrutiny:	
Projected Completion Date:	

Wyre Forest Community Safety Partnership Review

Kathryn Washington, Community Safety & Partnerships Officer

Andrew Deeley, WFCSP Analyst

Justin Bryant, Chair, Community Safety Operational Group

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Overview

- ☐ Background
- ☐ What does the CSP really mean?
- ☐ Legislation
- ☐ Long term performance
- ☐ Current performance
- ☐ How the partnership works
- ☐ Funding and projects
- ☐ Where are we now and looking forward
- ☐ Police and Crime Commissioner
- ☐ Opportunities and Challenges

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Background

- The Wyre Forest Community Safety Partnership (WFCSP) was established in August 1998 to meet the requirements of the Crime and Disorder Act 1998.
- Responsible for reducing re-offending, tackling crime, anti social behaviour, behaviour that adversely affects the local environment and substance misuse at a local level.
- Responsibility on Wyre Forest District Council, Worcestershire County Council and West Mercia Police to form a Crime and Disorder Reduction Partnership (CDRP). Renamed Community Safety Partnerships (CSPs) in 2010.
- The Police Reform Act 2002 extended this statutory membership to include NHS, the Fire Service and the Police Authority. Extended again in 2010 to include Probation Trusts.

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What Does the Community Safety Partnership Really Mean?

- Undertakes issues which residents, businesses and visitors say are important to them
- These issues include Anti-Social Behaviour; tackling crime; reducing re-offending; shoplifting; drug and alcohol issues and environmental issues
- A joined up approach rather than people dealing with several bodies at the same time
- Shared resources
- Work to make the community safer, reduce crime and the fear of crime

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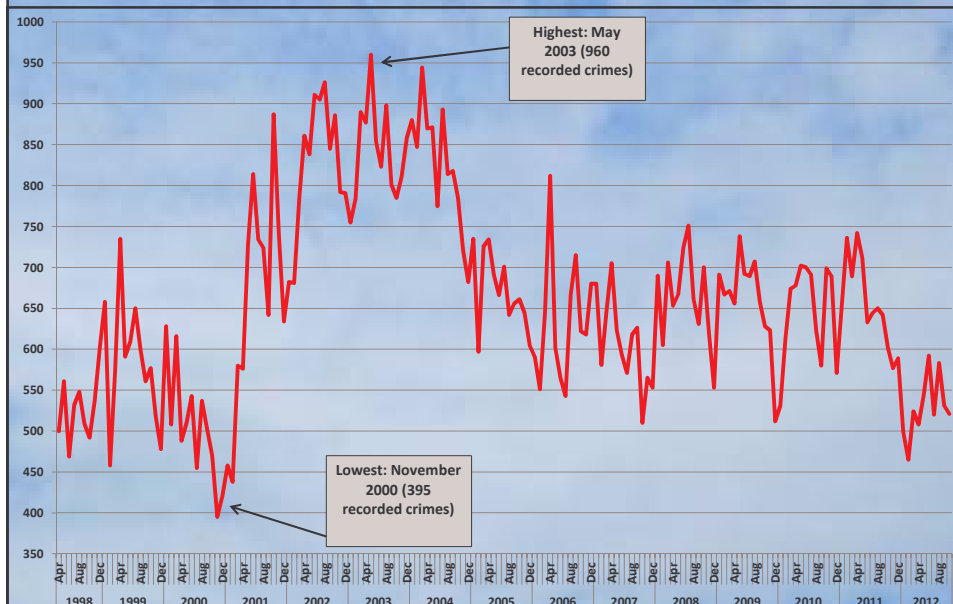
Key Legislation

- ☐ Crime and Disorder 1998, amended 2002
- ☐ Anti Social Behaviour Act 2003
- ☐ The Police and Justice Act 2006
- ☐ Police Reform and Social Responsibility Act 2011

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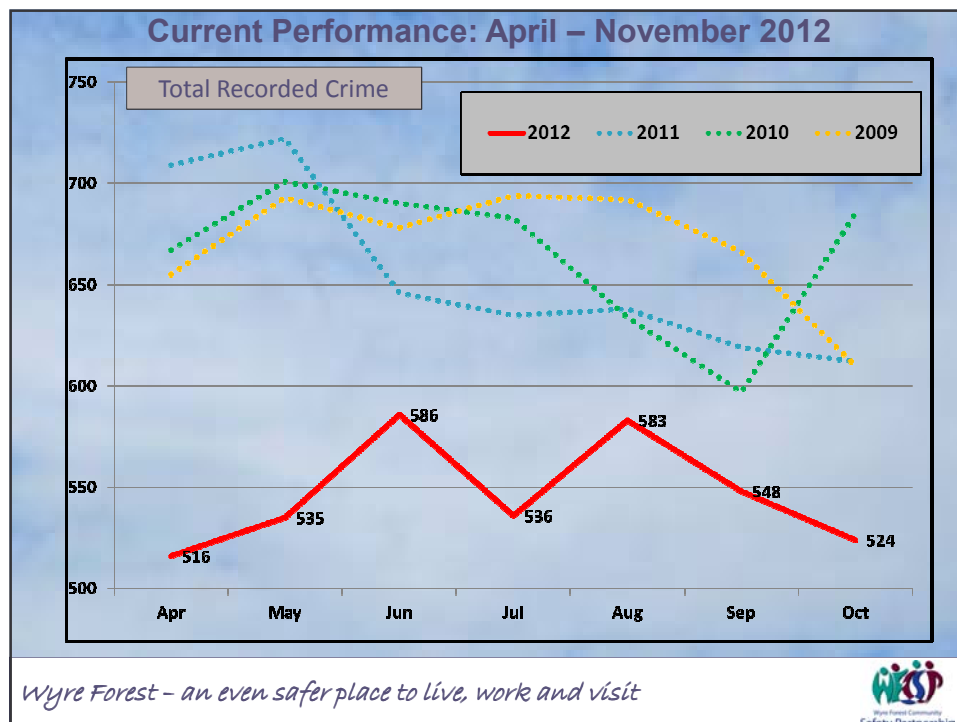
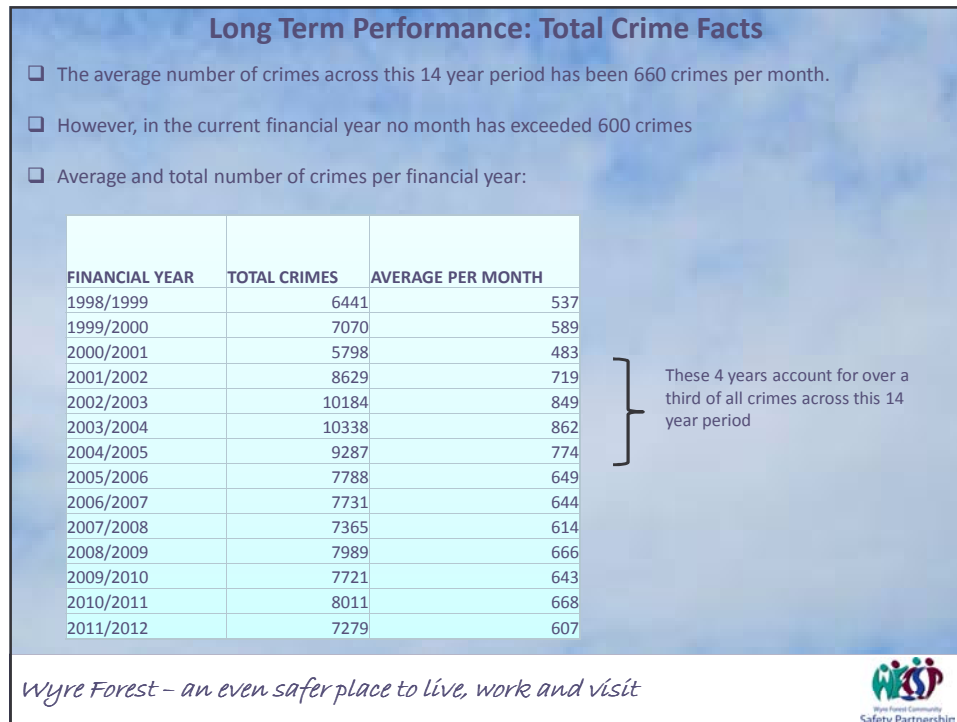


Long Term Performance: Total Crime (April 1998 – October 2012)



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Current Performance: April – November 2012

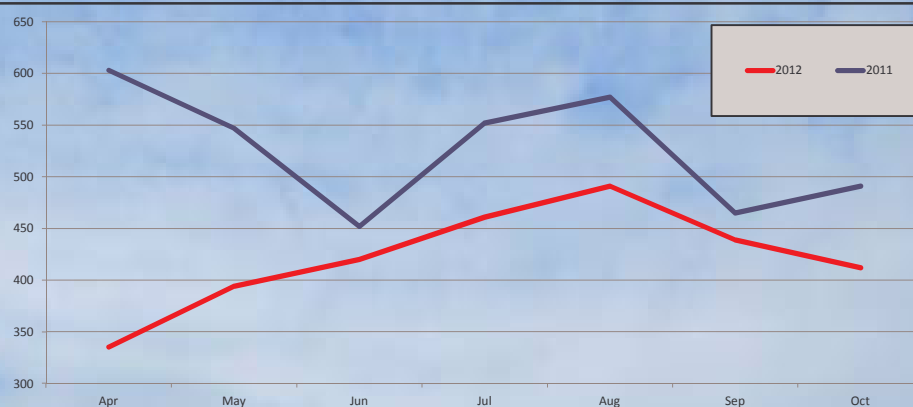
Crime Type	Previous	Latest	% Change
Total Recorded Crime	3969	3305	-16.7%
Assault without Injury	274	239	-12.8%
VAP with Injury	428	370	-13.6%
Dwelling Burglary	126	114	-9.5%
Non-Dwelling Burglary	283	273	-3.5%
Total Criminal Damage	737	500	-32.2%
Theft from Motor Vehicle	231	283	+22.5%
Theft of Motor Vehicle	109	106	-2.8%
Robbery	19	20	5.3%
Serious Sexual Offences	52	48	-7.7%
Shoplifting	233	252	+8.2%
Metal Theft	259	77	-70.3%
Arson	32	10	-68.8%
Deliberate Fires	127	38	-70.1%

- ☐ Our current focus is on reducing theft from motor vehicles, particularly over the Christmas period
- ☐ However, we should also note the positives based on significant reductions in key crime types

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Anti Social Behaviour



- ☐ From April 2011 the recording categories changed from over 10 to just three: personal, environmental and nuisance.
- ☐ Current performance shows that alcohol and youth related ASB has fallen by 24% and 29% compared to the same period last year

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How the Partnership works

- ☐ NWCSF Board (Shadow)
- ☐ Operational Group
- ☐ Safer Town Centres
- ☐ Areas of Highest Need Project Team

- ☐ Countywide structures that we are also part of:
 - Safer Communities Board
 - Policy and Commissioning Group
 - Integrated Offender Management
 - Domestic Abuse Forum
 - Stronger Families Programme

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WFCSP Support Team

- ☐ The Community Safety Team is located within the Council's Community Wellbeing and Environment Directorate.
- ☐ Consists of Community Safety & Partnerships Officer, Project Officer, Admin Assistant, and Analyst.
- ☐ They offer support to a variety of external partners whose overall aim is to develop initiatives that have an impact on the overall reduction of crime and disorder.
- ☐ A key part of the team's role is to pull together other agencies to tackle local concerns, organising community based events and delivering on priorities.
- ☐ The Community Safety Team takes a strategic lead for delivering community safety priorities.
- ☐ Work very closely with Vestia Community Trust and Wyre Forest Community Housing.

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Funding

- Where does it come from?
 - Home Office Community Safety Fund
 - Partner contributions
- How is it spent?
 - Projects that support delivery of our priorities
 - Directly driven WFCSP projects

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Projects supported over last 12 years

Examples of what we have funded over the last 12 years, either partly or fully:

- Neighbourhood Wardens, motorbike, van & equipment
- Life Education Centres
- SPACE Outreach Workers
- Horsefair, Broadwaters & Greenhill Partnership – LPSA 2 funding, CCTV camera, Community Safety Officer
- WFCSP Support Team (3 posts)
- Taxi Marshalls Pilot
- Worcestershire Family Intervention Project

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Projects supported over last 12 years

- ☐ Free Swimming
- ☐ No Rogue Trader Zone
- ☐ Home Security Scheme
- ☐ Motv8
- ☐ Party in the Park
- ☐ Colin the Firestarter website
- ☐ Young People's Community Safety Magazine

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Key Projects Funded This Year

Home Security Scheme

- ☐ Offers free home security products and advice to victims of burglary, domestic abuse and vulnerable service
- ☐ Referrals are received from Community Housing Group Wardens and West Mercia Police Officers
- ☐ Since the scheme was refreshed in May 2010 there have been a total of 506 referrals



Christmas Campaign

- ☐ Radio adverts on Signal 107 FM
- ☐ Poster campaign
- ☐ Personal security event in Kidderminster Town Centre on 7th December – raising awareness of purse and handbag security over the festive period
- ☐ Leaflet will go to all CHG tenants in their 'Streets Ahead' newsletter and to targeted areas across the district.

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Key Projects Funded This Year

Street Pastors

- ❑ A key project aimed to tackle issues within the night time economy in Kidderminster Town Centre.
- ❑ Street Pastors is a Church response to urban problems, engaging with people on the streets to care, listen and create dialogue with.
- ❑ One of approximately 250 Street Pastor projects across the UK.
- ❑ Current feedback is extremely positive



Our Way Self Advocacy

- ❑ A user led charity working with vulnerable children and adults including people who have severe learning disabilities, autism and asperger syndrome.
- ❑ They are supported in order to have safe relationships and an enjoyable and safe social life in the community through workshops, awareness raising and one to one support.
- ❑ Main areas for discussion are: drugs and alcohol, hate crime and ASB, sexual behaviour and financial abuse.

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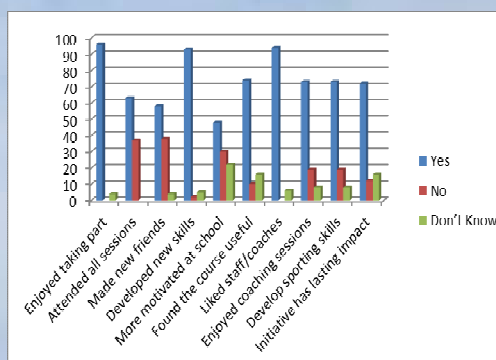
Key Projects Funded This Year

Wyre Forest Nightstop

- ❑ A registered charity that provides emergency accommodation to young people who are homeless for one night at a time within the homes of volunteer hosts.
- ❑ The aim is to make a difference to the lives of young people at risk of homelessness and young people in housing crisis, through community focused solutions.
- ❑ Provide housing advice and provide emergency clothes and food when a young person is in crisis

Worcester Warriors Community Foundation

- ❑ The ten-week project uses rugby as a tool to engage children to help develop various life skills, building their confidence whilst at the same time teaching them practical rugby skills and the importance of teamwork.



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Key Projects Funded This Year

Community Payback

- ❑ Working with West Mercia Probation Trust to help members of community groups access Community Payback in Areas of Highest Need including:
- ❑ Clearing a conservation area and cutting back overgrown hedging at St Oswald's Primary School in Kidderminster
- ❑ Improving footpaths at Springfield Park to make it more accessible for people with disabilities
- ❑ Completing work on Betty Dawes Hill, Barnfield Road and at the Walshes Community Hall





These Hands are Not for Hurting

- ❑ Part of Wyre Forest's White Ribbon Campaign activities, raising awareness of domestic abuse
- ❑ Working with West Mercia Police and ContinU Trust
- ❑ Banner shows pledge 'We Say NO to Physical and Verbal Abuse' and painted handprints of young people and staff from all district High Schools, WFDC Elected Members, CMT and members of the public
- ❑ Completed banner will be displayed at the Academy in Kidderminster in the New Year

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Where are we now and looking forward

- ❑ We are seeing significant reductions in crime types all across the District
- ❑ However we are still using an intelligence led approach to target those areas where crime and disorder are affecting local communities using a range of information:
 - Recorded crime data
 - Anti social behaviour reports
 - Worcestershire Viewpoint Survey data
 - PACT information
 - Local media reporting
 - Deliberate fire data
 - Detailed performance reports
- ❑ We are now covering many different strands of work as illustrated
- ❑ We have a robust performance management process in place to allow us to identify highlights and exceptions effectively
 - The partnership structure enables the appropriate partners to tackle issues timely and efficiently

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Police and Crime Commissioner

- ☐ PCC and the responsible authorities on a CSP must co-operate and take account of one another's priorities.
- ☐ Direct central funding to CSPs (and drug and crime funding to other local partners) will end from March 2013 and be held by PCC.
- ☐ PCCs able to approve applications for combination (merger) agreements between CSPs from the responsible authorities. They also have the power to ask for a report from a CSP on issues of concern.
- ☐ Regulations also give the PCC a power to call together representatives from CSPs across the police force area to discuss issues which are a concern across the force.
- ☐ For each PCC and CSP to decide the best way to work together at a local level.

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Opportunities/Challenges

- ☐ Police and Prime Commissioner
- ☐ North Worcestershire CSP Merger
- ☐ Crime reductions – sustainability issues
- ☐ Anti social behaviour - new proposals
- ☐ Finding new ways of working with less resources
- ☐ Working with partners who are also experiencing this

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Overview and Scrutiny Committee

Briefing Paper

Report of: Maria Dunn, Senior Forward Planning Officer

Date: Thursday, 7th February 2013

Open

Wyre Forest District Revised Statement of Community Involvement – Adoption

1. Summary

- 1.1 This report seeks Members approval to adopt the Revised Statement of Community Involvement.

2. Background

- 2.1 The Planning and Compulsory Purchase Act 2004 introduced the requirement for all planning authorities to prepare a Statement of Community Involvement setting out how they would consult communities on the preparation of planning policy and the determination of planning applications. Wyre Forest District adopted its Statement of Community Involvement in May 2006.
- 2.2 Since this time a number of changes have been made to the planning system through the revision of regulation governing the development of planning policy and the determination of planning applications. The Localism Act 2011 and the introduction of neighbourhood planning are also significant. As a result of these changes, the 2006 Statement of Community Involvement is now dated and does not reflect the current legal requirements for consultation.
- 2.3 Members will recall that a report was brought before this committee on 4th October 2012 seeking approval for a six-week consultation to be undertaken on the Draft Revised Statement of Community Involvement. Following approval by the Cabinet Member for Place-Shaping a six-week consultation took place between 1st November and 14th December 2012.

3. Key Issues

- 3.1 During the consultation period, a total of 65 representations were received from 10 respondents. 60% of these were supporting, 35% were comments and 5% were objections. Four respondents were statutory consultees and six were general consultees.
- 3.2 The main issues arising from the representations are as follows:

- Concern regarding the removal of the requirement to place a formal advert in the press at the start of consultation periods.
- Suggestion that notice of planning applications should cover a wider area than they currently do and that a leaflet should be included in the free press.
- Suggestion that the SCI should set out more detail on the use of delegated powers in determining planning applications.
- A suggestion that Parish and Town Councils and neighbourhood forums should be required to hold public forums to formulate their responses to planning application consultations.
- Suggestion that more information on the types of planning applications should be included.
- Request that Herford and Worcester Fire and Rescue Service are added into Appendix 1.
- Request that community groups are added into Appendix 1.

