

Open

Overview & Scrutiny Committee

Agenda

6pm
Thursday, 5th February 2015
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Overview & Scrutiny Committee

Members of Committee:

Chairman: Councillor E Davies

Councillor J Greener

Councillor V Higgs

Councillor L Hyde

Councillor F M Oborski

Councillor T L Onslow

Councillor J Phillips

Councillor M Price

Councillor M Rayner

Councillor C Rogers

Councillor A M Sewell

Councillor M J Wrench

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 the Council's 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 committee 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, Committee and Member 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, 5th February 2015

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, 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 4 th December 2014.	6
5.	Annual Crime and Disorder Review 2014/15 To consider a report from the Community Safety and Partnerships Officer on the progress of the North Worcestershire Community Safety Partnership (CSP) during 2014/15.	9
6.	How Are We Doing? Performance Update To consider a report from the Business Improvement Officer which provides an update on the performance of the Council for Quarter 3 (from 1 st October 2014 to 31 st December 2014).	24
7.	Treasury Management Strategy 2015/16 – Recommendations from the Treasury Management Review Panel To consider a report from the Chief Financial Officer regarding the restated Prudential Indicators and Limits, the updated Treasury Management and Investment Policy and Strategy Statements, the Minimum Revenue Provision (MRP) Statement and the Authorised Limit Prudential Indicator.	46

8.	Wyre Forest House – Update on Project and Achievement of Savings To consider a report from the Chief Executive which provides an update on the project.	99
9.	Feedback from Cabinet To note the content of the Cabinet action list, following consideration of the recommendations from its meeting on 16 th December 2014.	106
10.	Work Programme 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.	107
11.	Press Involvement To consider any future items for scrutiny that might require publicity.	
12.	To consider any other business, details of which have been communicated to the Solicitor of the Council 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.	
13.	Exclusion of the Press and Public To consider passing the following resolution: “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”.	

Part 2 - Not open to the Press and Public

14.	New Leisure Centre Update To receive a report from the Cultural Services Manager which summarises the progress made on the project.	-
15.	To consider any other business, details of which have been communicated to the Solicitor of the Council 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.	

WYRE FOREST DISTRICT COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

THURSDAY, 4TH DECEMBER 2014 (6PM)

Present:

Councillors E Davies (Chairman), C Brewer, J Greener, B McFarland, T L Onslow, J Phillips, M Price, C Rogers, A M Sewell, J A Shaw and M J Wrench.

Observers

Councillors G W Ballinger, M J Hart, A T Hingley and P Wooldridge.

OS.54 Apologies for Absence

Apologies for absence were received from Councillors P V Hayward, V Higgs, L Hyde and M Rayner.

OS.55 Appointment of Substitutes

Councillor C Brewer was appointed as a substitute for Councillor M Rayner.
Councillor B McFarland was appointed as a substitute for Councillor L Hyde.
Councillor J A Shaw was appointed as a substitute for Councillor V Higgs.

OS.56 Declarations of Interests by Members

No declarations of interest were made.

OS.57 Minutes

Decision: The minutes of the meeting held on 6th November 2014 be confirmed as a correct record and signed by the Chairman.

OS.58 New Leisure Centre Update

The Committee received a report from the Cultural Services Manager which summarised the progress made on the project.

The Cultural Services Manager led Members through the report and the following points were highlighted:

- The application for Sport England lottery funding was successful and the Council was awarded a grant of £2million on 3rd November 2014.
- The tender evaluation process had been completed and the preferred bidder was Places for People Leisure. The contract signing was scheduled to be completed within the next few weeks.

Agenda Item No. 4

- The contract to manage the leisure centre would be for a 25 year period, it would be the contractor's responsibility to repair and maintain the building.

In response to Members' concern over the potential for bus routes to service the new leisure centre, the Director of Economic Prosperity and Place advised that discussions were ongoing with Worcestershire County Council Passenger Transport colleagues and the St Francis Group.

Agreed: The update be noted.

Councillor M J Hart left the meeting at this point, (6.40pm).

OS.59 Worcestershire Hub Update

The Committee received a report from the Corporate Customer Development Manager which provided an update on the current customer demand at the customer service centre in Kidderminster, following changes made to the hub service over recent years.

The Corporate Customer Development Manager led Members in depth through the report and outlined the timeline of significant changes that had taken place which directly affected the front line customer services team such as the introduction of the Welfare Reform Act and changes to housing benefit, and the ability to pay via AllPay.

Agreed: The update of the impact of recent changes to the provision of service delivered by the customer services team be noted.

Councillor T L Onslow left the meeting at this point, (7.02pm).

OS.60 Kidderminster's Music Heritage Trail

The Committee considered a report from the Economic Development and Regeneration Officer (Place) which presented the draft art strategy guidance and outlined the concept, proposals and aims of the project.

Members were taken through the report and art strategy guidance by the Economic Development and Regeneration Officer (Place) and the Arts and Play Development Officer. The Committee discussed the potential logo designs and agreed a guitar should be incorporated into the preferred option logo.

Members welcomed the project and looked forward to further progress updates.

Agreed: Recommend to Cabinet that the document, as attached at Appendix 1 to the report to the Overview and Scrutiny Committee, be approved for consultation.

OS.61 Work Programme

The Chairman advised that Inspector Edd Williams would be attending the February meeting for the Annual Crime and Disorder update, and Poverty in Wyre Forest district would be discussed at the March 2015 meeting.

Agreed: The work programme be noted.

OS.62 Press Involvement

There were no future items for scrutiny that might require publicity.

There being no further business, the meeting ended at 7.42pm.



Overview & Scrutiny Committee

Briefing Paper

Report of: Kathryn Washington
Community Safety & Partnerships Officer
Date: Thursday, 5th February 2015
Open

Annual Crime and Disorder Review 2014/15

1. Summary

- 1.1 This report provides an update on the progress of the North Worcestershire Community Safety Partnership (CSP) during 2014/15.

2. Background

- 2.1 In May 2013, the three district CSPs in Bromsgrove, Redditch and Wyre Forest officially merged to create a single North Worcestershire CSP (NWCSP). Since July 2012 the NWCSP operated in shadow form. The community safety teams have remained with the respective local authorities.
- 2.2 Local representation on the North Worcestershire CSP is fulfilled through a number of positions. Wyre Forest District Council's Elected Member representative is the Cabinet Member for Community Wellbeing, Councillor Anne Hingley. The Council's Responsible Authority representative and also Deputy Chair is Linda Collis, Director of Community Wellbeing and Environment. The Community Safety and Partnerships Officer supports the CSP and is also the Chair of the Safer Wyre Forest Group.
- 2.3 Scrutiny arrangements for the CSP remain unchanged with local authorities continuing to have a statutory duty to scrutinise the work of its local CSP under Section 19 of the Police and Justice Act 2006.
- 2.4 Alongside the relationship the Council has with the CSP, there is also a direct role in holding the PCC to account through the established West Mercia Police and Crime Panel. Wyre Forest District Council's representative on the panel is the Cabinet Member for Community Wellbeing and Environment, Councillor Anne Hingley.