3.3 A number of minor changes have been made to address some of the issues raised through the consultation. A summary of each of the representations received and the responses to these are set out at Appendix 1. The responses detail where amendments have been made to the SCI as a result of the representations.

3.4 In addition to the amendments made in response to the representations, officers have made an additional amendment to remove the Stourport-on-Severn and Bewdley Hubs from the list of deposit locations. These Hubs both have limited space and do not have facilities available for members of the public to access documents electronically; therefore, it is not practical to list these as deposit locations. Therefore, the deposit locations will be the Worcestershire Hub in Kidderminster and the libraries in Kidderminster, Stourport-on-Severn and Bewdley. The Revised Statement of Community Involvement incorporating these changes is set out at Appendix 2 to this report.

3.5 Members of the District Council's Local Development Framework Review Panel have been given the opportunity to comment on the appendices to this report and no concerns have been raised.

4. Options

4.1 The committee may wish to:

- a) Recommend to Cabinet that the Revised Statement of Community Involvement as set out at Appendix 2 to this report is adopted and that the responses to the representations made, as set out at Appendix 1 to this report are endorsed.
- b) Put forward amendments to the Revised Statement of Community Involvement set out at Appendix 2 before recommending it to Cabinet for adoption and/or put forward amendments to the

responses to the representations made as set out at Appendix 1 to this report before recommending them to Cabinet for endorsement.

- c) Recommend to Cabinet that the Revised Statement of Community Involvement is not adopted and that the responses to the representations are not endorsed.

5. Consultation

- 5.1 Director of Community Assets and Localism.

6. Wards affected

- 6.1 All.

7. Related Decisions

- 7.1 Overview and Scrutiny 4th October 2012 - http://www.wyreforest.gov.uk/council/docs/doc47187_20121004_o_and_s_agenda.pdf

8. Relevant Council Policies/Strategies

- 8.1 Local Development Framework.

9. Implications

- 9.1 Updating the Statement of Community Involvement to reflect the requirements of The Town and Country Planning (Local Planning) (England) Regulations 2012 and the Neighbourhood Planning (General) Regulations 2012 will ensure that consultation is carried out in accordance with the latest requirements.

10. Equality Impact Assessment

- 10.1 Equality Impact Assessment attached at Appendix 3.

11. Appendices

- 11.1 Appendix 1 – Schedule of Representation Summaries and Responses.
Appendix 2 – Revised Statement of Community Involvement.
Appendix 3 – Equality Impact Assessment.

12. Background Papers

- 12.1 The Town and Country Planning (Local Planning) (England) Regulations 2012 <http://www.legislation.gov.uk/uksi/2012/767/made>
- 12.2 The Neighbourhood Planning (General) Regulations 2012 <http://www.legislation.gov.uk/uksi/2012/637/contents/made>

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Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
Campaign to Protect Rural England	<u>RSCI1</u>	Whole document	No comment on the document except to say that CPRE would like to remain on a list of consultees for issues of planning policy and to continue to receive (alongside parish councils) the weekly list of planning applications.	Comments are noted. CPRE will remain on the planning policy database and will continue to receive the weekly list of planning applications.
NATS Safeguarding	<u>RSCI2</u>	Whole document	No comments to make on this document.	Noted.
Shuttes J	<u>RSCI3</u>	Whole document	<p>Feels that SCI covers appropriate areas but concerned that the free press does not reach everyone. Feels that reliance on the internet for satisfying public notice is not satisfactory. Notices in the purchased press or on several of the local radio stations events notice boards would be of assistance.</p> <p>Notice of planning applications should cover a wider area than immediate neighbours and a simple leaflet in the free press, where available could be used.</p>	<p>Comments are noted.</p> <p>Where the free press is used to publicise consultations via a leaflet then the leaflet issued is also delivered to all of those properties in the District who do not receive the free press.</p> <p>The 2012 Regulations make it possible to advertise by way of internet only, rather than through a formal press advert. However, a leaflet is usually produced for major consultations which is distributed via the free press and posted to households who do not receive the free press in addition to meeting the legal requirements. The Planning Policy team also holds a database which interested people can register on to be notified of all planning policy consultations.</p> <p>Anyone who shares a boundary with a site subject to a planning application is notified. In</p>

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
				addition to this, a weekly list of all applications received and decided is available on the District Council's web-site and at the Worcestershire Hub.
West Mercia Police	RSCI7	Whole document	Comments are made on behalf of both West Mercia Police and Herford and Worcester Fire and Rescue Service and constitute a continued engagement within the planning process.	Comments are noted.
The Coal Authority	RSCI59	Whole document	I am pleased to see that The Coal Authority is on your list of Specific Consultees. However, having reviewed your document, I confirm that we have no specific comments to make on this document at this stage.	Comments are noted.
Worcestershire Wildlife Trust	RSCI64	Whole document	The Trust welcomes the commentary provided in the SCI. The Trust is pleased with the proposed methods of engagement and wish to support the continuation of those mechanisms which are in place already. Targeted engagement with specific stakeholders is important to the Trust in policy preparation and weekly lists, targeted planning application consultation and the information available on the web-site are important in helping to inform the Council's development decisions.	Comments are noted and support is welcomed.
Natural England	RSCI65	Whole document	Sets out information on how to consult	Comments are noted.

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
			Natural England and states that they do not have the resources to respond to consultations on individual SCIs.	
Core11	RSCI11	Paragraph 1.1	States that the NPPF is not a legislative document and should not be referred to as such.	Comments are noted. Amend the penultimate sentence of paragraph 1.1 to read "The revision has been written to reflect the current requirements as set out in..."
Core11	RSCI12	Paragraph 1.2	Support	Support is welcomed.
Core11	RSCI52	Paragraph 2.1	Support	Support is welcomed.
Shuttles J	RSCI4	Paragraph 2.2	Accepts the statement in paragraph 2.2 but feels that the Authority should set an example in use in the planning process and not use the rules to its advantage to limit or block full and open discussion on major projects.	Comments are noted.
Core11	RSCI13	Paragraph 2.2	Support	Support is welcomed.
Chaddesley Corbett Parish Council	RSCI63	Paragraph	No objections to the proposals, however refer to page 6, item 2.2 - this statement does seem to be a bit contradictory to the whole process.	Comments are noted however, it is considered to be important to set out that whilst the District Council will actively consult it is not always possible to take everyone's views on board, particularly where a number of different views are out forward in response to a consultation.
Core11	RSCI53	Paragraph 2.3	Support	Support is welcomed.
Core11	RSCI14	Paragraph 2.4	Support	Support is welcomed.
Core11	RSCI54	Paragraph 2.5	Requests that parameters for deciding which applications are dealt with through	Comments are noted. Delegated powers are exercised in accordance with the District

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
			delegated powers are set out. Questions whether committee accept responsibility for the statutory requirements of delegated applications and decisions.	Council's Adopted Scheme of Delegation, the most recent version was adopted in June 2012. Amend paragraph 2.5 to refer to the Scheme of Delegation.
Shuttes J	RSCI5	Paragraph 2.6	Feels that consultation with neighbouring authorities should be carried out and committed to more strongly. Concerned that it has only been paid lip service in the past.	Comments are noted. The District Council will continue to work with neighbouring authorities to address and overcome cross-boundary issues and to meet the requirements of the Duty to Co-operate.
West Mercia Police	RSCI8	Paragraph 2.6	Supports the commitment to working with infrastructure providers on plan.-making. This will help to meet the requirements of the Duty to Co-operate and paragraph 156 of the NPPF.	Comments are noted and support is welcomed.
Core11	RSCI15	Paragraph 2.6	Does this section 110 Localism, refer to cross district or county boundaries, or other major infrastructure projects.	Yes. The Duty to Co-operate places a duty on local authorities and other agencies to work together to address strategic planning issues and this includes working with neighbouring authorities as well as with the County Council.
Core11	RSCI55	Section 3 - Who Will be Involved in Consultation	Support	Support is welcomed.
Core11	RSCI16	Paragraph 3.2	Support	Support is welcomed.
Core11	RSCI56	Paragraph 3.3	Support	Support is welcomed.
Core11	RSCI17	Paragraph 3.4	Support	Support is welcomed.
Core11	RSCI18	Paragraph 3.5	Support	Support is welcomed.

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
Core11	RSCI19	Paragraph 3.6	Support	Support is welcomed.
Core11	RSCI20	Paragraph 3.7	Support	Support is noted.
Core11	RSCI21	Paragraph 3.8	Support	Support is welcomed.
Core11	RSCI22	Paragraph 3.9	Support	Support is welcomed.
Core11	RSCI23	Paragraph 3.10	Support	Support is welcomed.
Core11	RSCI24	Paragraph 3.11	Support	Support is welcomed.
Canal & River Trust	RSCI62	Section 4 - The Local Planning Process	Canal & River Trust were not listed as a specific consultation body within the Town and Country Planning (Local Planning) (England) Regulations 2012 which came into force in April 2012, nor in the revoked 2004 regulations (as amended). However, we would welcome continued work with us and consultation on local planning matters relating to the Canals. The Town and Country Planning Association, with the support of Canal & River Trust, have produced a Policy Advice Note (PAN) on Inland Waterways. Appendix 1 of Policy Advice Note (PAN) on Inland Waterways sets out waterway proofing of planning policy as all different spatial levels which is a useful reference tool in order to help unlock the economic, environmental and social benefits offered by the waterways.	Comments are noted. The District Council will continue to engage with the Canal & River Trust as a general consultee.
Core11	RSCI25	Paragraph 4.1	Can SPD & SPG documents be accessed	Yes. Supplementary Planning Documents will

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
			on WFDC internet site or some other way? During their consultation period.	be made available electronically and in the deposit locations during their consultation period. Consider that this is already set out within the Draft Revised SCI and that no further change is necessary.
Core11	RSCI26	Paragraph 4.2	Could this item be expanded for clarification please?	Comments are noted. Amend paragraph 4.2 to further clarify the position.
Core11	RSCI27	Paragraph 4.3	Support and applaud	Support is welcomed.
Core11	RSCI28	Paragraph 4.4	A prime aspect of community involvement, and the production of sound development documents. Evidence base is the tool for moving forward sustainably. This item 4.4 is to be commended.	Comments are noted and support is welcomed.
Core11	RSCI29	Paragraph 4.5	Item 4.5 gives support to Item 4.4 and is of prime importance.	Comments are noted and support is welcomed.
Core11	RSCI30	Paragraph 4.6	4.6 - Is to be admired lets hope it can be come to fruition.	Comments are noted and support is welcomed.
Core11	RSCI31	Paragraph 4.7	Support	Support is welcomed.
Core11	RSCI32	Paragraph 4.8	Support	Support is welcomed.
Core11	RSCI33	Paragraph 4.9	Support	Support is welcomed.
Core11	RSCI34	Paragraph 4.10	Support	Support is welcomed.
Core11	RSCI35	Paragraph 4.11	Support	Support is welcomed.
Core11	RSCI36	Paragraph 4.12	Support	Support is welcomed.
Core11	RSCI37	Paragraph 4.16	Support	Support is welcomed.

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
Core11	RSCI38	Paragraph 5.1	Support	Support is welcomed.
Shuttes J	RSCI6	Section 7 - Community Involvement in Planning Application Decisions	Suggests that Parish Councils, Town Councils and Neighbourhood Forums should be required to hold public forums to formulate their response to "major developments" which should be Councillor or officer led. Cites the London Boroughs as an example of this.	Comments are noted however it is up to individual Parish and Town Councils to decide how to formulate their responses to planning application consultations.
Canal & River Trust	RSCI60	Section 7 - Community Involvement in Planning Application Decisions	Sets out information relating to when the Canal & River Trust should be consulted.	Comments are noted.
Core11	RSCI39	Paragraph 7.1	The final sentence at 7.1 is unacceptable because to say "depending on the type of application" without qualifying the types gives no direction to the statement. Are the three types indicated at 7.3 relevant or are there more types for consideration.	Comments are noted. This is clarified in paragraph 7.3 however, it is accepted that paragraph 7.1 could cross-reference to this and the text will be amended accordingly.
Core11	RSCI40	Paragraph 7.4	Suggests omitting the last sentence of paragraph 7.4 as it makes a judgement about whether applications are controversial or not.	Comments are noted. However, the sentence is based on the fact that the District Council does receive a number of 'major planning applications' each year and not all of these generate a large number of consultation responses.
West Mercia Police	RSCI9	Paragraph 7.5	Welcomes the recognition that HWFRS and WMP are external organisations who	Comments are noted. Amend as requested.

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
			would want to be improved in pre-application discussions. Requests that the term 'Fire Safety Unit' be amended to 'Hereford and Worcester Fire and Rescue Service'.	
Core11	RSCI57	Paragraph 7.5	7.5 Requires more information regarding, at least some, of the trigger points that may lead to involvement of any representatives listed. The information at 7.4 is possibly relevant.	Comments are noted, however, the exact make-up of the development team is decided on a case-by-case basis depending on the nature of the application and the specific issues which it presents.
Canal & River Trust	RSCI61	Paragraph 7.5	Canal & River Trust have been identified as an External Organisation to be involved in the Wyre Forest Development Team at pre-application stage. Canal & River Trust welcomes pre-application consultation from applicants and LPAs on proposals likely to affect inland waterways that we own or manage, particularly where proposals are likely to have a significant impact on the waterway.	Comments are noted.
Core11	RSCI41	Paragraph 7.7	Add to list of methodologies "reference to WFDC, LDF Core Strategy", which covers most scenarios.	Comments are noted however the Adopted Core Strategy is a policy document rather than a method of community engagement.
Core11	RSCI42	Paragraph 7.9	Support	Support is welcomed.
Core11	RSCI43	Paragraph 7.10	Support	Support is welcomed.

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
Core11	RSCI44	Paragraph 7.11	Support	Support is welcomed.
Core11	RSCI45	Paragraph 7.12	Support	Support is welcomed.
Core11	RSCI46	Paragraph 7.13	7.13 If this directive is followed, the community will be better served and feel the playing field is fairer. Councillors should be the voice of the Community at large. The Pre Application process does not have {at that time} sufficient community input for individual, personal opinions of councillors to be put forward.	Comments are noted.
Core11	RSCI58	Paragraph 7.13	7.13 If this directive is followed, the community will be better served and feel the playing field is fairer. Councillors should be the voice of the Community at large. The Pre Application process does not have {at that time} sufficient community input for individual, personal opinions of councillors.	Comments are noted.
Core11	RSCI47	Paragraph 7.14	Support	Support is welcomed.
Core11	RSCI48	Section 8 - Reviewing the SCI	Support	Support is welcomed.
Core11	RSCI49	Paragraph 8.1	Support	Support is welcomed.
Core11	RSCI50	Paragraph 8.2	Support	Support is welcomed.
West Mercia Police	RSCI10	Appendix A - List of Specific	Welcomes the inclusion of 'West Mercia Constabulary Police HQ' within the list at	Comments are noted. Amend as suggested.

Draft Revised Statement of Community Involvement 2012 – Summary of Responses

Respondent	Response No		Summary of Response	WFDC Officer Response
		Consultees	Appendix A but requests that it is referred to as 'West Mercia Police and also that Hereford and Worcester Fire and Rescue Service are included within the list.	
Core11	RSCI51	Appendix A - List of Specific Consultees	Considers that the community should be a statutory consultee.	Comments are noted however, the specific consultees set out at appendix A are those which fall under the definition of specific consultees within the 2012 Regulations. Whilst the importance of engaging the wider community is recognised throughout the SCI, the wider community falls under general consultees and these are not listed due to the number of groups and the frequency with which the list changes.

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1 Introduction

1.1 This Statement of Community Involvement (SCI) sets out how the District Council will consult on planning policy documents and planning application decisions. Paragraph 18 of the Planning and Compulsory Purchase Act 2004 requires all Local Planning Authorities to produce an SCI. Wyre Forest District Council adopted its first SCI in April 2006 under regulations which have since been replaced. This review has become necessary due to changes in the legislation which governs the preparation of planning policy and the determination of planning applications, as well as the introduction of Neighbourhood Planning. This revision has been written to reflect the current requirements as set out by The Planning Act 2008, The Localism Act 2011, The Town and Country Planning (Local Planning) (England) Regulations 2012, The Neighbourhood Planning (General) Regulations 2012 and the National Planning Policy Framework (NPPF). The District Council is legally required to comply with its SCI once it is adopted.

1.2 The Localism Act 2011 places a strong emphasis on involving local communities in shaping the places where they live. As well as involving local communities in the preparation of planning policies at the District level, the Localism Act introduces Neighbourhood Planning, allowing communities to develop their own plans for their local areas. Following on from the Localism Act, the NPPF, published in March 2012, reinforces the importance of community involvement through the first of its 12 Core Planning Principles:

"planning should be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area."⁽¹⁾

1.3 In April 2012 the regulations governing the preparation of local planning policy were updated and new regulations governing the preparation of Neighbourhood Development Plans were published. These regulations set out the minimum requirements for community involvement in plan-making and have informed the proposals for consultation set out within this Revised Statement of Community Involvement.

1.4 This document sets out how the District Council will involve the local community and other key stakeholders in the development of planning policy and in determining planning applications. It describes how consultation will be carried out and when, what methods of consultation will be used and how the representations received will be dealt with. The statement clearly sets out:

- How people will have the chance to contribute their ideas, and the process for considering and responding to these views.
- How people will get the chance to participate in developing proposals and options.
- How people can submit representations on formal planning proposals.
- How the District Council will seek to provide feedback to keep the community informed on progress and outcomes.

1.5 The National Planning Policy Framework (NPPF) was published in April 2012 to replace the existing series of Planning Policy Guidance Notes (PPGs) and Planning Policy Statements (PPSs). The document retains a strong focus on community involvement within the planning

¹ NPPF, (2012) p.5, para. 17

1 Introduction

process. The first of 12 core planning principles states that planning should *"be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area"*⁽²⁾. The Town and Country Planning (Local Planning) (England) Regulations 2012 and The Neighbourhood Planning (General) Regulations 2012 set out the minimum level of community engagement for Local Plans and Neighbourhood Development Plans respectively.

1.6 Wyre Forest District Council is responsible for preparing planning policies for the District. The District Council adopted its Local Plan in 2004 and a number of the policies set out within this remain extant. In December 2010 the District Council adopted its Core Strategy which sets out the strategic policy for the development of the District until 2026 and this replaced a number of the policies within the Adopted Local Plan. The District Council are now in the latter stages of preparing a Site Allocations and Policies Development Plan Document (DPD) and a Kidderminster Central Area Action Plan DPD which will guide new development and allocate specific sites for specific uses across the District. It is anticipated that these documents will be adopted in 2013, at which stage the remaining Adopted Local Plan policies will lapse. Section 4 sets out how the community will be involved in the local planning process.

1.7 In addition to the Local Plan, the District Council can also prepare Supplementary Planning Documents (SPDs) to provide a detailed interpretation of policies relating to a specific subject or a specific site. SPDs are quicker and simpler to prepare but they can not introduce new policies, they can only provide guidance on interpreting existing policies. Section 5 sets out how stakeholders and the wider community will be involved in the preparation of SPDs.

1.8 The District Council is also responsible for assisting Neighbourhood Forums and Parish and Town Councils with the preparation of Neighbourhood Development Plans should they wish to develop one. These plans must be in general conformity with the planning policies already adopted within the District. Section 6 sets out how the community will be involved in the neighbourhood planning process.

1.9 The District Council is also responsible for determining the majority of planning applications within its boundary. Community involvement is a key part of the development management process and has been strengthened by the provisions in the Localism Act. Section 7 sets out the procedures for involving the community in the development management process.

1.10 The arrangements for monitoring the implementation of the SCI and reviewing it are set out at section 8.

Preparing the Statement of Community Involvement

1.11 The SCI was prepared during 2012 and was subject to a six-week consultation between 1st November and 14th December 2012. It was adopted by Full Council at their meeting on 27th February 2012.

2 NPPF, para 17, p.5

2 Community Engagement

The Benefits of Community Engagement

2.1 The District Council places great emphasis on involving the community in planning issues and believes the following benefits can be achieved:

- It will help strengthen the evidence base for Local Plans and Neighbourhood Development Plans.
- It will help to inform decisions on planning applications.
- It will help to foster community commitment to the future development of the area.
- It promotes a sense of ownership and strengthens the delivery of projects. The involvement of communities at an early stage helps to resolve issues.

2.2 It should be noted however that whilst the District Council will seek a general consensus when engaging communities, in reality, it will not always be possible to achieve this.

Principles of Engagement

2.3 The key aims of the SCI are:

- To offer the widest range of opportunities to stakeholders and the community to participate in the plan-making process with the resources available.
- To comply with, and where appropriate, exceed the minimum legal requirements for stakeholder and community consultation in the planning process.

2.4 The following key principles will apply to all planning consultations:

- Information will be presented in a clear and concise format using Plain English and avoiding the use of technical jargon where possible.
- The opinions of stakeholders, community groups and individuals will be valued. Where possible, changes will be made to reflect comments received, and where this is not possible, the reasons will be clearly explained.
- Consultation techniques which are appropriate to the subject matter and the particular consultees involved will be used.
- The value of diversity will be recognised with equal and fair treatment of all of those involved in the consultation process.
- The District Council will make every effort to ensure it engages with those groups not traditionally involved with the planning process.

Community Engagement, Stourport Carnival



2 Community Engagement

- The public will always be involved at an early stage in the planning process.
- All consultation responses will be analysed and the outcomes reported in a clear and understandable way within a reasonable timeframe.

The Role of Elected Councillors

2.5 Elected Councillors play a key role in the planning process. Their role in planning policy includes approving development plans for consultation and submission for Examination in Public. There are a number of different panels and committees with different powers to scrutinise plans and make decisions. Any plan which forms part of the Local Development Framework or which is a Supplementary Planning Document must be approved by Full Council before it is submitted for an Examination in Public or adopted. Elected Members also play a key role in the development management process. The District Council's Planning Committee determine planning applications, however, smaller applications can be determined by officers using delegated powers in accordance with the Adopted Scheme of Delegation.

Duty to Co-operate

2.6 Section 110 of the Localism Act 2011 introduced the Duty to Co-operate. This is a legal requirement for Local Planning Authorities, National Park Authorities, County Councils and a number of other public organisations, such as infrastructure providers, to work together and consider joint approaches to plan-making. Wyre Forest District Council will continue to work closely with neighbouring authorities and key stakeholders to deliver positive planning within the area and fulfil the requirements of the Duty to Co-operate.

3 Who Will be Involved in Consultation

Wyre Forest District Community Profile

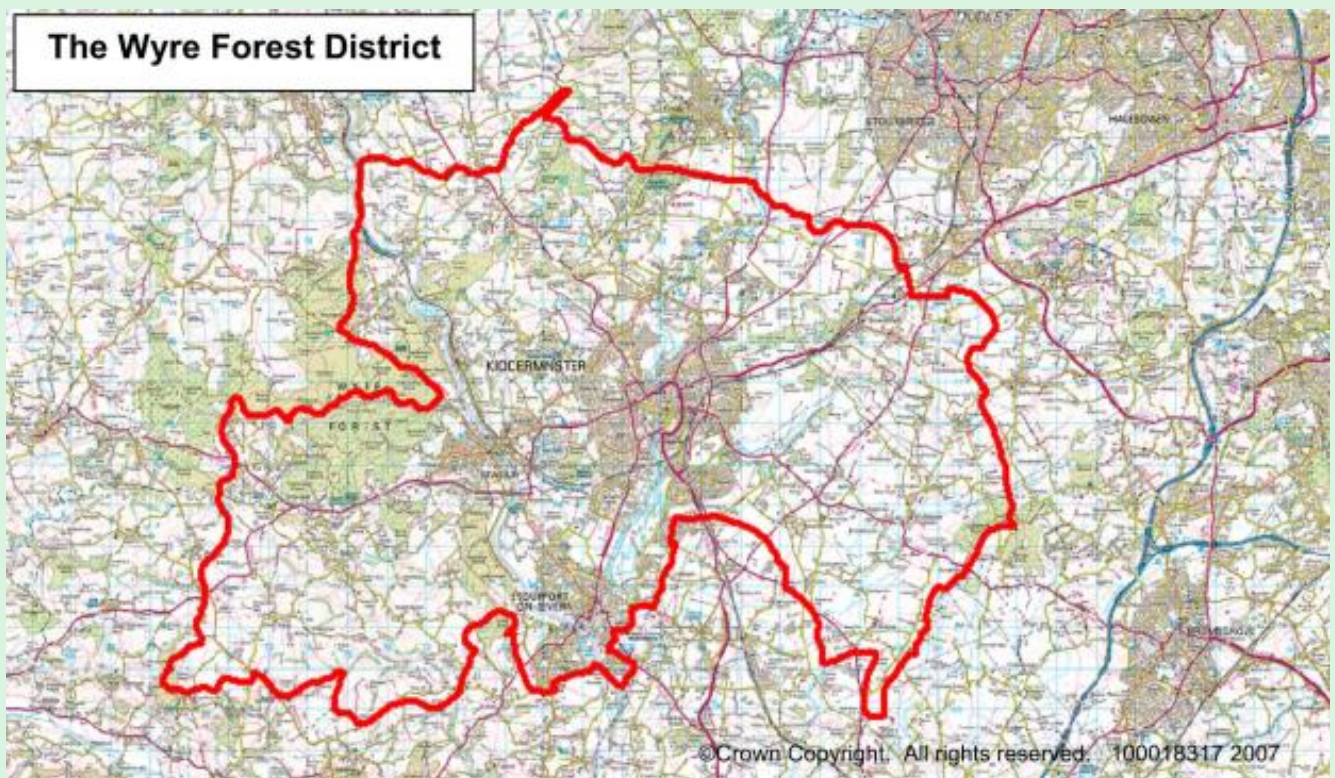
3.1 Wyre Forest District is situated in North Worcestershire and lies to the South of the West Midlands conurbation. It covers an area of 75 square miles and has a population of 98,000 (2011 Census) with around 55,000 people living in the main town of Kidderminster. The three towns of Kidderminster, Stourport-on-Severn and Bewdley form a triangle surrounded by a number of outlying villages and hamlets.

3.2 The District has an ageing population and the number of residents aged over 45 increased by 8,350 between 2001 and 2011 (2011 Census). Almost 30% of the District's population is over 60. The ethnic make-up of the District is predominantly white (98.2% (2001 census)). The largest ethnic minority group is Bangladeshi (0.5%), who live mainly within Broadwaters ward.

3.3 Wyre Forest District is relatively prosperous. However, there are pockets of deprivation, particularly within the Oldington and Foley Park and Broadwaters wards of Kidderminster. The largest contributors to deprivation in Wyre Forest District are income, health and education. However, in the rural west, there are some deprivation issues which arise from poor access to services and facilities.

3.4 The SCI sets out how all sections of the community will be involved in plan preparation and development control decision making. It is important to recognise that some sectors of the community will find it difficult to engage and this is addressed through the processes set out within the SCI.

Map of Wyre Forest District



3 Who Will be Involved in Consultation

Engaging Stakeholders and the Community

3.5 This SCI sets out how the District Council will actively seek to engage all community groups within the Wyre Forest District in preparing planning policy and making decisions on planning applications. The Town and Country Planning (Local Planning) (England) Regulations 2012 set out a list of specific and general consultation bodies. Local Planning Authorities are required to consult specific consultation bodies which they consider may have an interest in the subject of the proposed planning policy document and the general consultation bodies which it considers are appropriate.

3.6 The District Council will maintain a database with the contact details of the organisations and individuals which are specific or general consultees. A range of interests are represented by those people and organisations within the database. A list of the specific consultees for Wyre Forest District is set out at Appendix 1 to this report. The general consultees are not listed because of the frequency with which organisations are added to, or removed from the list. However, the following categories can be used to give an indication of the range of interests represented:

- Local Strategic Partnership Members
- Local Transport Providers
- Community Service Providers
- Voluntary Bodies
- Ethnic Minority Groups
- Religious Groups
- Disabled Persons/Mobility Impaired/Local Disability Groups
- Business Representatives and Developers
- Landowners
- Older Persons' Groups
- Countryside and Conservation Groups
- Public Sector Housing Interest Groups
- Youth Groups, Schools and Colleges
- Residents Groups
- Local Residents

3.7 The District Council is also keen to ensure that it involves as many local residents and businesses as possible and the consultation measures set out within the following sections set out how the various stages of consultation will be advertised to as wide an audience as possible. Anyone who submits representations to a consultation will automatically be added to the database and notified of subsequent consultations unless they request that their details are removed from the database.

Involving 'Hard to Reach' Groups

3.8 Within the District there are groups which have traditionally been 'hard to reach' through consultations and this is particularly apparent in relation to planning matters. These include ethnic minorities, older people, single mothers, those with special needs, isolated rural residents, younger people, Gypsies and Travellers, and those residing in more socially deprived wards such as Oldington & Foley Park and Broadwaters. The general consultees listed on the

consultation database include a number of 'hard to reach' groups. It is recognised that these groups in particular have different levels of access to information and therefore find it harder to get involved in the decision making process. This has often resulted in certain community groups not being able to successfully put their views across to the Local Planning Authority.

3.9 The District Council recognises that it will need to employ a variety of methods to present information and promote discussion if it is to successfully involve the local community and meet the requirements of relevant anti-discriminatory legislation including the Race Relations Act 2000 and the Disability Discrimination Act 1995. Different methods of consultation will be appropriate at different stages of the plan-making process and these are set out within the appropriate sections of this SCI.

Accessing Information

3.10 The District Council will ensure that all consultation material on the LDF is available for the public to access at 'deposit locations'. Unless otherwise stated, the 'deposit locations' will be the Worcestershire Hub in Kidderminster and the libraries within the District which are located within Kidderminster, Stourport-on-Severn and Bewdley. Where appropriate, this information will be made available in hard copy. However, sometimes it may be more appropriate to make the information available electronically. A document loan scheme is operated by the Planning Policy Team, whereby consultation documents can be loaned free of charge. Additionally, all consultation material will be placed on the District Council's website where it can be viewed and where comments can be submitted electronically. Where required by the relevant regulations, statutory notices will be published on the District Council's website setting out consultation periods and the times and places where documents can be viewed.

3.11 Where the SCI states that people will be notified or that copies of documents will be sent, electronic communication will be used where e-mail addresses have been provided unless consultees specifically request to receive a hard copy notification letter or a hard copy of the relevant documents.

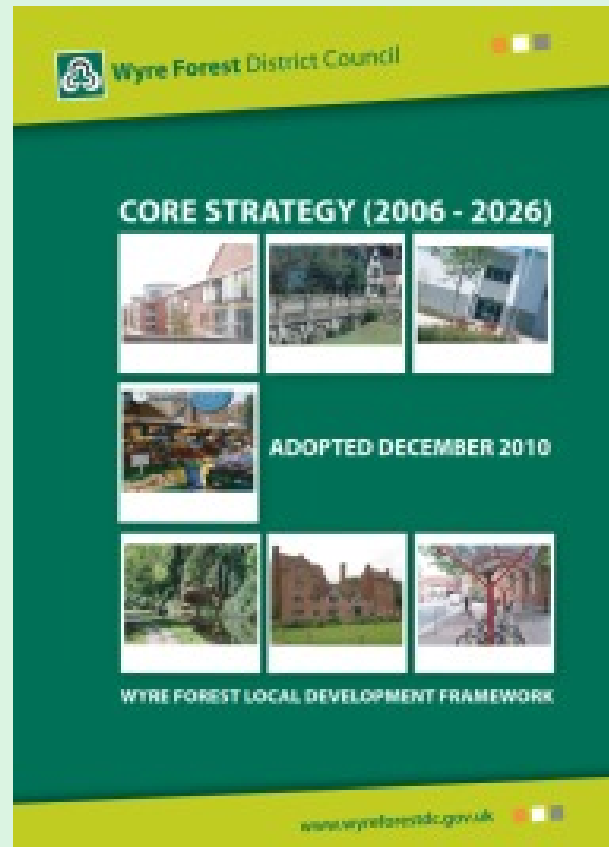
4 The Local Planning Process

4 The Local Planning Process

4.1 The 2004 Planning and Compulsory Purchase Act introduced the Local Development Framework (LDF). This system replaced the single Local Plan with a suite of planning policy documents. Wyre Forest District has the following planning policies in place:

- **Adopted Core Strategy (December 2010)** - this document establishes the Vision and Development Objectives for the District and sets out the Development Strategy for the District including the level of housing, employment, retail and office development the District will need to deliver up until 2026. It also sets out strategic planning policies to achieve the vision.
- **Emerging Site Allocations and Policies Development Plan Document (DPD)** - this document allocates specific sites for specific uses for the District (excluding the Kidderminster Central Area) and provides detailed planning policies which apply across the District.
- **Emerging Kidderminster Central Area Action Plan DPD** - this document allocates specific sites for specific uses within the central area of Kidderminster and provides detailed planning policies to guide its regeneration.
- **Supplementary Planning Guidance and Supplementary Planning Documents** relating to a number of policy areas and specific development sites.

Adopted Core Strategy



4.2 The Localism Act 2011 reverts back to a single Local Plan setting out both strategic and detailed policies as well as allocating sites for development. The District Council will continue under the 2004 LDF system until the current emerging DPDs are adopted. The District Council's planning policy will therefore be set out in the Adopted Core Strategy (2010) and the Site Allocations and Policies and Kidderminster Central Area Action Plan DPDs once they are adopted. However, any subsequent review of planning policy will lead to the production of a Local Plan.

4.3 The District Council is required to produce a Local Development Scheme (LDS). The LDS is a three-year work programme which sets out any planning policy documents which will be produced and the anticipated dates of the consultation stages for these documents. The District Council are required to publish the most up-to-date LDS on their website.

4.4 In order for the District Council to develop 'sound' local planning policies it is important that an evidence base is established. This will provide a thorough understanding of the issues within the District as well as opportunities for addressing these issues and the constraints. Sustainability Appraisal is a legal requirement which tests the social, economic and environmental sustainability of the policies prepared and sites suggested and informs the District Council's policy choices. Sustainability Appraisal forms a key part of the evidence base, helping to demonstrate that the most appropriate policy options and sites are selected from the alternatives considered. The Sustainability Appraisal process provides a number of opportunities for community involvement and these will be highlighted in the following sections.

4.5 In addition to the Sustainability Appraisal, the Evidence Base also includes a number of technical studies looking at flood risk, open space, housing requirements, employment land requirements, retail and commercial leisure provision, historic environment, green infrastructure and the water cycle. The involvement of key stakeholders, in particular, will help to ensure that when such studies are undertaken they are robust and provide the basis for 'sound' policy making.

4.6 The Town and Country Planning (Local Planning) (England) Regulations 2012 set out the process which must be followed when producing a Local Plan, including the stages at which consultation must take place. The Regulations also set out minimum standards for undertaking such consultation. This chapter will explain the requirements of the Regulations and how the District Council will meet those requirements.

Early Engagement

Regulation 18

Regulation 18 sets out the requirements for early engagement and it requires the District Council to:

- Notify both the specific and general consultation bodies of the subject of the Local Plan which they propose to prepare.
- Invite those people notified to make representations to the local authority about what a local plan with that subject should contain.
- Take into account any representations received when preparing the Draft Local Plan.

4.7 In order to meet the requirements of Regulation 18 the District Council will notify all of those people registered on the database, which it feels are appropriate, that the document will be prepared. Representations will be invited at this stage relating to the topic areas which the plan should cover.

4.8 In order to publicise the proposals to residents and businesses in the area, a leaflet will be produced which will be distributed to all households within the District. Where households receive the local free newspaper, the leaflet will usually be distributed with this. Where households do not receive the local free newspaper, alternative arrangements will be made to deliver leaflets. An interactive version of the consultation document will be made available to enable

4 The Local Planning Process

electronic representations to be made. Representations will also be accepted by e-mail, post or fax. It may be possible to accept late submissions as part of continuous community engagement.

4.9 In addition to meeting the requirements of regulation 18, the District Council will also at this stage make available all of the relevant consultation material on its website and in the appropriate deposit locations within the District. Documents will also be available to loan.

4.10 In order to increase levels of engagement, it may be considered appropriate and necessary to hold exhibitions within accessible locations to publicise proposals to a wider audience. Exhibitions will be held in the three main towns of Kidderminster, Stourport-on-Severn and Bewdley as a minimum. Exhibitions will only be held in the rural areas where there are specific proposals relating to that area. When organising the exhibition schedule and venues, consideration will be given to selecting venues and tailoring opening hours to attract the widest audience. This will mean that where exhibitions take place during the working week they will be open into the evening and, where appropriate, exhibitions will take place on Saturdays. The District Council will also prepare a press release to be circulated to local newspapers and radio stations which may lead to media coverage of the consultation. The press release will include details of any planned exhibitions.

4.11 All representations received at this stage will be acknowledged within five working days of their receipt and will be entered into a database and summarised. District Council officers will report the representations and suggested District Council responses to the appropriate committee meetings. Once approved by the appropriate committee, the representations and District Council responses will be published on the District Council's website and will be used to inform the preparation of the Draft Local Plan. The tables setting out the summary of representations and the District Council's responses to these will also be made available in the deposit locations.

4.12 At this stage, information will be made available on the Sustainability Appraisal process and how it has informed the preparation of the consultation documents. This information will either be set out within the document or within a separate Sustainability Appraisal leaflet.

Publication

Regulation 19

Regulation 19 sets out the requirements for the Publication stage and it requires the District Council to:

- Make copies of each of the proposed submission documents and a statement of representations procedure available in accordance with regulation 35.
- Ensure that the statement of representation procedure and the statement of the fact that the proposed submission documents are available for inspection is sent to each of the specific and general consultation bodies invited to make representations under regulation 18.

4.13 In order to comply with regulations 19 and 35, the District Council will publish the Draft Local Plan for a minimum of six weeks before it is submitted to the Secretary of State. This allows interested parties to make representations on the soundness and legal compliance of the plan. At this stage, the District Council will publish on its website a Statement of Representation Procedure and a statement that the documents are available to view and where, along with the proposed submission documents as set out within Regulation 17. These documents will be placed in the deposit locations. The District Council will also prepare a press release to be circulated to local newspapers and radio stations which may lead to media coverage of the consultation. An interactive version of the Draft Local Plan will be made available on-line to enable electronic representations to be made. Representations will also be accepted via e-mail, post and fax. At the Publication stage late responses will not be accepted.