3. Key Issues

3.1 Current Position

- 3.1.1 A review of partnership arrangements in Worcestershire is due to take place in 2015. The review is currently in the planning stage and will be led by the Worcestershire Safer Communities Board.

- 3.1.2 District Operational Groups are identified as Safer District Groups and are known as Safer Bromsgrove Group, Safer Redditch Group and Safer Wyre Forest Group. The North Worcestershire Hate Incident Partnership, the Redditch and Bromsgrove Safeguarding Adults Group and the Wyre Forest Vulnerable Adults Group are sub groups of the NWCSP. The North Worcestershire CSP Structure is at Appendix One.

3.2 North Worcestershire CSP Plan

- 3.2.1 The CSP has a statutory duty to produce a three year rolling plan outlining how the Partnership intends to address key crime and community safety priorities, as identified through its annual Strategic Assessment report.

The Strategic Assessment gathers research, evidence and intelligence from national and regional sources, as well as drawing on the professional expertise of those working locally. It is designed to be a point of reference and guidance to resource community safety initiatives among partner agencies across the area.

The Strategic Assessment is currently being undertaken and a refreshed plan will be available from April 2015. The current North Worcestershire CSP priorities are:

- **Anti Social Behaviour:** Working to reduce the number of antisocial behaviour incidents and to bring perceptions in line with the downward trend in reported incidents.
- **Burglary and Home Security:** Work to promote home security to reduce incidences of dwelling and non-dwelling burglary and improve resident's feelings of safety in their home.
- **Business and Rural Crime:** To support local delivery of the West Mercia PCC's Business and Rural Crime Strategies.
- **Reducing Re-offending:** Work to tackle and increase our understanding of re-offending in North Worcestershire with continued support of the Integrated Offender Management approach.
- **Violence and Abuse:** Working to ensure residents are safe in the community and at home without having to suffer violence, domestic abuse or hate.

3.4 CSP Funding 2014/15 and beyond

- 3.4.1 In 2014/15 North Worcestershire CSP had to apply to the PCC for funding. The funding available was based on previous year's allocations. The projects funded have been:

Priority	Initiative	Amount
Supports number of priorities	NW Analytical and Research Support	£15,000
Violence and abuse	NW Domestic Abuse White Ribbon Campaign Nov-Dec 2014	£5,000
Violence and abuse	NW Black and Minority Ethnic (BME) Domestic Abuse Pilot Project	£15,000
Violence and abuse	NW Hate Incident Partnership - Activities to support Hate Crime Awareness Week October 2014	£3,000
Reducing Re-offending	NW Reducing Re-offending Activities	£5,000
Supports number of priorities	NW Tasking and Consultation Projects	£10,000
Burglary and Home Security	Safer Bromsgrove Secure Homes Initiative	£22,990
Burglary and Home Security	Safer Redditch Home Security/Sanctuary Scheme	£18,000
Supports number of priorities	Safer Redditch Safer Streets Initiative	£18,810
Supports number of priorities	Safer Wyre Forest Project Officer Support	£20,000
Anti Social Behaviour	Safer Wyre Forest Coronation Gardens Art Wall	£5,350
Supports number of priorities	Safer Wyre Forest Community Ambassadors	£5,600
Burglary and Home Security	Safer Wyre Forest Home Security Scheme	£4,540
Supports number of priorities	Safer Wyre Forest Seasonal Crime Prevention Campaigns	£2,140
	Total	£150,430

- 3.4.2 During the course of the year the PCC has invited CSPs in West Mercia to apply for additional funding towards CCTV and to support the delivery of his business and rural crime strategy. These initiatives are outlined below:

Initiative	Amount
Extension to Redditch Pubwatch Radio	£6,445
Upgrades to Redditch Monitoring Centre Equipment	£10,367.50
Contribution to new camera in Kidderminster (Comberton Hill)	£11,997.50
Underpass camera in Redditch	£12,000
Total	£40,810

Initiative	Amount
Rural/Business Crime Co-ordinator	£30,000
Street Pastors - Bewdley	£4,500
Target hardening measures to prevent unlawful incursions on business and rural land	£15,000
Provision of Crime Prevention Design Advice Training	£10,000

Initiative	Amount
Business and rural crime action fund	£20,000
Total	£79,500

3.4.3 In January 2015, the Office of the PCC began discussions with CSPs concerning funding for 2015/16. At the moment we are not in a position to say how the process will operate or how much funding will be available. However, we do know that the PCC is very much in support of CSPs and has asked that we work closely together on the following specific objectives contained in his Police and Crime Plan:

- Objective 2: To reduce the volume of violent crime with an emphasis on addressing the harm caused by alcohol through partnership working.
- Objective 3: To reduce the harm caused by drugs, with a focus on treatment, and targeting those that cause most harm.
- Objective 4: To reduce the volume of anti social behaviour incidents.
- Objective 5: To reduce reoffending and bring offenders to account.
- Objective 7: To work in partnership to support the most vulnerable people in our society.

3.5 Local Delivery - Safer Wyre Forest Group

3.5.1 Local delivery of community safety projects and initiatives falls under the remit of the Community Safety Operational Groups. In Wyre Forest, the Safer Wyre Forest Group meets on a monthly basis to monitor district performance and review local operational delivery. This group is the first point of contact for any local crime and community safety issues or concerns that may require a multi agency response.

3.5.2 Updates regarding key Safer Wyre projects are noted below:

Priority	Initiative	Commentary
Anti Social Behaviour	Coronation Gardens Arts Wall	Project completed. New artwork and benches have been installed.
Burglary & Home Security	Home Security Scheme	1 April -31 st December 38 referrals from victims of crime and those identified as vulnerable. In November 2014 Project Officer gained the College of Policing's Crime Prevention Development and Learning Programme qualification. Continue to attend events

Priority	Initiative	Commentary
		and provide crime prevention equipment direct or through partners.
Supports number of priorities	Seasonal crime prevention campaign	Project completed. Multi agency event held on 11 th December at Kidderminster Town Hall. Survey results and learning from evaluation to be taken forward.
Supports number of priorities	Community Ambassadors	Project ongoing. 46 Ambassadors in all Wyre Forest and Hagley High Schools are involved in delivering community safety messages to their peers and communities. Young Citizenship Celebration Event held on 8 th July 2014. 2015 provisional date - 8 th July.
Violence and Abuse	Domestic abuse campaign	Project completed. Comprehensive campaign conducted. Learning from evaluation to be taken forward.
Supports number of priorities	Communications	The Safer Wyre Forest Team leads on the North Worcestershire CSP website and twitter account.
Violence and Abuse	Vulnerable Adults Group	31 referrals since June 2013. Excellent multi agency commitment to the Group.