4.14 Representations submitted at the Publication stage will be acknowledged by the District Council within five working days of their receipt. All representations received at the Publication stage will be submitted to the Secretary of State, alongside the Draft Local Plan, for consideration by an independent inspector as part of the Examination in Public process. It should be noted that only those who make a representation seeking a change to the DPD within the advertised publication period will have the right to appear at the Examination.

4.15 At this stage, the Full Sustainability Appraisal Report will be made available for consultation. This report will include a non-technical summary setting out the key stages in the Sustainability Appraisal process and the main findings.

Examination in Public

4.16 Following the Publication period, the Draft Local Plan will be submitted to the Secretary of State to undergo an Examination in Public by an independent inspector. The Examination will check that the plan has been prepared in accordance with The Duty to Cooperate, meets all legal and procedural requirements and is 'sound'. To be sound a Local Plan must be:

- Positively prepared
- Justified
- Effective
- Consistent with national policy

Regulations 24 to 26

Regulations 24 to 26 set out the requirements for community engagement during and following the examination process. The specific requirements at each stage are as follows:

- Regulation 24 (Independent Examination):
 - Make the time, date and place where the hearings are to be held available in accordance with regulation 35 at least 6 weeks before the hearings start and notify any person who made a representation at Publication stage of this information.
- Regulation 25 (Inspector's Report):

4 The Local Planning Process

- The Local Authority must publish the Inspector's Report as soon as practicable after its receipt; this requires it to be made available in accordance with regulation 35 and notification that it is available to be sent to those people notified of the publication period.
- If the Secretary of State gives a direction or the appointed inspector makes a recommendation in relation to the Plan this must be published as soon as practicable, this requires it to be made available in accordance with regulation 35 and notification that it is available to be sent to those people notified of the publication period.
- Regulation 26 (Adoption):
 - As soon as practicable after a Local Authority adopts a plan it must publish in accordance with regulation 35:
 - The Local Plan
 - An adoption statement
 - The Sustainability Appraisal report
 - Details of where and when the Local Plan can be inspected.
 - Send a copy of the adoption statement to the Secretary of State and any to person who has requested to be notified of the adoption of the Local Plan.

4.17 In accordance with Regulation 24, the District Council will publish details of the date, time and location of any hearing sessions and the name of the person appointed to carry out the Examination at least six weeks before the hearings are to be held. The information will be made available in the deposit locations as well as on the District Council's website. Any person who made a representation during the Publication period will also be notified of this information in writing.

4.18 In accordance with Regulation 25, the District Council will notify in writing any person who has requested to be notified of the publication of the inspector's report, or where made, any Direction from the Secretary of State or recommendations from the inspector.

4.19 Following the adoption of a Local Plan the Adopted Local Plan, the Adoption Statement and the Sustainability Appraisal Report will be made available in the deposit locations as well as on the District Council's website. The District Council will also publish on its website details of where and when the plan is available for inspection as well as sending a copy of the adoption statement to any person who has requested to be notified of the plan's adoption and to the Secretary of State.

5 Supplementary Planning Documents

5.1 Supplementary Planning Documents (SPDs) can provide additional policy guidance on specific issues such as design, or specific sites allocated for development within the Local Plan. SPDs have fewer stages in their preparation than the Local Plan and they are not subject to an Examination in Public. This means they can be prepared more quickly. Despite this, community consultation is an important part of the process of preparing SPDs.

Early Engagement

Regulation 12(a)

Regulations 12(a) sets out the requirements for consultation on SPDs and it requires the following:

- The Local Authority must prepare a statement setting out who was consulted, the main issues raised and how these issues have been addressed in the SPD.

5.2 When preparing an SPD, the District Council will publish on its website details of the SPD which is being prepared. A scoping paper will be prepared setting out the likely areas which the SPD will cover and any relevant options for consideration. The District Council will hold a consultation period of no less than four weeks in duration to give the opportunity for representations to be made on the scoping paper. At the start of the consultation period copies of the scoping paper will be made available on the District Council's website and at the deposit locations.

5.3 Additional consultation techniques will be tailored to the nature of the SPD. For example, it may be appropriate to hold a community planning event for a site specific SPD or to arrange exhibitions within close proximity to the site. Where an SPD is site specific and it falls within a Parish or Town Council area, the relevant Parish or Town Council will be offered a presentation and discussion session. Site notices will also be used to publicise site specific SPDs. For topic-based SPDs it may be appropriate to hold exhibitions within Kidderminster, Stouport-on-Severn and Bewdley. Where SPDs cover more technical topics it may be more appropriate to hold a key stakeholder workshop. A press release will also be prepared which may lead to media coverage relating to the SPD.

5.4 All representations will be acknowledged within five working days, summarised and report to elected members along with suggested District Council responses. Once approved by Cabinet the representations will be made available on the District Council's website and in the deposit locations. The representations will inform the development of the Draft SPD.

5 Supplementary Planning Documents

Example Exhibition



5.5 Sustainability Appraisal is not always required for an SPD. Where it is not required a screening report will be produced setting out the reasons why a full Sustainability Appraisal is not necessary. Where a Sustainability Appraisal is necessary, a scoping report will be published for consultation at the early engagement stage.

Draft SPD

Regulations 12(b) and 13

Regulation 12(b) and 13 set out the requirements for seeking representations on a Draft SPD. The District Council are required to:

- Make copies of the statement prepared in accordance with Regulation 12(a) and the Draft SPD available in accordance with Regulation 35 together with details of the deadline for representations to be received and details of how to make representations.

5.6 In order to satisfy the requirements of regulation 12(b), the District Council will prepare a consultation statement setting out the details of the consultation that has taken place during the preparation of the SPD, a summary of the issues raised within the comments and details of how these issues have been addressed within the SPD. The Draft SPD together with the consultation statement will be made available at the deposit locations well as on the District Council's website for a period of no less than four weeks to enable representations to be made. The District Council will also provide details of the time and date by which representations are to be received and how to make such representations. In addition to meeting the requirements of the regulations, the District Council will also notify in writing any specific or general consultee

who has previously made representation on the SPD that the consultation statement and Draft SPD are available for inspection. Where appropriate, other specific and general consultees will be notified also.

5.7 It may be considered appropriate at this stage to use any of the consultation techniques explained within the early engagement section at paragraph 4.2. All representations received at this stage will be acknowledged within five working days. They will be used to inform the final SPD. All representations will be entered into a database, summarised and responded to indicating how the representation has informed the final SPD and if it has not then why not. This information will be reported to elected members alongside the final SPD.

5.8 Where Sustainability Appraisal is required a Draft Sustainability Appraisal Report will be published for consultation alongside the Draft SPD. Representations received will be reported in the same way as those received on the SPD and will be used to refine the Sustainability Appraisal report before the SPD is adopted.

Adoption

Regulation 14

Regulation 14 sets out the requirements in relation to the adoption of an SPD. The District Council are required to:

- Make the SPD and adoption statement available in accordance with Regulation 35 as soon as possible after adoption and send a copy of the adoption statement to anyone who has asked to be notified of the adoption of the SPD.

5.9 Upon Council resolving to adopt an SPD, an adoption statement will be prepared. The adopted SPD and adoption statement will be made available at the deposit locations and on the District Council's website. A copy of the adoption statement will be sent to anyone who has asked to be notified of the adoption of the SPD.

Example Outdoor Exhibition



6 Neighbourhood Planning

6 Neighbourhood Planning

6.1 The Localism Act 2011 also introduced Neighbourhood Development Plans. These are prepared by Parish and Town Councils where they exist and by Neighbourhood Forums in areas without parishes. Whilst the preparation of Neighbourhood Development Plans is optional, where they are prepared, the District Council has a duty to support the process. The District Council will need to ensure that any body preparing a Neighbourhood Development Plan meets the requirements of the regulations and this chapter provides guidance for doing so. The District Council will also need to publish any Draft Neighbourhood Development Plan which is submitted and the steps the District Council will take to meet the legal requirements for doing so are also set out within this chapter. The procedures set out within this chapter are the minimum consultation requirements. Different qualifying bodies may wish to use additional consultation techniques as appropriate.

Establishing Neighbourhood Forums and Neighbourhood Areas

Regulations 6 and 7: Designating a Neighbourhood Area

Regulation 6 sets out the requirements for the District Council to publicise a neighbourhood area application and it requires that:

- As soon as possible after receiving an area application, the District Council must publicise it on their web-site and in any other manner considered appropriate to bring it to the attention of people living, working or carrying out business in the area. The authority must publish a copy of the area application, details of how to make representations and the date by which representations should be made. A period of at least six weeks must be allowed for representations to be made.

Regulation 7 sets out the requirements following the determination of a neighbourhood area application. Where a neighbourhood area application is approved, the District Council must publicise the name of the area, a map of the area and the name of the body who applied for the area to be designated on their website and in any other manner considered appropriate to bring it to the attention of people living, working or carrying out business in the area.

If the application for the neighbourhood area is refused, the District Council must publish the 'decision statement' which must set out the reasons for refusing the application, together with details of where the decision statement can be inspected, on their website and in any other manner considered appropriate to bring it to the attention of people living, working or carrying out business in the area.

6.2 Before a Neighbourhood Development Plan can be prepared, the area which it will relate to must be designated as a neighbourhood area. Only a Parish or Town Council, neighbourhood forum or group wishing to become a neighbourhood forum, known as the qualifying body, can make an application for an area to be designated as a neighbourhood area. The qualifying body must make an application to the District Council and the District Council must then publicise

the application for a minimum of six weeks and invite representations. Neighbourhood area applications will be published on the District Council's website as a minimum but may also be advertised on the qualifying body's website where possible. Additionally, where possible, notices will be placed within the area, for example, on parish notice boards.

6.3 The District Council will consider all representations when deciding whether to make the neighbourhood area designation. The outcome of the neighbourhood area application will be publicised in the same ways as the application was originally publicised. Full details will be placed on the District Council's website, including a table of representations and details of how these were considered. Where an application is refused, the 'decision statement' will be placed in the Worcestershire Hub in Kidderminster, as well as in any appropriate public buildings within the area covered by the application.

Regulations 9 and 10: Designating a Neighbourhood Forum

Regulation 9 sets out the requirements which the District Council must meet when consulting on a neighbourhood forum application. The regulations require that:

- As soon as possible after receiving a neighbourhood forum application, the District Council must publicise the following on their website and in any other manner considered appropriate to bring it to the attention of people living, working or carrying out business in the area:
 - A copy of the application.
 - A statement that if the designation is made no other organisation or body may be designated for that neighbourhood area until that designation expires or is withdrawn.
 - Details of how to make representations and the date by which they must be received, being no less than six weeks from when the application was first publicised.

Regulation 10 sets out the requirements for publicising a decision on a neighbourhood forum application. The Regulations require that:

- As soon as possible after designating a neighbourhood forum the District Council must publicise the following on their web-site and in any other manner considered appropriate to bring it to the attention of people living, working or carrying out business in the area:
 - The name of the neighbourhood forum.
 - A copy of the written constitution of the neighbourhood forum.
 - The name of the neighbourhood area to which the designation relates.
 - Contact details for at least one member of the neighbourhood forum.
- Where an application for a neighbourhood forum is refused the District Council must publicise the following on their web-site and in any other manner considered appropriate to bring it to the attention of people living and working in the area:

6 Neighbourhood Planning

- A copy of the 'refusal statement' setting out the decision and the reasons for making that decision.
- Details of when and where the refusal statement can be inspected.

6.4 Where a Parish or Town Council exists, any Neighbourhood Development Plan which covers their area must be prepared by them. In areas without parishes, a Neighbourhood Forum must be established to prepare a Neighbourhood Development Plan. Any group of people wishing to become a neighbourhood forum must make an application to the District Council. However, areas can only be covered by one neighbourhood forum. Under Regulation 9, the District Council must then consult on the application for a minimum of six weeks. The Council will publish the application on its website as a minimum. In addition, a press release will be issued which may lead to media coverage.

6.5 The District Council will consider all representations in deciding whether or not to designate the neighbourhood forum. Should the neighbourhood forum be designated, then the designation will be placed on the District Council's website and will also be advertised in any other way in which the original application was advertised.

6.6 Where an application for a neighbourhood forum is refused, the 'refusal statement' will be made available in the Kidderminster Hub and appropriate public buildings within the neighbourhood area.

6.7 Where applications need to be made to designate both the neighbourhood area and the neighbourhood forum then the applications for both the neighbourhood area and neighbourhood forum will be considered alongside each other allowing for a joint consultation to take place. However, should the neighbourhood area which is approved be different from the area submitted, then a further six week consultation will be held in order to allow people to comment on whether the proposed neighbourhood forum is still representative of the area designated.

Pre-Submission Consultation and Publicity

Regulation 14: Pre-Submission Consultation and Publicity

Regulation 14 sets out the requirements for the consultation which the qualifying body must undertake on a Neighbourhood Development Plan before it is submitted to the District Council. The Regulations require:

- That the qualifying body publicise, in a manner that is likely to bring the attention of people who live, work or carry out business in the area:
 - Details of the proposals for a Neighbourhood Development Plan.
 - Details of where and when the proposals for a Neighbourhood Development Plan may be inspected.
 - Details of how to make representations and the date by which they must be made which must be at least six weeks from when the proposals were first publicised.

- That the qualifying body consult any of the consultation bodies listed in the regulations whose interests may be affected by the Neighbourhood Development Plan.
- That the qualifying body send the Local Planning Authority a copy of the Neighbourhood Development Plan.

6.8 Regulation 14 requires the qualifying body to undertake consultation before submitting the Neighbourhood Development Plan to the Local Authority. At this stage, the qualifying body is required to publicise the proposals, details of where the draft plan can be inspected, details of how to make representation, and the date by which representations must be made which must be at least six weeks from when the documents are made available. Whilst the regulations do not set out exactly how this should be done, the following techniques could be used to do this:

- Leaflet drop to all households within the neighbourhood area.
- Posters within the neighbourhood area.
- Exhibitions.
- Public meetings.
- Workshop events.
- Information on the qualifying body's website.
- Information on District Council's website.
- Press release via the District Council.

6.9 Regulation 14 also requires that the qualifying body consult any specific or general consultee whose interests may be affected by the Neighbourhood Development Plan. The District Council will use its database to advise the qualifying body on the people who should be consulted. The qualifying body is also required to send a copy of the Neighbourhood Development Plan to the District Council who will undertake a formal check for conformity with higher level policies.

6.10 Following the consultation, the qualifying body should use the representations received to refine the plan. The qualifying body will need to produce a consultation statement setting out how representations have been addressed and where requested changes have not been made the reasons for this will need to be explained.

Publicising a Plan Proposal

Regulation 16: Plan Proposals

Regulation 16 sets out the action that the District Council must take once a Neighbourhood Development Plan is submitted by a qualifying body. Regulation 16 requires that the District Council:

- Publicise on their website and in a manner that is likely to bring the attention of people who live, work or carry out business in the area:
 - Details of the plan proposals.

6 Neighbourhood Planning

- Details of where and when the plan can be inspected.
- Details of how to make representations.
- A statement that any representations may include a request to be notified of the District Council's decision as to whether or not to adopt the Neighbourhood Development Plan.
- The date by which representations must be received being no less than 6 weeks from the date the proposal is first publicised.
- Notify any consultation body referred to in the consultation statement submitted, alongside the Neighbourhood Development Plan that the plan has been submitted.

6.11 The qualifying body is required, under regulation 15, to submit the Neighbourhood Development Plan to the District Council. Once the District Council receives the Neighbourhood Development Plan, it is required, under Regulation 16, to publish the proposals for a minimum of six weeks. At this stage, the following consultation techniques will be used:

- Preparation and publication of a statement setting out when and where documents can be inspected, details of how to make representations and when they must be made by, and that they may include a request to be notified of the Local Authority's decision on how to progress with the Neighbourhood Development Plan.
- Written notification to all of those bodies who were consulted by the qualifying body during the plan's preparation.
- Publication of the Neighbourhood Development Plan on District Council's website.
- Publication of the Neighbourhood Development Plan on qualifying bodies website where appropriate.
- Displaying of posters within the neighbourhood area.
- Making copies of the documents available to view at the Worcestershire Hub in Kidderminster and at any locations within the neighbourhood area where documents were made available under regulation 14.
- Preparing a press release.

6.12 Following the close of the consultation period the District Council will appoint an independent inspector and all representations received will be forwarded to the inspector to be addressed through the examination process.

Examination and Inspector's Report

Regulation 18: Inspector's Report

Once the Inspector's Report has been received by the District Council and a decision has been made regarding how to proceed, regulation 18 requires that the District Council publish on their website and in a manner that is likely to bring the attention of people who live, work or carry out business in the area:

- The 'decision statement' which should set out their decision and the reasons for it.

- Details of where the decision statement can be inspected.
- The inspector's report.

6.13 Once the inspector's report is received, the District Council will decide how to proceed with the Neighbourhood Development Plan and publish their decision in a 'decision statement' which will be made available on the District Council's website and in those places where the plan was made available during the Regulation 16 consultation period. A copy of the 'decision statement' will be sent to the qualifying body and to any person who requested to be notified. The District Council will also ask the qualifying body to publish the 'decision statement' on their website, where possible, and will use posters in the neighbourhood area to advertise the fact the 'decision statement' is available.

Publicising the Neighbourhood Development Plan

Regulation 20: Neighbourhood Development Plan

Once the District Council has adopted a Neighbourhood Development Plan regulation 20 requires that they:

- Publish on their website and a manner that is likely to bring the attention of people who live, work or carry out business in the area:
 - The Neighbourhood Development Plan
 - Details of where and when the Neighbourhood Development Plan can be inspected.
- Notify any person who has asked to be notified of the making of the Neighbourhood Development Plan and where and when it can be inspected.

6.14 The Neighbourhood Development Plan will be adopted by the District Council if it passes a local referendum. The measures set out in relation to publicising the 'decision statement' above will be repeated to publicise the fact the Neighbourhood Development Plan has been adopted in accordance with the requirements of regulation 20.

Community Involvement in Planning Application Decisions

7 Community Involvement in Planning Application Decisions

7.1 This section sets out details of how the District Council will involve the community in determining planning applications. The District Council has an adopted set of procedures for publicising planning applications and inviting comments from the community and these procedures vary depending on the type of application. The different types of planning applications are outlined at paragraph 7.3

7.2 The District Council sits within a two-tier administrative system with Worcestershire County Council overseeing a much larger area. The County Council is responsible for determining applications in relation to the working of minerals (together with the processing of minerals and other related activities) and the deposit of waste materials (including treatment, storage, processing and other related activities). However, Wyre Forest District Council is responsible for all other development control functions within the District.

7.3 The District Council deals with a number of different types of planning applications, the three main types which are covered by the SCI being:

- **Outline** - to establish the principle of development. Outline applications can only be made for the erection of buildings and are usually used for larger sites and developments.
- **Full** - all details need to be submitted when the application is made.
- **Reserved Matters** - following an outline planning approval, reserved matters applications finalise the details of the development and relate to matters including design, access and layout.