3.6 Public Space Protection Order

3.6.1 Since Summer 2014, a multi agency group has been meeting to tackle alcohol related anti social behaviour in Kidderminster Town Centre. Legislative powers are available through the Anti Social Behaviour, Crime and Policing Act 2014, such as a Public Space Protection Order. The Council has responded to a request from West Mercia Police to implement a Public Space Protection Order. Consultation is currently underway and closes on 2nd February 2015.

3.6.2 A PSPO can be designated by a local authority, where anti- social behaviour has been causing a nuisance or annoyance. In these areas, police, police

community support officers and council officers (where designated) have certain powers to help tackle such behaviour.

3.6.3 Officers can request people to stop drinking alcohol in the designated public places and ask them to surrender their drink. If people refuse they can be issued a fixed penalty notice of up to £100 and a maximum of £1000 upon prosecution. It should be noted that a PSPO does not provide an outright ban on street drinking. It is not an offence to consume alcohol in a public place; the offence is failing to comply with an officer's request.

3.6.4 The results of the consultation process will be reported to the March 2015 Cabinet with a recommendation on whether or not to proceed to make the Order for a PSPO for Kidderminster Town Centre.

3.7 North Worcestershire CSP Performance Framework

3.7.1 The North Worcestershire CSP receives a performance report at its quarterly meeting. The most recent report available is April – December 2014. The data is presented as North Worcestershire then broken down into each district. Wyre Forest's individual performance is highlighted in the report available at Appendix 2.

4. Options

4.1 That the progress made by the North Worcestershire CSP be noted.

5. Consultation

5.1 Cabinet Member for Community Wellbeing and Environment.

5.2 Director of Community Wellbeing and Environment.

6. Related Decisions

6.1 None.

7. Relevant Council Policies/Strategies

7.1 Wyre Forest District Council Corporate Plan 2014/19.

8. Implications

8.1 Resources: Staff time and funding from external budgets.

8.2 Equalities: There are no negative impacts on equality which arise as a result of the CSP and its associated activities.

8.3 Partnership working: The NWCSF Strategic Group and its delivery groups involve a number of partners at a strategic and operational level.

8.4 Human rights: No direct implications from this report.

8.5 E Government: No direct implications from this report.

8.6 Transformation: No direct implications from this report.

9. Equality Impact Needs Assessment

9.1 As this is an update report no equality impact assessment is required.

10. Wards affected

10.1 All wards and across the administrative boundaries of Bromsgrove, Redditch and Wyre Forest.

11. Appendices

Appendix One - North Worcestershire Community Safety Partnership Structure Diagram.

Appendix Two - North Worcestershire Community Safety Partnership Performance Report April - December 2014.

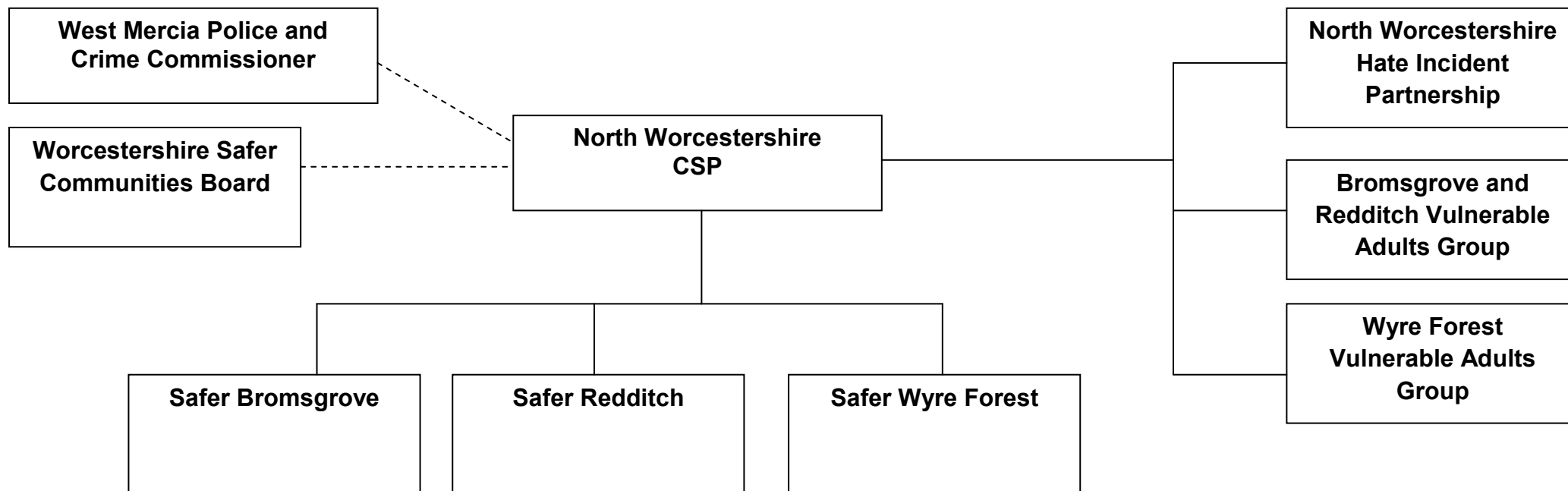
12. Background Papers

None.

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**North Worcestershire Community Safety Partnership
Structure Chart**



North Worcestershire Community Safety Partnership Performance Framework – January 2015

Introduction / Explanatory Notes

This performance report provides North Worcestershire CSP with performance information at a CSP and district level. The information provided here will be reflected in the Safer Communities Board performance report which shows county-wide, North Worcestershire and South Worcestershire information.

All data refers to year to date (unless otherwise stated) from **April 2014 up to end December 2014** with the relevant percentage change.

Report Format:

Grey cells	<ul style="list-style-type: none">• Safer Communities Board Indicators – these have been selected and agreed by the SCB. They can only be amended redefined by the SCB or its sub groups (e.g. IOM group are currently defining a local reoffending measure)
White Cells	<ul style="list-style-type: none">• These are local CSP Indicators taken from previous district level performance frameworks• These can be added to or changed as required by North Worcestershire CSP• These indicators provide information to allow the CSP to monitor performance in the priority areas identified in the strategic assessment, identify trends and provide local context to the countywide SCB indicators.
Indicator Definitions	<ul style="list-style-type: none">• The definitions for each indicator are listed from page 7 onwards

Performance Table – Year to date to 30th December 2014 (unless otherwise stated)

Priority	Measure	North Worcestershire			Bromsgrove			Redditch			Wyre Forest		
		Previous 3 year average	Latest	Change	Previous 3 year average	Latest	Change	Previous 3 year average	Latest	Change	Previous 3 year average	Latest	Change
Reducing Reoffending	TBC Based on steer from IOM strategy group												
Anti-Social Behaviour	Total no. of ASB Incidents	9632	8890	-7.7%	2363	2170	-8.2%	3430	3100	-9.6%	3839	3620	-5.7%
	ASB Environmental	868	544	-37.4%	252	150	-40.4%	305	192	-37.0%	312	202	-35.3%
	ASB Nuisance	7030	6642	-5.5%	1731	1608	-7.1%	2464	2369	-3.8%	2835	2665	-6.0%
	ASB Personal	1734	1704	-1.7%	381	412	8.2%	661	539	-18.5%	692	753	8.8%
	Youth ASB	3619	2756	-23.8%	897	724	-19.3%	1241	941	-24.2%	1481	1091	-26.3%
	Alcohol ASB	1705	1380	-19.0%	416	295	-29.0%	624	433	-18.3%	665	652	-1.9%
	Perception of ASB as a Problem (NI17) ¹	10.1%	12.8%	2.7%	6.00%	9.17%	3.2%	17.10%	10.49%	-6.6%	8.90%	18.59%	9.7%
Violence & Abuse (Hate Crime)	Total Hate Crime ⁷	131	118	-9.7%	19	20	7.1%	57	42	-26.7%	55	56	2.4%
	Disability Hate Crime		6			1			3			2	
	Race Hate Crime		97			17			33			47	
	Religion Hate Crime		3			0			2			1	
	Sexual Orientation Hate Crime		19			3			7			9	
	Transgender Hate Crime		1			0			1			0	
	Prejudice Lifestyle Hate Crime		4			0			4			0	
	Hate Crimes Reported to the Local Authority ⁸	0	33	Increase from 0	0	11	Increase from 0	0	19	Increase from 0	0	3	Increase from 0
	Crimes with Vulnerable Adult Marker	134	215	60.8%	25	50	97.4%	47	80	70.8%	65.6	85	29.4%
Violence & Abuse (Domestic Abuse)	No. of New MARAC Cases	78	77	-0.9%	20	13	-33.9%	29	26	-9.3%	31	38	21.3%
	No. of Repeat MARAC Cases	24	37	52.1%	7	0	-100.0%	9	18	100.0%	8	19	128.0%
	% Repeat MARAC Cases ¹¹	23.9%	32.5%	8.6%	26.7%	0.0%	-26.7%	23.9%	40.9%	17.0%	21.0%	33.3%	12.3%
	Total Domestic Abuse	3377	3476	2.9%	709	701	-1.1%	1259	1323	5.1%	1410	1452	3.0%
	Offences with DV Interest Marker	1084	1186	9.4%	218	234	7.2%	400	418	4.5%	466	534	14.6%
	Incidents (Calls for Service)	2293	2290	-0.1%	490	467	-4.8%	859	905	5.4%	944	918	-2.8%
	% Victims supported at court (of those within the court process) ⁵	63%	47%	-25.4%									
	DVPNs Issued ³	1	0	-100.0%									

Priority	Measure	North Worcestershire			Bromsgrove			Redditch			Wyre Forest		
		Previous 3 year average	Latest	Change	Previous 3 year average	Latest	Change	Previous 3 year average	Latest	Change	Previous 3 year average	Latest	Change
Violence & Abuse (Drugs & Alcohol)	Alcohol-related Recorded Crimes	2027	1768	-12.8%	455	342	-24.9%	679	556	-18.2%	892	870	-2.5%
	Alcohol related admissions for under 18s ^{2,9}	133	116	-12.8%	33	28	-15.2%	59	47	-20.3%	41	41	0.0%
	% completing Structured Alcohol Recovery Programme ^{4,9}	20.9%	24.4%		Note: previous refers to Apr 13 – Jun 13, latest refers to Apr 13 - Sept 13								
	% completing Structured Drug Recovery Programme ^{4,9}	4.8%	6.1%		Note: previous refers to Apr 13 – Jan 14, latest refers to Full year Apr 13 - Mar 14. Equivalent full year figure for 2012/13 was 6.9%.								
	NTE Crime	482	332	-31.1%	104	46	-55.9%	155	99	-36.0%	223	187	-16.0%
Crime	Total Recorded Crime	12102	11498	-5.0%	3229	3155	-2.3%	3975	3545	-10.8%	4898	4798	-2.0%
	Assault without Injury	1493	1109	-25.7%	300	226	-24.8%	580	404	-30.3%	613	479	-21.8%
	VAP with Injury	1277	1247	-2.4%	291	279	-4.2%	462	423	-8.5%	524	545	4.1%
	Dwelling Burglary	529	512	-3.2%	191	171	-10.5%	136	159	17.2%	202	182	-10.0%
	Non-Dwelling Burglary	847	900	6.3%	252	249	-1.3%	196	254	29.4%	398	397	-0.3%
	Total Criminal Damage	1926	1545	-19.8%	443	414	-6.5%	683	510	-25.3%	800	621	-22.4%
	Theft from Motor Vehicle	1012	1102	8.9%	316	379	19.8%	289	224	-22.6%	406	499	22.8%
	Theft of Motor Vehicle	285	261	-8.4%	90	93	3.7%	67	64	-4.5%	128	104	-19.0%
	Robbery	94	83	-11.4%	24	21	-12.5%	44	26	-41.4%	27	36	35.0%
	Serious Sexual Offences	166	246	48.5%	34	42	22.9%	69	82	18.8%	64	122	91.6%
	Shoplifting	1072	1355	26.4%	210	245	16.7%	407	494	21.4%	455	616	35.4%
	Metal Theft	312	104	-66.6%	60	29	-51.9%	90	30	-66.5%	162	45	-72.2%
	Arson	80	63	-21.6%	15	16	4.3%	39	25	-35.3%	26	22	-16.5%
	Deliberate Fires	255	194	-23.9%	69	59	-14.5%	92	75	-18.2%	94	60	-36.4%
Project Indicators (Wyre Forest)	ASB Incidents ¹⁰ – Coronation Gardens										55	82	+27
	Home Security Assessments ⁶										April to December – 38		
Project Indicators (Redditch)	Home Security Assessments ¹²							No data	39	-			
	Sanctuary Scheme Assessments ¹²							No data	13	+0			
Project Indicators (Bromsgrove)	% burglary victims offered a home security pack ¹³				No data	64.9%	-						

¹ The latest figure is from the May 2014 Viewpoint survey. Previous refers to November 2013.

² Previous refers to pooled data for 2009/10 to 2011/12. Latest refers to pooled data for 2010/11 to 2012/13

³ Data to submitted quarterly – latest refers to quarter 3 2014/15. Previous refers to quarter 2 2014/15.

⁴ Based on locality office rather than local authority of residence due to data accuracy being greater. The calculation is based on the percentage of the total treatment population achieving recovery.