Major Planning Applications

7.4 Major planning applications are those which fall under the Government's definition of 'major development': residential developments comprising of 10 or more dwellings; or a site of 0.5 hectares or more where the number of dwellings is not given in the application; and for other uses where the floorspace to be built is 1,000m² or greater; or the site is 1 hectare or more. The Council receives a number of 'major' planning applications each year, the majority of which are not controversial.

Pre-Application Discussions and Early Community Involvement

7.5 The District Council encourages developers to enter into early dialogue through the use of the Development Team Approach. Representatives of the following District Council sections and external organisations may be involved in the development team:

- **Wyre Forest District Council:**
 - Development Control
 - Planning Policy
 - Legal
 - Parks and Greenspaces
 - North Worcestershire Economic Development and Regeneration

- **External Organisations:**

- Worcestershire Regulatory Services
- North Worcestershire Building Control
- Worcestershire County Council Highways Partnership Unit
- Environment Agency
- West Mercia Police
- Hereford and Worcester Fire and Rescue Service
- Canal and River Trust
- English Heritage

7.6 Pre-application discussions are confidential between the District Council and the applicant. Pre-application discussions have the following benefits:

- They help to achieve better quality applications with more chance of a successful outcome;
- They help to identify at an early stage whether specialist input is required;
- They ensure all the necessary drawings and information is provided to enable the application to be registered as valid; and
- They highlight any key considerations at the beginning of the process, including whether there are any major issues with the proposal or what contributions may be required to make the proposal acceptable in policy terms. Where it is indicated that a proposal is completely unacceptable, this could save considerable costs in pursuing a formal application.

7.7 It is not just major planning applications which can be controversial. At the pre-application stage, planning officers can advise applicants as to whether or not their proposal may be sensitive and therefore require a more detailed level of community involvement. The Localism Act 2011 amended the Town and Country Planning Act 1990 so that it now requires that developers undertake pre-application public consultation on most planning applications. It also includes a duty to take account of representations received. Applicants will always be encouraged to consider the benefits of involving the community in developing their proposals whether it is legally required or not. The following methodologies could be adopted to involve the community:

- Public exhibitions
- Public meetings
- Development briefs
- Use of websites
- Questionnaires and surveys
- Site Notices

7.8 Applicants should discuss community involvement with District Council officers and agree the groups which should be involved, how they should be involved and the timetable for engagement.

Community Involvement in Planning Application Decisions

Community Involvement in Planning Application Decisions

7.9 Statutory consultation requirements for planning applications are set out in Article 8 of the Town and Country Planning (General Development Procedure) Order 1995 as amended. The District Council has a number of procedures currently in place to involve the community in planning application decisions and these are:

- Site notices
- Neighbour notification letters
- Weekly list of planning applications (circulated to specific consultees and available on the District Council's website)
- Consultation with specific bodies (e.g. Parish Councils)
- Existing protocols with particular organisations (e.g. Environment Agency, Highways Authority).

7.10 Further information can be found within Development Control Practice Note 3: Publicity and Consultation on Planning Applications. Development Control Practice Note 13: Public Speaking at Planning (Development Control) Committee sets out the procedures and opportunities for enabling people to address the Council's Planning Committee. Development Control Practice Note 10: Protocol on Parish Representations at Planning (Development Control) Committee sets out the procedures for involving Parish Councils that have signed up to the Protocol in Planning (Development Control) meetings to speak on applications which interest them. The District Council sees these Practice Notes as a way of increasing public representation in the open and democratic process by which planning applications are determined. Copies of these Practice Notes can be viewed on the District Council's website or at the Worcestershire Hub.

7.11 Where early discussions with applicants identify potentially sensitive applications, additional consultation methodologies such as exhibitions will be considered. In order for the District Council to maintain its impartiality when determining planning applications, it will be the responsibility of the applicant to take the lead role in community engagement and to cover any costs resulting from the process. The District Council will expect applicants to provide evidence of pre-application consultation in accordance with the requirements of The Localism Act 2011. Such evidence should be set out within a Consultation Statement outlining what consultation has been carried out and how the results of the exercise have been incorporated into the submitted proposals. Inadequate pre-application consultation may lead to delays in processing applications as new issues emerge late in the process.

7.12 Comments can be submitted on any planning application within 21 days of it being registered. Comments can be submitted online, by e-mail or in writing to the Development Management Team. You must supply your name and address for your comments to be considered.

Member Involvement

7.13 Local Councillors will be encouraged to participate in the planning process at pre-application stage by attending public meetings and exhibitions in line with the Member's Code of Good Practice. However, Councillors should keep an open mind and not give an opinion at this stage as pre-determination of a planning application may prejudice their position in any future decision making on that matter at Planning (Development Control) Committee.

Appeals

7.14 When a planning application is refused, or not determined by the Authority within the statutory period, the applicant may appeal to the Planning Inspectorate. It is not possible to submit further comments on the planning application at the appeals stage, but all of the original comments received on the application will be forwarded to the Planning Inspectorate. Interested parties can attend the hearing sessions and listen to the discussion and those people who have submitted comments on the original application may be able to speak at the discretion of the inspector. The District Council will consult on appeals in the following ways:

- All of those people who were consulted on the original application and those who commented on the application will be re-notified.
- If the appeal is to be heard by informal hearing or public inquiry, all of those people who were consulted on the original application will be re-notified, with information about the date, time and venue of the hearing. If it is a significant hearing/inquiry a site notice detailing the date, time and location of the hearing/inquiry will be posted on or near the site.
- If the appeal is for a householder application, all of those people who were consulted on the original application and those who commented on the application will be re-notified. However, further comments cannot be submitted. Any comments received on the original application will be forwarded to the Planning Inspectorate.

8 Reviewing the Statement of Community Involvement

8 Reviewing the Statement of Community Involvement

8.1 The SCI will be kept under review and community engagement in planning will be monitored through the production of the District Council's Annual Monitoring Report. A review of the SCI would only be considered necessary following significant changes in the legislation governing the production of planning policy, the determining of planning applications or community involvement in planning, or where the AMR identifies consistently low or declining levels of public participation in planning.

8.2 Should a review of the SCI become necessary, the District Council will consult on a draft and take those comments into consideration when finalising the SCI. The SCI will need to be adopted at a meeting of Full Council in accordance with the District Council's constitution.

A List of Specific Consultees

A.1 The specific consultees fall into a number of groups:

- **Environmental Bodies:**
 - Environment Agency
 - English Heritage
 - Natural England
- **Neighbouring Authorities:**
 - Bromsgrove District Council
 - Dudley Metropolitan Borough Council
 - Malvern Hills District Council
 - Wychavon District Council
 - Shropshire Council
 - South Staffordshire District Council
 - Staffordshire County Council
- **Service and Infrastructure Providers:**
 - British Telecom
 - Central Works
 - Hereford and Worcester Fire and Rescue Service
 - Highways Agency
 - Network Rail
 - Office of Rail Regulation
 - Severn Trent Water Limited
 - South Staffordshire Water Plc
 - Staffordshire Police Authority
 - The Coal Authority
 - Transco West Midlands Local Distribution Zone
 - West Mercia Police
 - West Midlands Strategic Health Authority
 - Worcestershire Primary Care Trust
- **Parish Councils:**
 - Bewdley Town Council
 - Broome Parish Council
 - Chaddesley Corbett Parish Council
 - Churchill and Blakedown Parish Council
 - Kidderminster Charter Trustees
 - Kidderminster Foreign Parish Council
 - Rock Parish Council
 - Rushock Parish Council

A | List of Specific Consultees

- Stone Parish Council
- Stourport-on-Severn Town Council
- Upper Arley Parish Council
- Wolverley and Cookley Parish Council

- **Adjoining Parish Councils:**
 - Abberley Parish Council
 - Astley and Dunley Parish Council
 - Bayton Parish Council
 - Belbroughton Parish Council
 - Clent Parish Council
 - Cleobury Mortimer Parish Council
 - Dodford with Grafton Parish Council
 - Elmbridge Parish Council
 - Elmley Lovett Parish Council
 - Hagley Parish Council
 - Hartlebury Parish Council
 - Highley Parish Council
 - Kinlet Parish Council
 - Kinver Parish Council
 - Milson and Neen Sollars Parish Council
 - Pensax Parish Council
 - Upton Warren Parish Council

- **Key Stakeholders:**
 - Greater Birmingham and Solihull Local Enterprise Partnership
 - Homes and Communities Agency
 - The Planning Inspectorate
 - Worcestershire County Council
 - Worcestershire Local Nature Partnership
 - Worcestershire Local Enterprise Partnership
 - Worcestershire Partnership

B Jargon Guide

Adopted Core Strategy (2010) - this sets out the broad locations for delivering housing and other major development needs in the District such as employment, retail and transport. It does not deal with site-specific issues.

Adopted Local Plan (2004) - the existing planning policy document for the Wyre Forest District. This was adopted in 2004 to guide future development within the District until 2011. Along with the Worcestershire County Structure Plan 1996-2011 and the Hereford and Worcester County Minerals Local Plan (1997) it constituted the Development Plan for the Wyre Forest District and has been partially replaced by the Core Strategy. The remaining extant policies will be replaced by the Site Allocations and Policies DPD and the Kidderminster Central Area Action Plan DPD.

Annual Monitoring Report (AMR) - an annually produced document which sets out the progress made in achieving the timetable set out in the Local Development Scheme as well as measuring the effectiveness of the development plan policies.

Development Plan Documents (DPDs) - the collective term given to all statutory documents that form the LDF for the District. These comprise of the Core Strategy, Site Allocations and Policies, Kidderminster Central Area Action Plan and a Proposals Map.

Evidence Base - the information and data gathered by local authorities to justify the 'soundness' of the policy approach set out in Local Development Documents, including the physical, economic and social characteristics of an area.

General Consultation Bodies - organisations with an interest in the social, economic and environmental development of an area and which may be consulted on the development of planning policies for the area.

Infrastructure - basic services necessary for development to take place; for example, roads, electricity, sewerage, water, education and health facilities.

Kidderminster Central Area Action Plan DPD (KCAAP) - a DPD targeted specifically to regenerating the central area of Kidderminster.

Local Development Framework (LDF) - this will provide the framework for delivering the planning strategy and policies for Wyre Forest District.

Local Development Scheme (LDS) - a three year timetable setting out the type of DPDs to be produced under the LDF and the key milestones for their development.

Local Strategic Partnerships: Partnerships of stakeholders who develop ways of involving local people in shaping the future of their neighbourhood and how services are provided. They are often single, non-statutory, multi-agency bodies which aim to bring together locally the public, private, community and voluntary sectors.

Major Developments - major developments include;

- Residential development compromising at least 10 dwellings or a site area of at least 0.5 hectare if the number of dwellings is not specified.
- Other uses where the floor space to be built is greater than 1,000 square metres or the site area is at least 1 hectare in size.

National Planning Policy Framework (NPPF)- the document which sets out the Government's planning policies for England and how these are expected to be applied. It provides a framework within which local people and their accountable councils can produce their own distinctive local and neighbourhood plans, which reflect the needs and priorities of their communities. The NPPF must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in decisions on planning applications.

Natural England - Natural England works for people, places and nature to conserve and enhance biodiversity, landscapes and wildlife in rural, urban, coastal and marine areas.

Neighbourhood Development Plan - A Neighbourhood Development Plan

Soundness: The 'soundness' of a submission Development Plan Document or Local Plan, and objections to it, must be considered by an independent inspector at Examination. 'Soundness' includes assessing whether it has been prepared in the right way using the right procedures, and if it broadly conforms with other planning policies in place including those set out within the National Planning Policy Framework.

Specific Consultation Bodies - are the bodies defined in the Local Planning Regulations which must be consulted when a Local Plan is produced. They are set out at Appendix A.

Supplementary Planning Documents (SPDs) - provide additional information to guide and support DPDs.

Sustainable Community Strategy - the Sustainable Community Strategy 2008-2014 brings together the concerns of Wyre Forest communities under six main themes which the Council and its partners need to focus their efforts on in order to improve the social, economic and environmental wellbeing of the District. These are:- Communities that are safe and feel safe; A Better Environment for Today And Tomorrow; Economic Success Shared By All; Improving Health & Wellbeing; Meeting the Needs of Children and Young People and Stronger Communities. These themes will be addressed through the Adopted Core Strategy.

Sustainability Appraisal (SA) - the purpose of SA is to ensure that all DPDs and Supplementary Planning Documents (SPDs) conform to the Government principles of Sustainable Development which are:

- Living within environmental limits
- Ensuring a strong, healthy and just society
- Achieving a sustainable economy
- Promoting good governance
- Using sound science responsibly.


The Planning Inspectorate - The Planning Inspectorate is responsible for processing planning and enforcement appeals and conducts examinations into local plans.

The purpose of an Equality Impact Assessment is to ensure the Council:

- does not discriminate in the way it provides services and employment
- fulfils its duties as set out by the Equality Act 2010
- where possible, it does all it can to promote equality and good relations between different groups

Name of service / policy / project being assessed	Revised Statement of Community Involvement (February 2013)	Is this a new or existing service / policy / project?	Revision of existing policy
Directorate	Economic Prosperity and Place		
Officers responsible for: a) Service / policy / project b) Completing EIA	a) Rebecca Mayman b) Maria Dunn		
Date	December 2012		
What is the purpose and expected outcomes?	<p>It is a legal requirement under the Planning and Compulsory Purchase Act that the District Council has a Statement of Community Involvement setting out how it intends to engage stakeholders and communities in the planning process. The first Statement of Community Involvement was adopted in May 2006 and this revised version brings it into line with the current consultation requirements as set out in the 2012 Local Planning and Neighbourhood Planning Regulations.</p> <p>The Revised Statement of Community Involvement will ensure that the District Council is meeting the minimum legal requirements in relation to both planning policy and development management consultations and that where it exceeds the minimum requirement a consistent approach is being taken.</p>		
Will there be any affect on other council procedures or strategies e.g. Corporate Plan or the <u>council's workforce</u> ?	No		
Are there any statutory requirements or implications?	Yes, the District Council is required by the Planning and Compulsory Purchase Act 2004 to have a Statement of Community Involvement.		
Are there any other organisations / bodies	The Revised Statement of Community Involvement set out how stakeholders and		

involved?	members of the wider community will be engaged in planning decision and the plan-making process.
Who are the main customer groups / stakeholders affected?	All of the statutory and general planning consultees.
What information / statistics / evidence are you using?	2001 Census information for District profile.
What impact does the service / policy / project have on the nine protected characteristics as defined by the Equality Act 2010 – for definitions, please see overleaf.	
1. Age	Positive <u>Evidence: The Revised Statement of Community Involvement sets out how people will be engaged in the planning process regardless of age.</u>
2. Disability	Positive/ <u>Evidence: The Revised Statement of Community Involvement sets out how people will be engaged in the planning process regardless of disability.</u>
3. Gender Reassignment	Positive/Negative <u>Evidence: No Impact</u>
4. Marriage and Civil Partnership	Positive/Negative <u>Evidence: No impact</u>
5. Pregnancy and Maternity	Positive/Negative <u>Evidence: No impact</u>
6. Race	Positive/ <u>Evidence: The Revised Statement of Community Involvement sets out how people will be engaged in the planning process regardless of race.</u>
7. Religion or belief	Positive/ <u>Evidence: The Revised Statement of Community Involvement sets out how people will be engaged in the planning process regardless of religion or belief.</u>
8. Sex	Positive/ <u>Evidence: The Revised Statement of Community Involvement sets out how people will be engaged in the planning process regardless of sex.</u>

9. Sexual orientation	Positive/ <u>Evidence: The Revised Statement of Community Involvement sets out how people will be engaged in the planning process regardless of sexual orientation.</u>	
Other e.g. Deprivation, health inequalities, urban/rural divide, community safety.	The Statement of Community Involvement seeks to ensure that all have the opportunity to contribute and overcomes issues such as deprivation and the urban/rural divide by setting out a number of consultation techniques.	
Conclusion The Statement of Community Involvement seeks to give all community groups the opportunity to participate in the planning process.		Is a full assessment required? NO
 Signed		Date 17 th December 2012
Agreed Rebecca Mayman		Date 17 th December 2012
A full EIA is required if the initial screening has identified the service / policy / project is going to have the potential to cause adverse impact or discriminate against different groups in the community or the council's workforce.		

Prior to the Equality Act 2010, there were 3 separate public sector equality duties covering race, disability and gender. The Equality Act 2010 replaced these with a new single equality duty covering the following protected characteristics:

Protected characteristics: definitions

Age - where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Disability - a person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Gender reassignment - The process of transitioning from one gender to another.

Marriage and civil partnership - marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters.

Pregnancy and maternity - pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Race - It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Religion and belief - religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism).

Sex - a man or a woman.

Sexual orientation - whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.



Overview and Scrutiny Committee

Briefing Paper

Report of: Maria Dunn, Senior Forward Planning Officer

Date: Thursday, 7th February 2013

Open

South Worcestershire Development Plan - Publication

1. Summary

- 1.1 This report provides Members with an update on the preparation of the South Worcestershire Development Plan and sets out a suggested response to the Publication document.

2. Background

- 2.1 Members will recall that representations have been submitted throughout the development of the South Worcestershire Development Plan. The most recent stages of consultation were the Preferred Options in November 2011 and the Proposed Significant Changes in September 2012.
- 2.2 The South Worcestershire Authorities have now published the proposed Submission SWDP. This consultation only relates to the specific issues outlined within the 'Proposed Significant Changes' consultation document and was not an opportunity to re-open other issues.

3. Key Issues

- 3.1 This section outlines the main issues addressed within the suggested representations set out at Appendix 1 to this report and provides the background to them.
- 3.2 The Roxel site which straddles the boundary between Wyre Forest District and Wychavon District is allocated as an employment site within Wyre Forest District but lies within the Green Belt within Wychavon. At the Proposed Significant Changes stage, the SWDP proposed to remove the site from the Green Belt meaning that it would be treated consistently in planning terms by both Districts, an approach which Wyre Forest District supported. However, the Publication document leaves the site in the Green Belt but gives it major developed site status. The Council's proposed representation seeks to revert to the position of removing the site from the Green Belt in order to deliver a consistent approach whilst supporting the recognition of the importance of this site for employment.

- 3.3 The SWDP does not allocate specific sites for provision of accommodation for Travellers and Travelling Showpeople. It commits to outlining sites within urban extensions as well as Malvern Hills and Worcester City producing their own topic specific Development Plan Documents (DPDs) to allocate further sites. The draft response raises concerns about addressing the issue through a separate DPD and that an under-provision within the South Worcestershire area could lead to increased demand in Wyre Forest District.
- 3.4 There are a number of specific allocations which raise some concerns centred on implications for service delivery in Stourport-on-Severn. Land off Worcester Road, Hartlebury is allocated for 100 dwellings and there are smaller allocations at Great Witley and Abberley Common. The District supported the reduction in the number of dwellings proposed at Abberley Common and Great Witley through the proposed Significant Changes consultation. However, there is still some concern about the level of development and the possible impacts on services within Stourport-on-Severn which would be the closest main service centre to the proposed developments.
- 3.5 There are concerns over the allocation of land adjacent to Highbrae, Clows Top for residential development. Whilst the number of dwellings has been reduced from the 25 originally suggested to 17 there are concerns about the infrastructure within Clows Top village, particularly the drainage infrastructure, which both Wyre Forest and Malvern Hills District Council's proposals would need to address. Development of this site together with the site allocated by Wyre Forest District through its own Site Allocations and Policies DPD raises concerns around over development within this location.
- 3.6 Concerns are also raised in relation to potential additional development arising from windfalls, Community Right to Build Orders and Neighbourhood Development Plans, all of which could lead to additional development affecting services in Wyre Forest District on a more sporadic basis. Officers will continue to update members with details of any emerging plans.
- 3.7 Finally, whilst no sites are allocated for development at Astley Cross, there is known to be pressure for development in the area and as such, the proposed comments include the Council's support for the position of not allocating land in the area for development.
- 3.8 In conclusion, the speedy progress of the South Worcestershire Development Plan should be supported as it will provide a clear planning framework for the location of future development within the South Worcestershire Authorities. The progression of the plan to adoption will avoid the threat of planning by appeal which would have more significant implications for the District.