⁵ Figure for Worcestershire as a whole and is not yet split into south and north Worcestershire. Latest represents quarter 1 2014/15. Previous represents quarter 4 2013/14.

⁶ Assessments due to begin in September. 6 referrals already received as at end June 2014.

⁷ A hate crime can contain more than one, or no, hate crime markers (race, disability, etc.). Therefore the total number of hate crimes may be larger or smaller than the sum of the markers. Also note that this total is a total of the hate crimes as defined by the Home Office definition and does not include police recorded 'crime/incidents'.

⁸ Hate Crimes Reported to Local Authority – Data covers April –September 2014. There was no data reported during 2013/14 to offer a comparison.

⁹ It is not possible to produce an average for this data

¹⁰ Latest is April – December 2014, Previous is April – December 2013.

¹¹ Changes in % of repeat MARAC cases are expressed as percentage point (pp) differences from the 3 year average.

¹² 39 referrals received to date since 01/04/14, 12 cases where security improvements completed or offered in the same period, 6 cases where works either in order or due to be commissioned and 16 surveys carried out.

¹³ Latest represents 37 of the pilot 57 burglary victim's addresses have been visited and offered a home security pack as at end September 2014.

North Worcestershire CSP Performance Indicators – Definitions

Grey shaded cells indicate Safer Communities Board indicators, white shaded cells are CSP specific indicators

Theme	Measure (as it appears in the table)	Description / Definition	Source
Reducing Re-Offending	TBC Based on steer from IOM strategy group		
Anti-Social Behaviour	Total no. of ASB Incidents	Total number of anti-social behaviour incidents recorded by West Mercia Police	West Mercia Police
	ASB Environmental	Number of ASB incidents recorded under: "Environmental" category	West Mercia Police
	ASB Nuisance	"Nuisance" category	
	ASB Personal	"Personal" category	
	Youth ASB	ASB incidents with youth qualifier (720) or where log text contains one or more of the youth key words (youth, young, child, kid, underage, under age, teen, lad (not lady), boy (not boyf), girl (not girlf))	West Mercia Police
	Alcohol ASB	ASB incidents with alcohol qualifier (710) or where log text contains one or more of the alcohol key words (drink, drunk, alcohol, intoxicated, public house, licensed premise, wine, beer, cider, vodka, lager, spirit)	West Mercia Police
	Perception of ASB as a Problem	Percentage of residents who perceive ASB to be a problem in their area	Worcestershire Viewpoint Survey
Violence & Abuse (Hate Crime)	Total Hate Crime	Number of recorded crimes with a "racially or religiously aggravated" offence title, or where a hate crime interest marker has been applied	West Mercia Police
	Disability Hate Crime	Number of hate crimes where type of hate is recorded as: "disability"	West Mercia Police
	Race Hate Crime	"race"	
	Religion Hate Crime	"religion"	
	Sexuality Hate Crime	"sexuality"	
	Transgender Hate Crime	"transgender"	
	Prejudice Lifestyle	"Prejudice Lifestyle" – hate based on alternative lifestyles or subculture	
	Hate Crimes Reported to the Local Authority	Number of hate crimes reported to the local authority	Hate Incident Partnerships
Violence & Abuse (Domestic Abuse)	Crimes with Vulnerable Adult Marker	Number of recorded crimes given the Vulnerable Adult (VA) Interest Marker	West Mercia Police
	No. of New MARAC Cases	Number of new MARAC cases	MARAC Coordinator
	No. of Repeat MARAC Cases	Number of Repeat MARAC cases	
	Percentage Repeat MARAC Cases	Percentage of total MARAC cases that were repeats	
	Total Domestic Abuse	Recorded crimes and incidents given a Domestic Abuse interest marker or action code.	West Mercia Police
	Offences with DV Interest Marker	Number of recorded crimes defined as domestic abuse related (definition as above)	West Mercia Police
	Incidents (Calls for Service)	Number of incidents or calls to service defined as domestic abuse related (i.e. where no crime was recorded but police attended / were informed of an incident)	West Mercia Police

Theme	Measure (as it appears in the table)	Description / Definition	Source
	% victims supported at court (out of those within court process.)	% of victims who had support from an IDVA (Independent Domestic Violence Advocate) at court	West Mercia Women's Aid
	DVPNs Issued	Number of Domestic Violence Prevention Notices issued. DVPN is the initial order issued by the police in order to provide emergency protection to an individual believed to be the victim of domestic violence immediately after an attack, by preventing the perpetrator from contacting the victim or returning to their home. For more information see http://www.homeoffice.gov.uk/crime/violence-against-women-girls/domestic-violence/dv-protection-orders/	West Mercia Police
Violence & Abuse (Drugs & Alcohol)	Alcohol-related Recorded Crimes	Criminal offences given the "AI" (alcohol involved) interest marker, or where the log text includes one or more of the alcohol key words (drink, drunk, alcohol, intoxicated, public house, licensed premise, wine, beer, cider, vodka, lager, spirit)	West Mercia Police
	Alcohol related admissions for under 18s	Alcohol related hospital admissions for those aged below 18 years of age.	Public Health
	% completing structured Alcohol Recovery Programme	% of Service Users who start a structured Alcohol Recovery Programme and who are discharged having achieved recovery	JCU – Drug & Alcohol
	% completing structured Drug Recovery Programme	% of Service Users who start a structured Drug Recovery Programme and who are discharged having achieved recovery	JCU – Drug & Alcohol
	NTE Crime	Number of Night Time Economy related crimes (assaults, public order offences, sexual offences, drug offences and criminal damage) occurring within town centre areas between 8 p.m. and 5:59 a.m.	West Mercia Police
Crime	Total Recorded Crime	Total number of criminal offences recorded by West Mercia Police (based on date record created)	West Mercia Police
	Assault without Injury	Includes assault without injury (common assault), assault without injury on a constable, and racially aggravated assault without injury	West Mercia Police
	VAP with Injury	Broadly including assault with injury (including racially aggravated offences), wounding, murder, attempted murder, manslaughter, causing death by dangerous or careless driving.	West Mercia Police
	Dwelling Burglary	Burglary in a dwelling offences, including attempts, aggravated offences and Distraction Burglary	West Mercia Police
	Non-Dwelling Burglary	Burglary in a building other than a dwelling, including aggravated and attempted offences	West Mercia Police
	Total Criminal Damage	Including all types of criminal damage (to a dwelling, non-dwelling, vehicle, to other property), racially aggravated offences and arson	West Mercia Police
	Theft from Motor Vehicle	Theft from a motor vehicle	West Mercia Police
	Theft of Motor Vehicle	Theft or unauthorised taking of a motor vehicle (including aggravated offences) and attempted	West Mercia Police