4. Options

4.1 The committee may wish to:

- Recommend to Cabinet that the representations set out at Appendix 1 to this report are approved for submission in response to the Publication consultation.
- Suggest alternative representations to be submitted in response to the Publication consultation.

5. Consultation

5.1 Director of Community Assets and Localism.

6. Related Decisions

6.1 Previous South Worcestershire Development Plan representations:

- Issues and Options – Cabinet, December 2007 -
http://www.wyreforest.gov.uk/council/docs/doc37257_20071220_cab_20_12_07_report.pdf
- Preferred Options - Cabinet, November 2008 -
http://www.wyreforest.gov.uk/council/docs/doc39089_20081120_cabinet_report.pdf
- Preferred Options 2 – Cabinet, November 2011 -
http://www.wyreforest.gov.uk/council/docs/doc44609_20111122_cabinet_agenda.pdf
- Proposed Significant Changes – Overview and Scrutiny, September 2012 -
http://www.wyreforest.gov.uk/council/docs/doc47071_20120906_o_and_s_agenda.pdf

7. Relevant Council Policies/Strategies

7.1 Wyre Forest District Adopted Core Strategy.

7.2 Wyre Forest District Submission Site Allocations and Policies Development Plan Document.

8. Implications

8.1 Equality Impact Assessment : The South Worcestershire Authorities will undertake an Equality Impact Assessment on the Plan as part of their submission requirements.

9. Wards affected

9.1 All.

10. Appendices

10.1 Appendix 1 – Draft Representations.

11. Background Papers

11.1 South Worcestershire Development Plan – Proposed Submission Document - http://www.swdevelopmentplan.org/wp-content/uploads/2013/01/SWDP_Proposed_Submission_doc.pdf

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South Worcestershire Development Plan – Publication

Wyre Forest District Council Response

Wyre Forest District Council has engaged with the South Worcestershire Development Plan preparation process and has submitted comments at (outline stages comments were submitted. The District Council's previous comments have highlighted concerns over the housing numbers proposed for certain villages and the impact that will have on service delivery within Wyre Forest District. The comments made at this stage reflect the concerns raised at previous stages of consultation.

SWDP 2: Development Strategy and Settlement Hierarchy (Roxel)

Wyre Forest District Council supported the proposal set out within the Proposed Significant Changes consultation to take the Roxel site out of the Green Belt as the site straddles the District boundary and the part of the site which falls within Wyre Forest District Council's boundary is not within the Green Belt. However, it is noted that the proposed submission document does not take the approach of amending the Green belt boundary but instead allocates the Roxel site as a Major Developed Site within the Green Belt. The District Council therefore have concerns that the approach on this site is inconsistent between the two local authorities into which it falls. However, the District Council does support the identification of the site for employment uses.

Policy SWDP17: Travellers and Travelling Showpeople

Wyre Forest District Council is disappointed to see that specific sites have not been allocated for the provision of accommodation for Travellers and Travelling Showpeople. The District Council is concerned that failure to deliver adequate sites within the South Worcestershire authorities could increase the demand within other Districts, including Wyre Forest District. It is noted that under Policy SWDP 17 it is the intention of both Malvern Hills District Council and Worcester City Council to produce separate DPDs for Gypsy, Traveller and Travelling Showpeople pitch provision. Whilst remaining concerned about the delegation of the issue to subsequent DPDs, particularly when precise locations of site required to meet the need up until 2017 have not been identified, the District Council wishes to reserve the right to comment on these DPDs as they emerge.

Policy SWDP 59: Category 1 Village Allocations

Wyre Forest District Council expressed concerns regarding the allocation of Land West of Worcester Road, Hartlebury for 100 dwellings at the Preferred Options stage in June 2011. The village of Hartlebury relies heavily on Stourport-on-Severn for the provision of services and facilities and the District Council is concerned about the impact of the scale of development proposed at Hartlebury on service provision within Stourport-on-Severn.

Wyre Forest District Council has previously expressed its concerns regarding the level of development at Abberley Common and Great Witley. Again, these villages are reliant on Stourport-on-Severn for the provision of services and facilities. Whilst the reduction in numbers since the Preferred Options paper is welcome the District Council remains concerned about the impact of the proposed level of development on services and facilities within Stourport-on-Severn.

Policy SWDP60: Category 2 Village Allocations

Wyre Forest District Council has outstanding concerns regarding the allocation of land adjacent to Highbrae, Clows Top for 17 dwellings. Whilst the Council supports the reduction in the number of dwellings proposed at this site, it is concerned that when considered together with the site that at Clows Top that Wyre Forest District Council have allocated for residential development within its own Local Plan, the site will represent overdevelopment within the village. . There are particular concerns relating to drainage within the area which will need to be addressed through development proposals on both sites. Additionally, land adjacent to Highbrae is a greenfield site whereas the site allocated by Wyre Forest District Council is brownfield.

Windfall Developments and Neighbourhood Planning

In addition to the allocations set out within the SWDP, it is recognised that windfall developments, Neighbourhood Development Plans and Community Right to Build Orders may increase the amount of new development within the villages which rely on Stourport-on-Severn for the provision of services and facilities. Therefore, the District Council reserves the right to comment on any such proposals as they emerge.

Astley Cross

The District Council would not be supportive of an allocation of land to the south of Stourport-on-Severn in the Astley Cross area and is pleased to see that this site has not been included within the proposed submission SWDP. We understand that should the SWDP not progress through to submission, then the risk of a speculative planning application for this area would be heightened. The District Council would strongly object to such an application, as it would be considered contrary to its Adopted Core Strategy. It is also considered that the pressure on local services would impact most significantly on Stourport-on-Severn and more specifically Areley Kings.



Overview & Scrutiny Committee

Briefing Paper

Report of: Joanne Wagstaffe, Director of Resources
Date: Thursday, 7th February 2013
Open

Recommendations from Treasury Management Review Panel:

Consideration of Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Policy and Strategy Statement for the period 1st April 2013 to 31st March 2014

1. Summary

- 1.1 To provide Members with background information on the Chartered Institute of Public Finance (CIPFA) Prudential Code for Capital Finance in Local Authorities (Prudential Code).
- 1.2 To restate the Prudential Indicators and Limits for the financial years 2013/14 to 2015/16 and set out the expected treasury operations for this period.
- 1.3 To seek approval for the Council's Treasury Management Strategy Statement for the period 1st April 2013 to 31st March 2014 that sets out how the Council's treasury service will support the capital decisions taken, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by Section 3 of the Local Government Act 2003 and is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.
- 1.4 To seek approval for the Council's Investment Policy and Strategy Statement for the period 1st April 2013 to 31st March 2014 that sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.
- 1.5 To seek approval for the Council's Minimum Revenue Provision Statement for the period 1st April 2013 to 31st March 2014 that sets out the Council's criteria for repayment of Prudential Borrowing.
- 1.6 This proposed strategy was endorsed by the Treasury Management Review Panel on 31st January 2013. Overview and Scrutiny will recommend to Cabinet that Council gives approval to this key strategy. This is in compliance with the CIPFA Treasury Management Code of Practice.

1.7 To fulfil four key legislative requirements:

- The reporting of the Prudential Indicators as required by the CIPFA Prudential Code;
- The Treasury Management Strategy Statement in accordance with the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code;
- The Investment Policy and Strategy Statement (in accordance with Communities and Local Government (CLG) investment guidance);
- The Minimum Revenue Provision (MRP) Policy Statement (as required by Regulation under the Local Government and Public Involvement in Health Act 2007).

2. Background

2.1 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.

2.2 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.

2.3 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."

2.4 Reporting Requirements

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

- **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:
 - the capital plans (including prudential indicators);
 - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);

- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
 - an investment strategy (the parameters on how investments are to be managed).
- **A mid year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.
 - **An annual treasury report** – This provides details of the actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2.5 Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Treasury Management Review Panel who makes recommendations to the Overview and Scrutiny Committee.

2.6 Treasury Management Strategy for the period 1st April 2013 to 31st March 2014

The strategy for 2013/14 covers two main areas:

1. Capital Issues

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

2. Treasury management Issues

- the current treasury position;
- treasury indicators which will 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, the CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

3. Key Issues

3.1 TREASURY LIMITS FOR THE PERIOD 1st APRIL 2013 to 31st MARCH 2014

- 3.1.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the Authorised Limit represents the legislative limit specified in the Act.
- 3.1.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is ‘acceptable’.
- 3.1.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion, incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and three successive financial years, details of the Authorised Limit can be found in Appendix 3 of this report.

3.2 CURRENT PORTFOLIO POSITION

- 3.2.1 The Council’s treasury portfolio position at 18th January 2013 comprised:

Investments Held With	As at 18 th January 2013 £	Average Rate of Return	Duration
NatWest Bank	1,320,000	0.85%	Instant Access
Royal Bank of Scotland	2,040,000	0.85%	Instant Access
Lloyds TSB Bank	2,865,000	0.50%	Instant Access
NatWest Bank	1,000,000	1.20%	95 Day Notice – maturity due 29/03/13
Ignis Money Market Fund	3,906,000	Variable	Instant Access
Blackrock Money Market Fund	2,685,000	Variable	Instant Access
Nationwide Building Society	1,000,000	0.40%	Fixed to 07/02/13
Lloyds TSB Bank	1,000,000	3.00%	Fixed to 04/07/13
Nationwide Building Society	1,000,000	0.42%	Fixed to 15/03/13
Barclays Bank	1,000,000	0.44%	Fixed to 15/03/13
Total £	17,816,000		

3.2.2 Early in October 2008, the Icelandic banks Landsbanki, Kaupthing Singer & Friedlander and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. In Iceland, Winding-Up Boards were appointed to oversee the run-off of banks, including Landsbanki. This Council had £9m deposited across three of these institutions. The table below details the Councils Icelandic investments as at 18th January 2013. A ninth dividend of 3p in £, was paid by KSF on 31st October 2012, reducing the principal investment to £1,200,000. Thirteen dividends have been received up to 18th January 2013 from Heritable Bank reducing the principal investment to £227,457. Three dividends have been received up to 18th January 2013 from Landsbanki reducing the principal investment to £1,581,434. A further KSF dividend is anticipated in April 2013.

Icelandic Investments as at 18th January 2013

Bank	Original Investment £	Interest Claimed £	Total Claim £	Dividends Received £	Balance Outstanding including Interest Due £	Balance Outstanding Principal Only £
Landsbanki	3,000,000	183,097	3,183,097	1,505,143	1,677,954	1,581,434
Kaupthing Singer & Friedlander	5,000,000	156,378	5,156,378	3,918,847	1,237,531	1,200,000
Heritable Bank	1,000,000	31,110	1,031,110	796,846	234,264	227,457
Total £	9,000,000	370,585	9,370,585	6,220,836	3,149,749	3,008,891

3.3 BORROWING REQUIREMENT

3.3.1 The Council's Capital Financing Requirement (CFR), its underlying borrowing requirement, is detailed below. Capital expenditure was approved by Council on 29th February 2012. A revision to the CFR was approved by Council on 21st November 2012 following some slippage in the approved Capital Programme.

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Capital Financing Requirement as at 31st March	4,570	8,668	9,233	18,704	18,493

3.4 PRUDENTIAL AND TREASURY INDICATORS FOR THE PERIOD 1st APRIL 2013 to 31st MARCH 2014

- 3.4.1 Prudential and Treasury Indicators (as set out in Appendix 3 to this report) are relevant for the purposes of setting an integrated treasury management strategy.
- 3.4.2 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This Council adopted the Code of Practice on Treasury Management on 27th February 2003 C90 (10), and as a result adopted a Treasury Management Policy Statement (Executive 13th February 2003 ED.223). The November 2011 revision of the Code was adopted by Council on 29th February 2012.
- 3.4.3 Within the Budget Report to Council in February 2013, revised Prudential Indicators 2013/14 to 2015/16 will be presented for approval.

3.5 BORROWING STRATEGY

- 3.5.1 The Council is currently maintaining an externally ‘under-borrowed’ position. This means that the underlying borrowing requirement (Capital Financing Requirement – CFR) has not previously been funded with external loan debt but has been met using cash flow funds. This has been a prudent and cost effective approach in the current economic climate; however, it is no longer sustainable as the Council’s cash balances are utilised. The Council undertook a first tranche of external borrowing of £2million in January 2013; this was for a period of 18 months with another Local Authority at a very competitive rate.

The Council’s external borrowing position at 18th January 2013 comprised:

Details of External Borrowing	As at 18th January 2013 £	Interest Rate	Duration
The Borough Council of King’s Lynn & West Norfolk	2,000,000	0.75%	18 months Fixed Rate Maturity 14/01/13 – 14/07/14
Total £	2,000,000		

3.5.2 Prospects for Interest Rates

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

Annual Average %	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2012	0.50	1.50	3.70	3.90
March 2013	0.50	1.50	3.80	4.00
June 2013	0.50	1.50	3.80	4.00
Sept 2013	0.50	1.60	3.80	4.00
Dec 2013	0.50	1.60	3.80	4.00
March 2014	0.50	1.70	3.90	4.10
June 2014	0.50	1.70	3.90	4.10
Sept 2014	0.50	1.80	4.00	4.20
Dec 2014	0.50	2.00	4.10	4.30
March 2015	0.75	2.20	4.30	4.50
June 2015	1.00	2.30	4.40	4.60
Sept 2015	1.25	2.50	4.60	4.80
Dec 2015	1.50	2.70	4.80	5.00
March 2016	1.75	2.90	5.00	5.20

The above Sector forecasts incorporate the **PWLB Certainty Rate** which reduces PWLB borrowing rates by 0.20% for most local authorities. This Council has access to the reduced rate with effect from 1st November 2012.

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

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

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;

- There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will potentially incur a revenue loss between borrowing costs and investment returns.

A more detailed Sector forecast is included in Appendix 2.

3.5.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2013/14 treasury operations. The Director of Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

3.5.4 In view of the above forecast the Council's borrowing strategy will be to consider all suitable options and take advantage of the most attractive rates available, both from the PWLB and from the Market, including other Local Authorities, as and when required.

3.5.5 Policy On Borrowing In Advance Of Need

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.

In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow

- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk and other risks and the level of such risks given the controls in place to minimise them

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.

3.6 DEBT RESCHEDULING

- 3.6.1 The Council has undertaken external borrowing in January 2013. A Policy in respect of debt rescheduling is therefore required.
- 3.6.2 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities in the future 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).
- 3.6.3 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 outlined in the above paragraphs, and
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 3.6.4 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.
- 3.6.5 Any rescheduling will be reported to the Cabinet at the earliest meeting following its action.

3.7 ANNUAL INVESTMENT STRATEGY

3.7.1 Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below, clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Sector ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Sector in producing its colour codings which show the varying degrees of suggested creditworthiness.

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.

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

Investment instruments identified for use in the financial year are listed in Appendix 5 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

3.7.2 Creditworthiness Policy

The Council continues to apply the creditworthiness service provided by Sector.

Sector advise that their 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.

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 and are therefore referred to as durational bands. The Director of Resources is satisfied that this service will continue to provide a high level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

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

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

The Sector credit worthiness 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. The financial institutions, on the resultant Counterparty list, are detailed in Appendix 9 to the report presented to the Treasury Management Review Panel on 31st January 2013..

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

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

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

government; Sector will supply this information to the Treasury team as part of their comprehensive service.

The Local Authority Mortgage Scheme (LAMS) – if the Council participates in the cash backed mortgage scheme it will require the Council to place a matching five year deposit to the life of the indemnity. This capital expenditure is an integral part of the LAMS policy initiative and would be outside the criteria specified above as it is not classified as an Investment for the purposes of the Treasury Management Strategy Statement.

3.7.3 Non UK Country Limits

The Council has determined that it will only use approved counterparties from countries outside the UK with a minimum sovereign credit rating of AAA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 6. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

In addition to the minimum sovereign credit rating, no more than 25% would be placed with any individual non-UK country at any time should they meet the creditworthiness criteria.

3.7.4 Investment Strategy

In-house funds: Investments will accordingly 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).

Investment returns expectations: Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2014. Bank Rate forecasts for financial year ends (March) are:

- 2012/13 0.50%
- 2013/14 0.50%
- 2014/15 0.75%
- 2015/16 1.75%

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

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this Council.

For its cash flow generated balances, the Council will seek to utilise its instant access/call accounts, business reserve accounts, 30 and 95 day accounts, money market funds, money market instruments (such as gilts and Treasury Bills) and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

3.7.5 End of Year Investment Report

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

3.7.6 External Fund Managers

The use of specialist investment managers be considered by the Director of Resources on an ongoing basis, to manage a proportion of the Council's investments (minimum market requirement is usually £10 million) where market conditions are considered favourable to achieve higher overall investment returns. Specialist investment managers will be appointed by the Director of Resources under delegated powers and subject to the Council's Standing Orders Relating to Contracts, if applicable. It is however highly unlikely the Council will hold sufficient funds for investment to be able to consider the use of External Fund Managers due to diminishing cash reserves and the increasing Capital Financing Requirement.

The Council's external fund manager(s) will comply with the Annual Investment Strategy. The agreement(s) between the Council and the fund manager(s) additionally stipulate guidelines and duration and other limits in order to contain and control risk.

The minimum credit criteria to be used by the cash fund manager(s) are as follows: -

	Fitch	Moody's	Standard and Poors
Long Term	A	A2	A
Short Term	F1	P-1	A-1
Viability/Financial Strength	BBB	C	N/A
Support	2	N/A	N/A

(The combination of Fitch ratings above is either B2 or C2)

3.8 POLICY ON THE USE OF EXTERNAL SERVICE PROVIDERS

- 3.8.1 The Council uses Sector Treasury Services as its external treasury management advisers. They were appointed in September 2010 following a competitive tendering process for a period of three years, following which there is an option to extend for a further two years. This will be considered by the Director of Resources before September 2013 in liaison with the Treasury Management Review Panel and Cabinet Member.

3.8.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and the Director of Resources will ensure that statutory Section 151 responsibilities continue to be met, in close liaison with, but without undue reliance, upon our external service providers.

3.8.3 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.

3.9 SCHEME OF DELEGATION

3.9.1 The Council's Treasury Management Scheme of Delegation is detailed in Appendix 7.

3.10 ROLE OF THE SECTION 151 OFFICER

3.10.1 The Treasury Management Role of the Section 151 Officer is detailed in Appendix 8.

3.11 MEMBER AND OFFICER TRAINING

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

- Annual Portfolio holder training from Director of Resources and Treasury Consultants;
- Treasury Management Review Panel annual training updates (with additional updates as necessary);
- Quarterly Treasury Update Reports to Members;
- Daily Officer monitoring of Treasury and Money Market information by Treasury Officers;
- Regular attendance by Officers at professional Seminars provided by Treasury Consultants, CIPFA and CLG

3.12 LOCAL ISSUES

3.12.1 The most significant issue to affect the Council relates to the exposure of investments with links to Icelandic Banks. In reacting to this situation the Council established the Treasury Management Review Panel which examined the circumstances leading up to the placing of the particular investments and continues to make recommendations in relation to the Council's lending lists. Repayments in respect of these investments continue in line with expectations. The Council has already recovered over 60% of the principal and remains optimistic of overall recovery rates.

- 3.12.2 During the next year the funds available for investment will reduce as the Council progresses its Transformation Agenda. Wyre Forest Forward initiatives are being pursued to ensure that the Council can reduce on-going revenue costs of delivering services. As other approved capital projects progress, the most significant being the Leisure Future Provision, the borrowing requirement will increase as detailed in this report.
- 3.12.3 Over the coming years the Council is also scheduled to make disposals of assets, however, careful consideration will be made on each opportunity to ensure that the Council sells at a time that maximises the return to the authority.
- 3.12.4 The Council entered into external borrowing in January 2013 in line with the Finance Strategy.
- 3.12.5 The TMSS and Annual Investment Strategy was amended by Council on 27th July 2011 to establish cash flow support for Bewdley Development Trust to enable the drawdown of grant funding from the Rural Development Programme for England for the refurbishment/extension of St George's Hall, Bewdley. This scheme is now progressing, with Community Housing Group having already provided £100,000 in cashflow support. It is likely that the cashflow support of £50,000 being provided by the Council will be paid in the near future to facilitate this regeneration project.

3.13 KEY ISSUES- SUMMARISED

3.13.1 The Key Issues of this report are summarised as follows:

- The Investment Policy and Strategy Statement 2012/13 was revised by Council on 26th September 2012. Council approved the initial Investment Policy and Strategy Statement 2012/13 on 29th February 2012. This included the counterparty criteria and investment limits for the financial year 2012/13. The individual counterparty/group limit approved by Council was 25% of total investments (excluding Icelandic investments). However, due to the current banking sector, problems within the Eurozone and depleted fund balances it became increasingly difficult to place effective investments using this criteria, resulting in the increased use of the Debt Management Office to remain within policy. Approval was given to increase the counterparty/group limit to 50% with a maximum limit of £5m (whichever is the lower) for the UK part-nationalised banks, by exception only. Where an investment is above 25% this needs prior approval by the Director of Resources. This has allowed the Council to secure effective rates of return whilst ensuring that the funds are placed with those counterparties that are considered to be a low risk, demonstrating security and liquidity over yield. The Director of Resources has reviewed this Policy and concluded it should continue as part of the ongoing TMSS to avoid increased use of the DMO and to manage investments effectively. It will be subject to regular review and remain to be used by exception only and with specific prior approval.
- The Council entered into external borrowing on 14th January 2013 in accordance with the current approved TMSS. The £2million fixed rate loan

will mature on 14th July 2014. The Council secured an advantageous rate of 0.75% from The Borough Council of King's Lynn and West Norfolk.

- It has not yet been possible to launch the Local Authority Mortgage Scheme (LAMS) approved at Council in February 2012. The scheme launch has been deferred due to the diminished differential between the broker/commercial rate Lloyds Bank are currently able to offer (caused by poor market conditions together with the impact of the national local lending scheme) and the costs of borrowing currently available. The reduced differential increases the Council's risk of exposure to any defaults. The Director of Resources will continue to monitor and use her delegated authority to progress the launch if market conditions improve. Provision has been made within the MRP Policy should this scheme proceed.

3.13.2 As reported previously, the returns the Council is currently receiving from investment returns remain significantly lower than those achieved during years up to 2007/2008. Interest rates are estimated to remain historically low and are currently subject to a downward trend. Modest increases are anticipated to commence in March 2015, implemented over a long period. Section 3.7 of this report identifies the on-going sensitivity that the Council faces in relation to investment returns.

3.13.3 The Director of Resources will continue to keep the current Treasury Management Practices (TMP) under review with the assistance of the Council's Treasury Consultants and report to members as appropriate.

3.13.4 In November 2012, CIPFA issued an amendment to replace the prudential indicator for net debt with an indicator for gross debt to be compared to the CFR; the requirement is now for gross debt to be kept below the CFR, except for in the short term i.e. in the preceding year plus estimates of any additional capital financing requirement in the current and next two financial years. The treasury indicator for gross and net debt has been withdrawn, rather than amended. It may be difficult, or impossible, to comply with this new requirement beyond the short term as MRP could reduce the CFR below gross debt when the only debt left would attract excessive premiums if it was prematurely repaid and have maturity dates beyond the short term. CIPFA guidance is that the reasons for this situation should be clearly stated in the TMSS report.

The change to this indicator is unreasonable given this Council's circumstances, and as previously stated, action necessary to ensure compliance would incur excessive repayment premiums and therefore not be financially viable. The Director of Resources has reviewed the change and our subsequent inability to meet the net debt requirement in the future, with Sector. Whilst Members should be aware that the Council is unable to comply with this indicator in the future, this should not give cause for concern as it does not increase risk. The unexpected change from gross to net debt will be unachievable for many Councils, given past decisions made in full accordance with the Prudential Code, and Sector advice is that it is sufficient to disclose this as part of this Strategy review.

4. Options

Overview and Scrutiny Committee to propose to Cabinet that it recommends to Council to:

- 4.1 Approve the restated Prudential Indicators and Limits for the financial years 2013/14 to 2015/16 included in Appendix 3, and note the change in the External Debt Indicator explained in paragraph 3.13.4.**
- 4.2 Approve the updated Treasury Management and Investment Policy and Strategy Statements for the period 1st April 2013 to 31st March 2014 (the associated Prudential Indicators are included in Appendix 3 and the detailed criteria is included in Section 3.7 and Appendix 5).**
- 4.3 Approve the Minimum Revenue Provision (MRP) Statement that sets out the Council's policy on MRP included in Appendix 1.**
- 4.4 Approve the Authorised Limit Prudential Indicator included in Appendix 3.**
- 4.5 That the Overview and Scrutiny Committee notes that the prudential indicators in this report will be revised in February 2013 as part of the Council's approval of the Financial Strategy 2013/14 to 2015/16, as the indicators included within this report are based on current recommendations.**

5. Consultation

- 5.1 Sector Treasury Services.
- 5.2 Cabinet.
- 5.3 CMT.
- 5.4 Treasury Management Review Panel.

6. Related Decisions

- 6.1 Recommendation from Treasury Management Review Panel 31st January 2013.

7. Relevant Council Policies/Strategies

- 7.1 Council 29/02/12 – The Prudential System of Local Government Finance and the Treasury Management Policy and Strategy Report 2012/2013
<http://www.wyreforest.gov.uk/council/meetings/com55.htm#mt6972>
- 7.2 Council 26/09/12 – Annual Report on Treasury Management Service, Actual Prudential Indicators 2011/2012 and Revision to the Investment Policy and Strategy Statement 2012/13
<http://www.wyreforest.gov.uk/council/meetings/com55.htm#mt7147>
- 7.3 Council 21/11/12 – Treasury Management Strategy Statement, Annual Investment Strategy Mid-year Review Report and Updated Prudential Indicators 2012/2013
<http://www.wyreforest.gov.uk/council/meetings/com55.htm#mt7148>

8. Implications

8.1 **Resources:** The Financial Implications of the Treasury Management function are included in the Council's Medium Term Financial Strategy and Three Year Budget and Policy Framework.

8.2 **Legal & Policy:** The Local Government Act 2003 supplemented by Regulations set out a new framework for a prudential system for local authority capital finance. This Act, together with CIPFA's Prudential Code for Capital Finance in Local Authorities, came into effect on 1st April 2004. This code together with recent revised editions, guides decisions on what Local Authorities can afford to borrow and has statutory backing under Regulations issued in accordance with the Local Government Act 2003.

Adoption of the CIPFA Code of Practice on Treasury Management in the Public Services as part of the Authority's Standing Orders and Financial Regulations, gives it the status of a "code of practice made or approved by or under any enactment", and hence proper practice under the provisions of the Local Government and Housing Act 1989.

8.3 **Risk Management:** The Council is aware of the risks of passive management of the treasury portfolio. With the support of Sector, the Council's treasury advisors, the Council has proactively managed the portfolio over the year.

Shorter-term variable rates and likely future movement in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the lending list, accurately forecasting returns can be difficult. In the event of a counterparty default, a formal demand for payment, to include principal, contractual interest and default interest, will be made as soon as possible. Such demand will need to meet the criteria as specified in the Insolvency Act Amendments Rules 2010.

The main risk associated to the Council's Capital Programme, allied to this TMSS, is that given the current depressed economy, asset disposals are not fully realised in terms of timing and valuation assumptions. This may increase external borrowing until such sales proceeds are realised and also incur additional costs, of debt repayment to these already included in Finance Strategy.

There will be a small increase in risk by placing up to 50% of the total investments with the part-nationalised banks. However, such investments will only be placed by exception, with the express approval of the Director of Resources. The Council will continue to aim to achieve the optimum return on its investments commensurate with its investment priorities of security and liquidity. The Council has been advised that any withdrawal of Government support for the part-nationalised banks could take 12 months.

9. Equality Impact Needs Assessment

- 9.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

10. Wards affected

- 10.1 All.

11. Appendices

- 11.1 Appendix 1 - MRP Strategy
Appendix 2 - Interest Rate Forecasts
Appendix 3 - Prudential and Treasury Indicators
Appendix 4 - Economic Background
Appendix 5 - Specified and Non Specified Investments
Appendix 6 - Approved Countries for Investments
Appendix 7 - Treasury Management Scheme of Delegation
Appendix 8 - The Treasury Management Role of the Section 151 Officer

12. Background Papers

- 12.1 Local Government Act 2003.
12.2 CIPFA's Revised Prudential Code for Capital Finance in Local Authorities, 2011.
12.3 CIPFA's Revised Code of Practice on Treasury Management in the Public Services, 2011.
12.4 Local Government and Housing Act 1989.
12.5 31/01/13 Report to the Treasury Management Review Panel - Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Policy and Strategy Statement for the period 1st April 2013 to 31st March 2014.

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APPENDIX 1 MINIMUM REVENUE PROVISION (MRP) POLICY FROM 1 APRIL 2013

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

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

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

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE annual allocation.

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

Option 3: Asset Life Method

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday').

The equal instalment method will be used to calculate charges under option 3. Estimated life periods will be determined by the Director of Resources (Section 151 Officer) under powers delegated by Council. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council as determined by the Director of Resources. However, under these powers delegated by Council, the Director of Resources reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. For example, the Guidance recommends that in the case of Loans and grants towards capital expenditure by third parties (under Regulation 25(1)(b)), a charge should be made over a period "equal to the estimated life of the assets in relation to which the third party expenditure is incurred" and this is the approach adopted in this revised MRP Policy. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

This option provides for a reduction in the borrowing need over approximately the asset's life.

In accordance with the Guidance, MRP will be charged in the financial year following that in which the asset is completed or becomes operational.

The Council are satisfied that the policy for calculating MRP set out in this Policy Statement will result in the Council continuing to make prudent provision for the repayment of debt, over a period that is on average reasonably commensurate with that over which expenditure provides benefit.

The Director of Resources will, where it is prudent to do so, use discretion to review the overall financing of the Capital Programme and the opportunities afforded by the regulations, to maximise the benefit to the Council whilst ensuring the Council meets its duty to charge a prudent provision.

Should this Council decide to launch the Local Authority Mortgage Scheme (LAMS) using the cash backed option, the mortgage lenders require a 5 year deposit from the local authority to match the 5 year life of the indemnity. The deposit placed with the mortgage lender provides an integral part of the mortgage lending, and is treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The deposit is due to be returned in full at maturity, with interest paid either annually or on maturity. Once the deposit matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (five years) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application.

APPENDIX 2 INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions, being Sector, UBS and Capital Economics (an independent forecasting consultancy).

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

Sector's Interest Rate View														
	Now	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
3 Month LIBID	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.60%	0.70%	0.80%	1.10%	1.40%	1.70%
6 Month LIBID	0.54%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.10%	1.30%	1.60%	1.90%
12 Month LIBID	0.88%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.10%	1.20%	1.30%	1.30%	1.50%	1.80%	2.10%
5yr PWLB Rate	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
10yr PWLB Rate	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
25yr PWLB Rate	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
50yr PWLB Rate	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
Bank Rate														
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate														
Sector's View	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
UBS	1.85%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	1.85%	1.55%	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.60%	-	-	-	-	-
10yr PWLB Rate														
Sector's View	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
UBS	2.87%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	-	-	-	-	-
Capital Economics	2.87%	2.55%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	-	-	-	-	-
25yr PWLB Rate														
Sector's View	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
UBS	4.02%	4.20%	4.30%	4.40%	4.50%	4.50%	4.50%	4.50%	4.50%	-	-	-	-	-
Capital Economics	4.02%	3.70%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	-	-	-	-	-
50yr PWLB Rate														
Sector's View	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
UBS	4.15%	4.30%	4.40%	4.50%	4.60%	4.60%	4.60%	4.60%	4.60%	-	-	-	-	-
Capital Economics	4.15%	4.00%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-

APPENDIX 3 PRUDENTIAL AND TREASURY INDICATORS**1 THE CAPITAL PRUDENTIAL INDICATORS 2012/13 – 2015/16**

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

The prudential indicators will be revised in February 2013 as part of the Council's approval of the Financial Strategy 2013 to 2016, as the indicators included within this report are based on current recommendations.

1.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans.

Capital expenditure £'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Community Well-being and Environment	1,322	2,351	143	8,761	0
Community Assets and Localism	4,428	4,315	106	1,850	0
Economic Prosperity and Place	1,074	2,211	1,590	533	547
Resources	416	1,768	400	0	0
Vehicle, Equipment and Systems Renewals	523	808	662	1,051	448
Total	7,763	11,453	2,901	12,195	995

Other long term liabilities. The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. However, the Council currently has no other long term liabilities.

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.

Capital expenditure £'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Total	7,763	11,453	2,901	12,195	995
Financed by:					
Capital receipts	4,756	5,552	929	1,930	80
Capital grants	664	1,601	763	444	444
Revenue	570	0	262	0	0
Net financing need for the year	1,773	4,300	947	9,821	471

1.2 The Council's borrowing need (the Capital Financing Requirement)

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

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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 assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these 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 does not currently have such schemes within the CFR.

The current CFR projections are presented below:

£m	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Capital Financing Requirement					
Total CFR	4,570	8,668	9,233	18,704	18,493
Movement in CFR	1,611	4,098	565	9,471	(211)

Movement in CFR represented by:					
Net financing need for the year (above)	1,773	4,300	947	9,821	471
Less MRP/VRP and other financing movements	(162)	(202)	(382)	(350)	(682)
Movement in CFR	1,611	4,098	565	9,471	(211)

1.3 Affordability prudential indicators

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.

1.4 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.

%	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Ratio	0.08	1.66	4.69	6.51	11.62

The estimates of financing costs include current commitments.

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

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme 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.

£	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Council tax - band D	6.71	14.27	22.11	23.26

1.6 Current portfolio position

The Council's treasury portfolio position at 31 March 2012, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
External Debt					
Gross debt at 31st March	27	5,524	7,521	17,653	19,650
The Capital Financing Requirement	4,570	8,668	9,233	18,704	18,493
Under / (over) borrowing *	4,543	3,144	1,712	1,051	(1,157)

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 gross debt 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 2013/14 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the short term.

*However, in the future it may be that the Council will not be able to comply with this new indicator since any fixed term maturity loans would not be reduced until they are repaid. The CFR would continue to be reduced by MRP, hence the gross external debt may eventually exceed the CFR. The debt would attract excessive premiums if it was prematurely repaid.

1.7 Treasury Indicators: limits to borrowing activity

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 £'000	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Debt	15,000	15,000	25,000	27,000
Other long term liabilities	0	0	0	0
Total	15,000	15,000	25,000	27,000

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 this power has not yet been exercised.

Authorised limit £'000	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Debt	20,000	20,000	30,000	33,000
Other long term liabilities	0	0	0	0
Total	20,000	20,000	30,000	33,000

1.8 Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any 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. This is similar to the previous indicator and 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.

	2013/14	2014/15	2015/16
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	100%	100%	100%
Maturity structure of fixed interest rate borrowing 2013/14			
	Lower	Upper	
Under 12 months	0%	100%	
12 months to 2 years	0%	100%	
2 years to 5 years	0%	100%	
5 years to 10 years	0%	100%	
10 years and above	0%	100%	
Maturity structure of variable interest rate borrowing 2013/14			
	Lower	Upper	
Under 12 months	0%	100%	
12 months to 2 years	0%	100%	
2 years to 5 years	0%	100%	
5 years to 10 years	0%	100%	
10 years and above	0%	100%	

The upper limit is 100% in each case as this Council's current borrowing is low and these maturity structures will not have a substantial impact on revenue. These limits give maximum flexibility for borrowing, to ensure financial advantages of each transaction.

1.9 Investment treasury indicator and limit

This indicator sets the limits on 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.

Maximum principal sums invested > 364 days			
£m	2013/14	2014/15	2015/16
Principal sums invested > 364 days	£2m	£2m	£2m

APPENDIX 4 ECONOMIC BACKGROUND

Economic Background

4.1. Global economy

The Eurozone debt crisis has continued to cast a pall over the world economy and has depressed growth in most countries. This has impacted the UK economy which is unlikely to have grown significantly in 2012 and is creating a major headwind for recovery in 2013. Quarter 2 of 2012 was the third quarter of contraction in the economy; this recession is the worst and slowest recovery of any of the five recessions since 1930. A return to growth at 0.9% in quarter 3 is unlikely to prove anything more than a washing out of the dip in the previous quarter before a probable return to negative growth in quarter 4; this would leave overall growth in 2012 close to zero and could then lead into negative growth in quarter 1 of 2013, which would then mean that the UK was in its first triple dip recession since records began in 1955.

The **Eurozone sovereign debt crisis** abated following the European Central Bank's (ECB) commitment to a programme of Outright Monetary Transactions i.e. a pledge to buy unlimited amounts of bonds of countries which ask for a bailout. The immediate target for this statement was Spain which continues to prevaricate on making such a request, (for a national bailout), and so surrendering its national sovereignty to International Monetary Fund (IMF) supervision. However, the crisis in Greece has subsided, for the time being, as a result of the Eurozone agreement to provide a further €50bn financial support package in December. Many commentators, though, still view a Greek exit from the Euro as being likely in the longer term as successive rounds of austerity packages could make it more difficult to bring down the annual deficit and total debt as ratios of Gross Domestic Product (GDP) due to the effect they have on shrinking the economy and reducing employment and tax revenues. However, another possible way out would be a major write down of total Greek debt; this has now been raised by the German Chancellor as a possible course of action, but not until 2014/15, and provided the Greek annual budget is in balance.