Theme	Measure (as it appears in the table)	Description / Definition	Source
		offences.	
	Robbery	Robbery of business or personal property	West Mercia Police
	Serious Sexual Offences	Broadly including indecent assault, sexual assault, rape, unlawful sexual intercourse and trafficking for sexual exploitation	West Mercia Police
	Shoplifting	Shoplifting offences	West Mercia Police
	Metal Theft	Recorded offences where the property stolen is recorded as: cables/wires/sockets, fixtures/fittings including boilers, kitchen & bathroom fixtures & cupboards, metal roller shutter, pipes/plumbing/guttering, tiles/roof slates/lead flashing, metal, scrap metal.	West Mercia Police
	Arson	The criminal act of setting a fire with intent to destroy or damage property belonging to another.	West Mercia Police
	Deliberate Fires	Fires where the cause is one that could be reasonably supposed to be started deliberately (but not necessarily with malicious intent). The cause of a fire is determined by the officer in charge at an incident based on the evidence available to them.	Hereford & Worcestershire Fire & Rescue Service
Project Indicators (Wyre Forest)	ASB Incidents – Coronation Gardens	Number of anti-social behaviour incidents reported for Coronation Gardens. Previous is the same period in the previous year.	West Mercia Police
	Home Security Assessments	Number of Home Security Assessments completed. Updated quarterly.	Community Safety Team
Project Indicators (Redditch)	Home Security Assessments	Number of Home Security Assessments completed. Updated quarterly.	Community Safety Team
	Sanctuary Scheme Assessments	Number of Sanctuary Scheme assessments and upgrades undertaken. Updated quarterly.	Community Safety Team
Project Indicators (Bromsgrove)	% burglary victims offered a home security pack	% of burglary victims offered a home security pack. Updated quarterly.	Community Safety Team
Project Indicators (North Worcs)	Offenders taking part in activities to reduce reoffending	Number of offenders taking part in activities to reduce their reoffending through the Reducing Reoffending Activities Scheme. Updated quarterly.	Community Safety Team



Overview & Scrutiny Committee

Briefing Paper

Report of: Rhiannon Foxall, Business Improvement Officer
Date: Thursday 5th February
Open

How Are We Doing? Performance Update

1. Summary

- 1.1 To update Members on the performance of the Council for Quarter 3 (from 1st October 2014 to 31st December 2014).

2. Background

- 2.1 Performance management is instrumental in all council activities as it helps us to keep track of how well we are performing and enables any potential issues to be identified at an early stage so remedial action can be taken. It also informs our decision making processes which underpin the delivery of our Corporate Plan 2014-19.
- 2.2 The Council has a number of processes in place to monitor our performance including:
- Corporate Plan Actions
 - Corporate Risks and associated actions
 - Leading Measures
 - Lagging Measures

3. Progress

- 3.1 [Appendix 1](#) is an exception report for all of our purposes (People, Place, Housing, Planning, Business, Enabling)
- 3.2 [Appendix 2](#) is a detailed report of performance against our purpose of 'Place'.

4. Key Achievements/Issues

- 4.1 Listed below are the actions appear in the exception report as they are either overdue or require checking. For each action an explanatory note has been provided to explain what work is currently being undertaken with this project and when it is likely to be back on track.

- **Wyre Forest House**

DHJH and Worcestershire Regulatory Services due to take up occupation in February and March respectively. Supplementary heating – the gas pipe installation commenced on 17 January and was completed on 20 January. The supply cannot be commenced until the gas meter has been installed by British Gas. The gas boilers have been installed. Testing and commissioning will happen as soon as the supply is available. This will be complete by end of February but may be sooner depending on the installation of the meter. Remedial work on car park due to commence on 2 February and to be completed over six weeks (weather dependant).

- **Implementation of CHRIS21 HR System**

The systems went live in December for all office based staff as planned in readiness from the January 2015 payroll. Extra validation procedures are in place while the new system embeds to provide appropriate assurance. This closes the first phase of this system development. Further phases will follow and will be reported separately in due course.

- **Public Toilets**

Final consultation underway seeking any other interested organisations who may wish to take over Broadwaters Toilets with a supporting grant prior to planned closure 31st March 2105. Due date amended to 31st March 2015.

- **Bewdley Medical Centre**

Work is nearing completion in Dog Lane car park to create additional parking spaces that will help to compensate for the loss of spaces when the work begins on the construction of the new medical centre which is currently expected to commence on 30th March and last for approximately 55 weeks. Similar provision of additional spaces at Gardners' Meadow is held up pending the outcome of an application to designate part of the landscaped area of the car park as village green; as soon as that is resolved the additional parking spaces will be provided, assuming the village green application fails. Work is ongoing between WFDC, Matrix and NHS England to put in place the legal agreements to facilitate the exchange of land.

- **Kidderminster Town Centre Public Framework**

Steering Group met on 17th December to discuss contractor appointment and issues relating to commencement. P Casey contractor appointed; works mobilisation on site during January.

- 4.2 Action WFF 14/15 53 has recently been cancelled due to a decision being made not to undertake the 'purpose led budgets' work until after the main intervention work is complete. This action will not feature in future reports.

- 4.3 Satisfaction with refuse and recycling decreased very slightly in comparison to last year. This may be due to the Hoo Brook Recycling Centre being closed for a number of months in order for Worcestershire County Council to carry out repairs. This may have affected the public's perception of the refuse/recycling service that was offered during the year.
- 4.4 Perception of anti-social behaviour as a problem has increased considerably from last year. It is difficult to pin point a particular reason for this but it is something that will continue to be monitored closely. The North Worcestershire Community Safety Partnership is currently undertaking a strategic assessment in order to establish priorities for the coming financial year. It is therefore likely that some work around anti-social behaviour will be undertaken. It is also important to note that actual numbers of total reported anti-social behaviour incidents are on track to be lower in 2014/15 compared to 2013/14.
- 4.5 Visitor numbers to Bewdley Museum continue to rise. Between March 2013 and February 2014, the museum was visited by 145,742 people. From March 2014 to date¹, the museum has already been visited by 167,000 people. This is already an increase of visitor numbers by 14.5%. Work to encourage this increase of visitors is detailed in [Appendix 3](#).

5. Options

- 5.1 That the progress in performance for quarter 3 be noted.

6. Consultation

- 6.1 Cabinet Member for Strategy
- 6.2 Corporate Leadership Team

7. Related Decisions

- 7.1 None.

8. Relevant Council Policies/Strategies

- 8.1 Wyre Forest District Council Corporate Plan 2014 – 2019.
- 8.2 Wyre Forest Forward Transformation Framework 2014 – 2017.

9. Implications

- 9.1 Resources: No direct implications from this report.
- 9.2 Equalities: No direct implications from this report.
- 9.3 Partnership working: No direct implications from this report.
- 9.4 Human Rights: No direct implications from this report.

¹ As at 15th January 2015

9.5 E-Government: No direct implications from this report.

10. Equality Impact Needs Assessment

10.1 An equality impact assessment has been undertaken and it is considered that there are no discernible impacts on the nine protected characteristics as set out by the Equality Act 2010.

11. Wards affected

11.1 None.

12. Appendices

12.1 Appendix 1 – All purposes exception report

12.2 Appendix 2 – Full ‘Place’ report

12.3 Appendix 3 – Bewdley Museum 2014

13. Background Papers

Corporate Plan action information is available on the Council's Performance Management System, Covalent. Alternatively, reports can be requested from the Business Improvement Officer.

Officer Contact Details:

Name: Rhiannon Foxall
Title: Business Improvement Officer
Contact Number: Ext. 2786
Email: rhiannon.foxall@wyreforestdc.gov.uk

Exception report for all purposes

Those actions that are approaching their due date or are overdue



Enabling others to do what they need to do

WFF 14/15 05	Wyre Forest House	50%	
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Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2014	Ian Miller	DHJH and Worcestershire Regulatory Services due to take up occupation in February and March respectively. Supplementary heating – the gas pipe installation commenced on 17 January and was completed on 20 January. The supply cannot be commenced until the gas meter has been installed by British Gas. The gas boilers have been installed. Testing and commissioning will happen as soon as the supply is available. This will be complete by end of February but may be sooner depending on the installation of the meter. Remedial work on car park due to commence on 2 February and to be completed over six weeks (weather dependant).	26-Jan-2015

WFF 14/15 51	Implementation of CHRIS21 HR System	90%	
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Due Date	Managed By	Latest Note	Latest Note Date
30-Sep-2014	Tracey Southall	The systems went live in December for all office based staff as planned in readiness from the January 2015 payroll. Extra validation procedures are in place while the new system embeds to provide appropriate assurance. This closes the first phase of this system development. Further phases will follow and will be reported separately in due course.	21-Jan-2015

WFF 14/15 53 Purpose led budgets 0% 

Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Tracey Southall	Will be considered after main intervention work as a desktop exercise.	13-Oct-2014

Improve my local area

WFF 14/15 19 Kidderminster Town Centre Public Realm Framework 62% 

Due Date	Managed By	Latest Note	Latest Note Date
01-Oct-2015	Mike Parker	Steering Group met on 17th December to discuss contractor appointment and issues relating to commencement. P Casey contractor appointed; works mobilisation on site during January.	09-Jan-2015

Make good development happen

WFF 14/15 15 Bewdley Medical Centre 50% 

Due Date	Managed By	Latest Note	Latest Note Date
30-Apr-2016	Mike Parker	Work is nearing completion in Dog Lane car park to create additional parking spaces that will help to compensate for the loss of spaces when the work begins on the construction of the new medical centre which is currently expected to commence on 30th March and last for approximately 55 weeks. Similar provision of additional spaces at Gardners' Meadow is held up	15-Jan-2015

pending the outcome of an application to designate part of the landscaped area of the car park as village green; as soon as that is resolved the additional parking spaces will be provided, assuming the village green application fails. Work is ongoing between WFDC, Matrix and NHS England to put in place the legal agreements to facilitate the exchange of land.

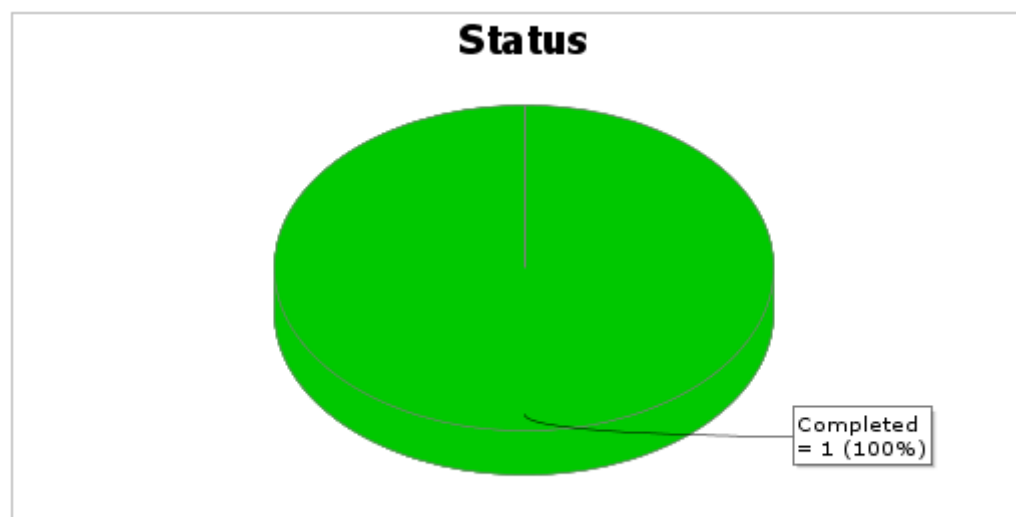
KEEP MY PLACE SAFE AND LOOKING GOOD

This report details the progress we have made against our purpose of 'keep my place safe and looking good'.



Actions

Listed below is the progress against our current major projects that support the delivery of our purpose of 'keep my place safe and looking good'.



WFF 14/15 38

Increase Garden Waste Customer Base

100%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Steve Brant	Exceeded targets by 641% and extra income contributes to the Cabinet Proposal on income generation through a more commercial approach. The drive to grow the customer base will continue	24-Oct-2014

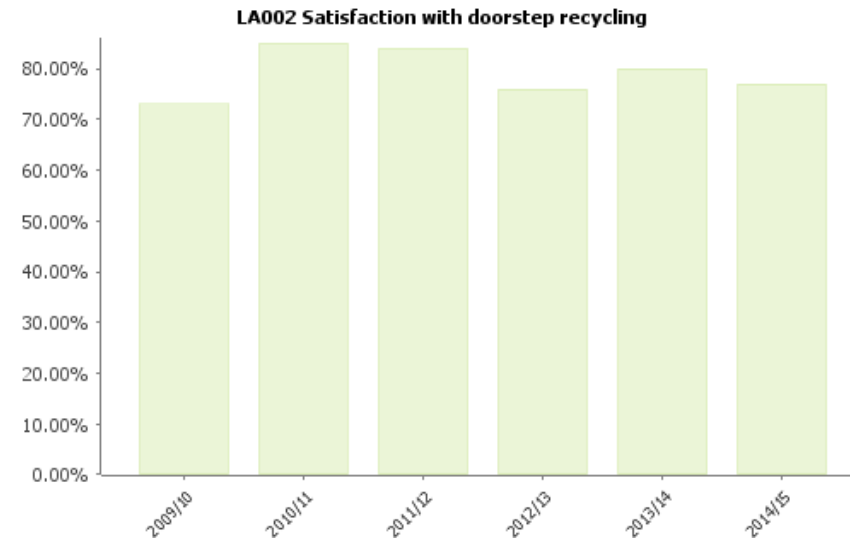
Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LA001 Satisfaction with household waste collection