Sentiment in financial markets has improved considerably since this ECB action and additional financial support for Greece to ensure that the Eurozone remained intact during 2012. However, the foundations to this "solution" to the Eurozone debt crisis are still weak and do not address the huge obstacle of unemployment rates of over 25% in Greece and Spain. It is also possible that the situations in Portugal and Cyprus could deteriorate further in 2013 and, although they are minor economies, such developments could unnerve financial markets. There are also general elections coming up in Italy and Germany which could potentially produce some upsets on the political scene. It is, therefore, quite possible that sentiment in financial markets could turn during 2013 after the initial burst of optimism at the start of the year. While equity prices have enjoyed a strong start to 2013, the foundations for this stock market recovery are shallow given the economic fundamentals in western economies. In addition, Quantitative Easing (QE) has to come to an end at some point in time and there is a distinct increase in doubt in the central banks of the United States (US) and United Kingdom (UK) as to the effectiveness of any further QE in stimulating economic growth. An end to central purchases of bonds may lead to a fall in bond prices.

The US economy has only been able to manage weak growth in 2012 despite huge efforts by the Federal Reserve to stimulate the economy by liberal amounts of QE combined with a commitment to a continuation of ultra low interest rates into 2015. Unemployment levels have been slowly reducing but against a background of a fall in the numbers of those available for work. The fiscal cliff facing the President at the start of 2013 has been a major dampener discouraging business from spending on investment and increasing employment more significantly in case there is a sharp contraction in the economy in the pipeline. The fiscal cliff, and raising the total debt ceiling, still await final resolution by the end of February. The housing market, though, does look as if it has, at long last, reached the bottom and house prices are now on the up.

Hopes for a broad based recovery have, therefore, focused on the **emerging markets**. Recent news from China appears to indicate that the economy has returned to a healthier rate of growth. However, there are still concerns around the unbalanced nature of the economy which is heavily dependent on new investment expenditure. The potential for the bubble in the property sector to burst, as it did in Japan in the 1990s, could have a material impact on the economy as a whole.

4.2 UK economy

The Government's austerity measures, aimed at getting the public sector deficit into order, have now had to be extended, in the autumn statement, over a longer period than the original four years. Achieving this new extended timeframe will still be dependent on the UK economy returning to a reasonable pace of growth towards the end of this period.

Currently, the UK is enjoying a major financial benefit from some of the lowest sovereign borrowing costs in the world as the UK is seen as a safe haven from Eurozone debt. However, the subsiding of market concerns over the Eurozone has unwound some of the attractiveness of gilts as a safe haven and led to a significant rise in gilt yields. There is little evidence that UK consumer confidence levels are recovering, nor that the manufacturing sector is picking up. The dominant services sector disappointed in December, with the Purchasing Managers' Index (PMI) survey indicating the first fall in activity in two years. On the positive side, banks have made huge progress since 2008 in shrinking their balance sheets to more manageable levels and also in reducing their dependency on wholesale funding. However, availability of credit remains tight in the economy and the Funding for Lending scheme, which started in August 2012, has not yet had time to make a significant impact in respect of materially increasing overall borrowing in the economy. Finally, the housing market remains tepid and the outlook is for house prices to be little changed for a prolonged period.

Economic Growth. Economic growth has basically flat lined since the election of 2010 and, worryingly, the economic forecasts for 2012 and beyond were revised substantially lower in the Bank of England Inflation quarterly report for August 2012 and were then further lowered in the November Report. QE increased by £50bn in July 2012 to a total of £375bn. Many forecasters are expecting the Monetary Policy Committee (MPC) to vote for a further round of QE in early 2013 to try to stimulate economic activity. The announcement in November 2012 that £35bn will be transferred from the Bank of England's Asset Purchase Facility to the Treasury (representing coupon payments to

the Bank by the Treasury on gilts held by the Bank) was also effectively a further addition of QE.

Unemployment. The Government's austerity strategy has resulted in a substantial reduction in employment in the public sector. Despite this, total employment has increased to the highest level for four years as over one million jobs have been created in the private sector in the last two years.

Inflation and Bank Rate. Inflation has fallen sharply during 2012 from a peak of 5.2% in September 2011 to 2.2% in September 2012. However, inflation increased back to 2.7% by the end of the year, though it is expected to fall back to reach the 2% target level within the two year horizon.

AAA rating. The UK continues to enjoy an AAA sovereign rating. However, the three main credit rating agencies have stated that they will be reviewing this rating in early 2013; they will, thereafter, also be carefully monitoring the rate of growth in the economy as a disappointing performance in that area could lead to a major derailment of the plans to contain the growth in the total amount of Government debt over the next few years.

4.3 Sector's forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains relatively fragile and whilst there is still a broad range of views as to potential performance, expectations have all been downgraded during 2012. Key areas of uncertainty include:

- the potential for the Eurozone to withdraw support for Greece at some point if the Greek government was unable to eliminate the annual budget deficit and the costs of further support were to be viewed as being prohibitive, so causing a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself. The same considerations could also apply to Spain;
- inter government agreement on how to deal with the overall Eurozone debt crisis could fragment;
- the impact of the Eurozone crisis on financial markets and the banking sector;
- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that are unlikely to be achieved;
- the risk of the UK's main trading partners, in particular the EU and US, falling into recession;
- stimulus packages failing to stimulate growth;
- elections due in Italy and Germany in 2013;

- potential for protectionism i.e. an escalation of the currency war / trade dispute between the US and China;
- the potential for action to curtail the Iranian nuclear programme;
- the situation in Syria deteriorating and impacting other countries in the Middle East.

The focus of so many consumers, corporates and banks on reducing their borrowings, rather than spending, will continue to act as a major headwind to a return to robust growth in western economies.

Given the weak outlook for economic growth, Sector sees the prospects for any changes in Bank Rate before 2015 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

Sector believes that the longer run trend is for gilt yields and Public Works Loan Board (PWLB) rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries. The interest rate forecast in this report represents a balance of downside and upside risks. The downside risks have already been commented on. However, there are specific identifiable upside risks as follows to PWLB rates and gilt yields, and especially to longer term rates and yields:

- UK inflation being significantly higher than in the wider EU and US causing an increase in the inflation premium in gilt yields;
- Reversal of QE; this could initially be allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held;
- Reversal of Sterling's safe haven status on an improvement in financial stresses in the Eurozone;
- Investors reverse de-risking by moving money from government bonds into shares in anticipation of a return to worldwide economic growth;
- The possibility of a UK credit rating downgrade.

APPENDIX 5 SPECIFIED AND NON-SPECIFIED INVESTMENTS**SPECIFIED INVESTMENTS:**

The Council has determined to authorise Specified Investments as follows:

(All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility	-	In-house
The Councils Own Bank	End of day balance £1m	In-house
Term deposits – local authorities	-	In-house
Term deposits – banks and building societies *	Green	In-house
Money Market Funds and Financial Instruments	Green	In-house

	Minimum Credit Criteria	Use	Max % of total investments*	Max. maturity period
UK nationalised banks*—currently Lloyds Bank and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in the Table above.	Blue	In-house	50% (subject to a maximum value of £5m, whichever is the lower) Requires Director of Resources approval if greater than 25%	As per colour
Banks nationalised by high credit rated (AAA sovereign rating) countries – non UK*. For UK revert to Sector Creditworthiness Methodology	Green	In-house and Fund Managers	25%	As per colour
Government guarantee (explicit) on ALL deposits by high credit rated (non UK AAA sovereign rating) countries**. For UK revert to Sector Creditworthiness Methodology	Green	In-house and Fund Managers	25%	As per colour

- * Where a bank is part of a group then the total exposure to the group will be the same as the individual exposure assigned to the parent organisation
- ** e.g. Singapore (AAA); specified list of countries approved for investing with their banks detailed in Appendix 6

Additional Information on Specified Investments as Detailed Above

Nationalised banks in the UK have credit ratings which do not conform to the credit criteria usually used by local authorities to identify banks which are of high creditworthiness. In particular, as they are no longer separate institutions in their own right, it is impossible for Fitch to assign them a viability individual rating for their stand alone financial strength. Accordingly, Fitch assigned a BBB rating which means that at a historical point of time, this bank failed and is now owned by the Government. However, these institutions are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. They also have a support rating of 1; in other words, on both counts, they have the highest ratings possible. Current examples include Lloyds Banking Group and Royal Bank of Scotland Group.

Other countries. The US, countries within the EU and Switzerland (and other countries) are currently providing major support packages to their banking systems. The Council will only consider investments with non UK countries that are AAA rated (for UK revert to Sector Creditworthiness Methodology).

Councils Own Bank. Where the Council's own bankers fail to meet the basic credit criteria, balances will be minimised as far as possible with an upper limit of £1m. This allows for reasonable flexibility needed for day to day cash flow management.

NON-SPECIFIED INVESTMENTS:

The Council has determined to authorise Non-Specified Investments as follows:

1. Maturities of ANY period

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Fixed term deposits with variable rate and variable maturities: - Structured deposits	Green	In-house	25%	As per colour
Treasury Bills	UK sovereign rating	In-house and Fund Managers	25%	6 months
Bonds issued by multi-lateral development banks	AAA	In-house and Fund Managers	25%	As per colour
CDs or Corporate Bonds with banks and building societies	Green	In-house and Fund Managers	25%	As per colour

2. Maturities in excess of 1 year

	* Minimum Credit Criteria/Colour Band	Use	Max % of total investments	Max. maturity period
Term deposits – local authorities	-	In-house	25%	As per colour
Term deposits – banks and building societies	Green	In-house	25%	As per colour
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	Green	In-house	25%	As per colour
Certificates of deposit issued by banks and building societies covered by the UK government banking support package (implicit guarantee)	Green	In-house	25%	As per colour
Certificates of deposit issued by banks and building societies NOT covered by UK Government support package (implicit guarantee)	Green	In-house	25%	As per colour
UK Government Gilts	UK sovereign rating	In-house and Fund Managers	25%	As per colour

For both Specified and Non Specified Investments, due to the uncertainty in the financial markets, it is recommended that the Investment Strategy is approved on a similar approach to previous years which will provide officers with the flexibility to deal with any unexpected occurrences. Officers will restrict the pool of available counterparties from this criteria to ensure that security of capital remains the paramount consideration. Currently this involves the use of the Debt Management Account Deposit Facility (DMADF), AAA rated Money Market Funds and institutions (as deemed appropriate) with higher credit ratings than those outlined in the investment strategy or which are provided support from the Government. Investments are being maintained short term to also improve the security of investments. This is also applicable to the approved countries detailed in Appendix 6.

APPENDIX 6 APPROVED NON UK COUNTRIES FOR INVESTMENTS

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

The Council has determined that it will only use approved counterparties from non UK countries with a minimum sovereign credit rating of AAA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). This list will be added to or deducted from by officers should ratings change in accordance with this policy. For the UK revert to Sector Methodology (currently AA-).

In addition to the minimum sovereign credit rating, no more than 25% would be placed with any individual non-UK country at any time, should they meet the credit worthiness criteria.

APPENDIX 7 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

(ii) Committees/Council/responsible body – Cabinet, with recommendations from the Overview and Scrutiny Committee and Treasury Management Review Panel as appropriate

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny – Cabinet, with recommendations from the Overview and Scrutiny Committee and Treasury Management Review Panel as appropriate

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

APPENDIX 8 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

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



Overview & Scrutiny Committee

Briefing Paper

Report of: Jo Wagstaffe, Director of Resources
Date: Thursday, 7th February 2013
Open

Recommendations from Budget Review Panel – Consideration of Financial Strategy 2013/2016 – Cabinet Proposals and Alternative Budget Proposals

1. Summary

- 1.1 To present the findings of the Budget Review Panel's scrutiny of the Cabinet's Financial Strategy 2013/2016 and alternative budget proposals from the Labour, Liberal and Independent and Independent Community and Health Concern Groups.

2. Background

- 2.1 On 10th January 2013 the Panel scrutinised the Cabinet's proposed decision on the Financial Strategy 2013/2016, which included the Cabinet Proposals for 2013/2014 onwards and Fees and Charges for 2013/2014.
- 2.2 On 17th January 2013 the Panel considered an update on the Financial Strategy 2013-2016 and discussed the fees and charges which were presented at the Cabinet meeting on 22nd January 2013.
- 2.3 On 24th January 2013 the Panel scrutinised the alternative budget proposals from the Labour, Liberal and Independent and Independent Community & Health Concern Groups.

3. Key Issues

- 3.1 The Cabinet presented the Financial Strategy 2013/16 on 18th December 2012 and made it available for consultation.
- 3.2 The final recommendations regarding the budget will be made by Cabinet on 19th February 2013, and Council determines the budget on 27th February 2013.
- 3.3 The work of the Budget Review Panel during this year has concentrated upon the Cabinet Proposals, Capital Programme and alternative budget proposals.

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- 3.4 At the meeting of the Budget Review Panel on 24th January 2013 Group Leaders presented alternative budget proposals to the Financial Strategy 2013/16, these will be considered by Cabinet on 19th February 2013.

4. Recommendations to Overview & Scrutiny Committee:

4.1 The Budget Review Panel considered:

4.1.1 the Cabinet's proposals and Fees and Charges.

4.1.2 amendments from the Labour Group.

4.1.3 amendments from the Liberal and Independent Group.

4.1.4 amendments from the Independent Community & Health Concern Group.

4.1.5 and resolved to refer all the above items to the Overview & Scrutiny Committee for consideration of any recommendations to the Cabinet.

5. Consultation

- 5.1 This process represents the consultation with the opposition groups on the Financial Strategy 2013/16. There is also a separate budget consultation exercise underway with the public and staff, and this closes on 8th February 2013 and the results will be reported to the Cabinet on 19th February 2013.

6. Related Decisions

- 6.1 The budget process sets the resources to deliver the Council's Corporate Plan and determines the business plans for the year ahead.

7. Relevant Council Policies/Strategies

- 7.1 The relevant Council Policies included the Corporate Aims and Vision, along with the Financial Strategy.

8. Implications

- 8.1 At this stage there are no direct implications arising from this exercise, although the results will help to inform the budget setting process

9. Equality Impact Needs Assessment

- 9.1 At this stage no Equality Impact Needs Assessments are required; however, all specific proposals will need to be considered as part of the Budget Process.

10. Wards Affected

- 10.1 No specific wards are affected.

11. Appendices

- 11.1 None.

12. Background Papers

Budget Review Panel Minutes 10th January 2013, 17th January 2013 and 24th January 2013.

Cabinet's proposed recommendations on the Financial Strategy 2013/2016, from its 18th December 2012 meeting.

Cabinet's updated report on the Financial Strategy 2013/2016, from its 22nd January 2013 meeting.

Labour Party Alternative Budget Proposals.

Liberal & Independent Party Alternative Budget Proposals.

Independent Community & Health Concern Party Alternative Budget Proposals.

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**WYRE FOREST DISTRICT COUNCIL
FEEDBACK FROM CABINET
MEETING HELD ON TUESDAY 18TH DECEMBER 2012**

**Agenda
Item No.**

DECISION

9.1 Wyre Forest Infrastructure Plan

Decision:

- 1. The Infrastructure Plan be endorsed and used as an evidence based document for the progression of the Council's Development Plan Documents.**
- 2. The Infrastructure Plan be endorsed and used to inform the preparation of the Community Infrastructure Levy.**
- 3. Delegated powers be granted to the Director of Economic Prosperity and Place in consultation with the Cabinet Member for Place Making to update the Plan with new information, when appropriate.**

Recommendation from Overview and Scrutiny Committee, 6th December 2012

Noted: The contents of the briefing paper to the Overview and Scrutiny Committee at its meeting on 6th December 2012 be noted and the Infrastructure Plan as a suitable evidence base document be endorsed to support the delivery of the Development Plans and to provide the background information required for implementing Community Infrastructure Levy (CIL) with the exception on the section on emergency services where the comments are only noted pending further information and request that clarity be sought regarding police and ambulance services as soon as possible. Members also express concerns about library services and request that clarity be sought on these proposals as soon as possible.

10.1 Recommendation from Overview and Scrutiny Committee, 6th December 2012

a. Health and Wellbeing in Wyre Forest

Decision: The Wyre Forest District Council Health Action Plan 2012/13 be endorsed.

**Overview & Scrutiny Committee 2012/2013
Work Programme**

June 2012 (Special)

LDF Development Plan Documents

July 2012

Qtr 4 (2011/12) exception reporting incorporate directorate business plans

Set up Treasury Management Review Panel

Set up Housing Review Panel

Affordable Warmth Action Plan

Climate Change Action Plan

August 2012 (Special)

Recommendations from Housing Review Panel

Planning for Infrastructure in Worcestershire

September 2012

Recommendations from Treasury Management Panel:

- Local Authority Mortgage Scheme
- Treasury Management Strategy Backward Look 2011-12
- Annual Report on TM Service, Actual Prudential Indicators 2011/12 and review of Counterparty Criteria

Recommendations from Sports & Leisure Centre Review Panel

Air Quality Monitoring – Stourport

South Worcestershire Development Plan

Performance Management Quarter 1 Update

Affordable Housing Funding

October 2012

WFDC Tenancy Strategy

Recommendations from Housing Review Panel

Statement of Community Involvement Consultation Draft

November 2012

Council Tax Benefit Reform (Rec from Cabinet following consultation period)

Recommendations from Treasury Management Panel (Treasury Management Strategy Statement & Annual Investment Strategy Mid Year Review Report)

Performance Management Quarter 2 Update (including September and six monthly lagging measures)

Splash Park Provision

December 2012

Budget Review Panel – Terms of Reference

Annual Crime & Disorder Review

Wyre Forest Health and Ageing Well Action Plan

Wyre Forest District Draft Infrastructure Delivery Plan

January 2013 (Items postponed until February 2013 meetings)

February 2013

7th

Recs from Treasury Management Panel (Treasury Management Strategy Statement)
Recs from Budget Review Panel (Consultation of Financial Strategy 2013-16)
Review of No Surprises Protocol
Annual Crime & Disorder Review
Revised Statement of Community Involvement
South Worcestershire Development Plan – Response to Pre-Submission Consultation

21st

Performance Management Quarter 3 Update
Ideas for Scrutiny from Members Forum
Systems Thinking Background Presentation

March 2013

Potential Parish Neighbourhood Plan (RM - TBC)
Carbon Management Plan
Green Deal
Community Infrastructure Levy – Project Plan and Timetable
WFDC Housing Assistance Policy (Inc. Recs from Housing Review Panel)
Response to Worcestershire Infrastructure Strategy: Consultation Draft
Stourport Air Quality Management Area
Water Management Enforcement Policy
Recommissioning the Home Improvement Agency

April 2013

June 2013

Performance Management Quarter 4 Update (including March and annual lagging measures)

July 2013

Development Plan Documents (DPDs) (RM-TBC)

Review Panels

Housing Review – 11/07/2012, 31/07/2012, 09/08/2012, 22/08/ 2012, 29/08/ 2012, 13/09/ 2012, 27/09/2012, 25/10/2012 (Site Visit), 23/11/ 2012 (Site Visit), 29/11/ 2012, 07/02/ 2013

Sports & Leisure Centre – 04/09/2012

Treasury Management – 05/09/2012, 06/11/2012, 31/01/2013

AOHN – 12/09/2012, 26/11/ 2012, 09/01/ 2013, 20/02/2013, 28/03/2013, 24/04/2013, 22/05/2013

Budget Review – 10/01/2013, 17/01/2013, 24/01/2013

Flooding – Date to be arranged following conclusion of Housing Review Panel