LA002 Satisfaction with doorstep recycling



Current Value 77.00%

Managed By Steve Brant

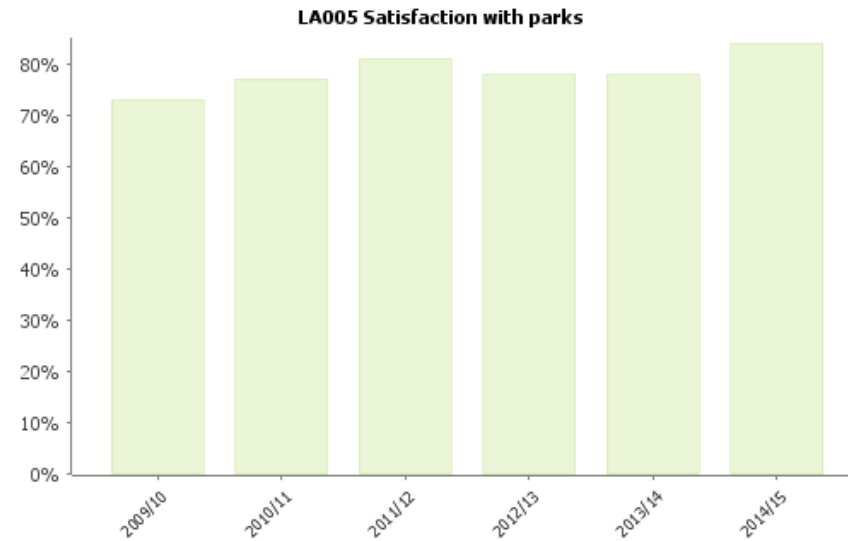
LA003 Satisfaction with street cleanliness



Current Value 48%

Managed By Steve Brant

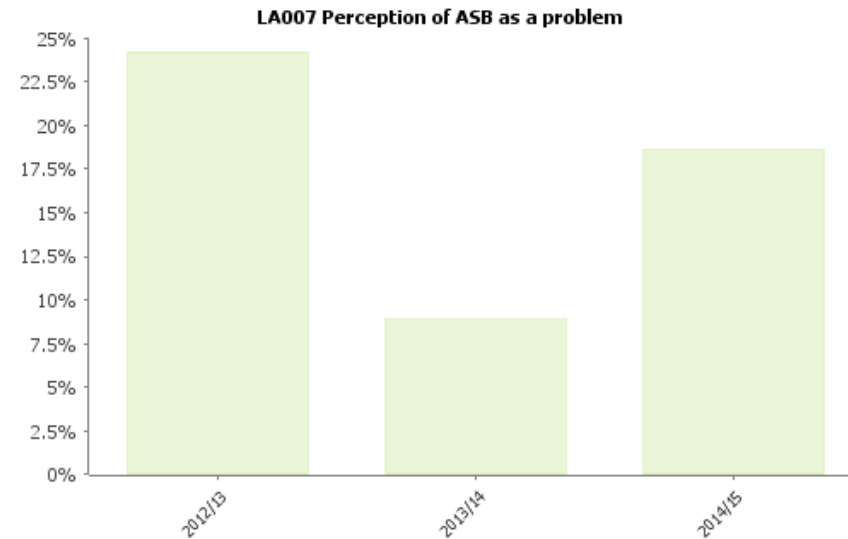
LA005 Satisfaction with parks



Current Value 84%

Managed By Steve Brant

LA007 Perception of ASB as a problem



Current Value 18.59%

Managed By Kathryn Washington

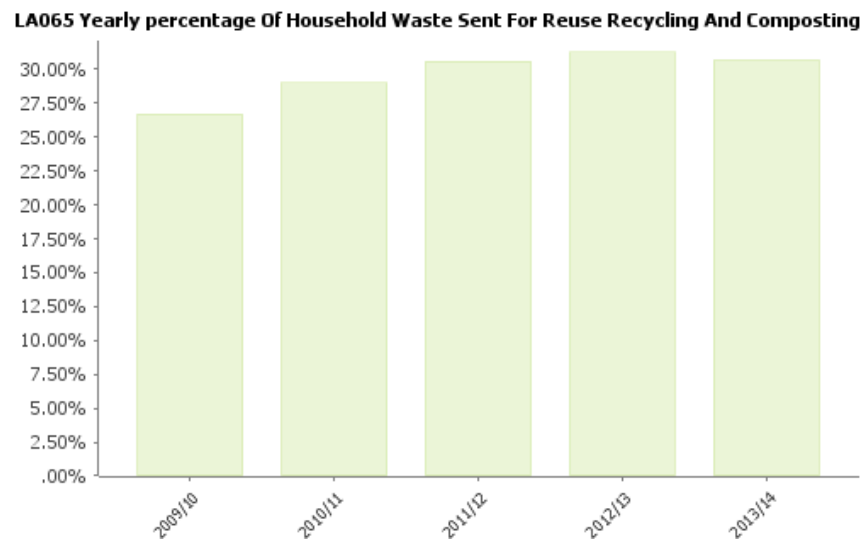
LA064 Cost of household waste /
BV086 recycling services



Current Value £38.50

Managed By Steve Brant

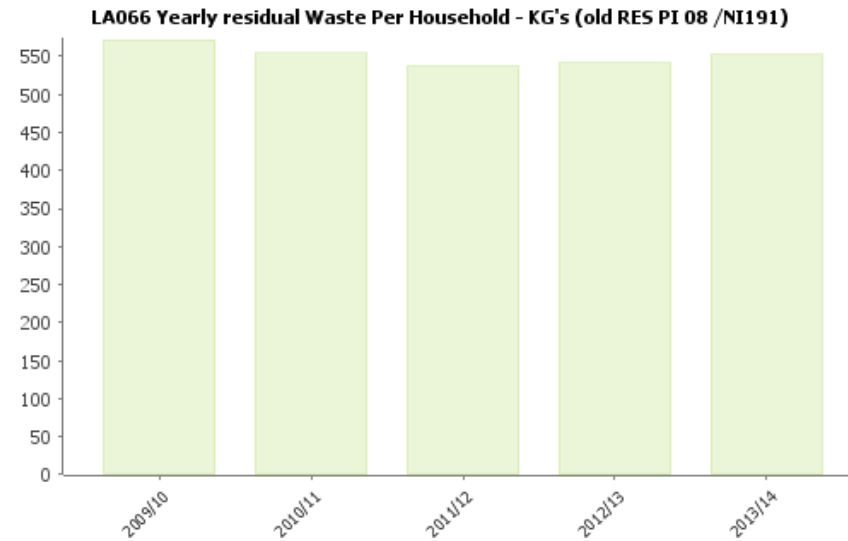
LA065 Yearly percentage Of Household
Waste Sent For Reuse Recycling
And Composting



Current Value 30.62%

Managed By Steve Brant

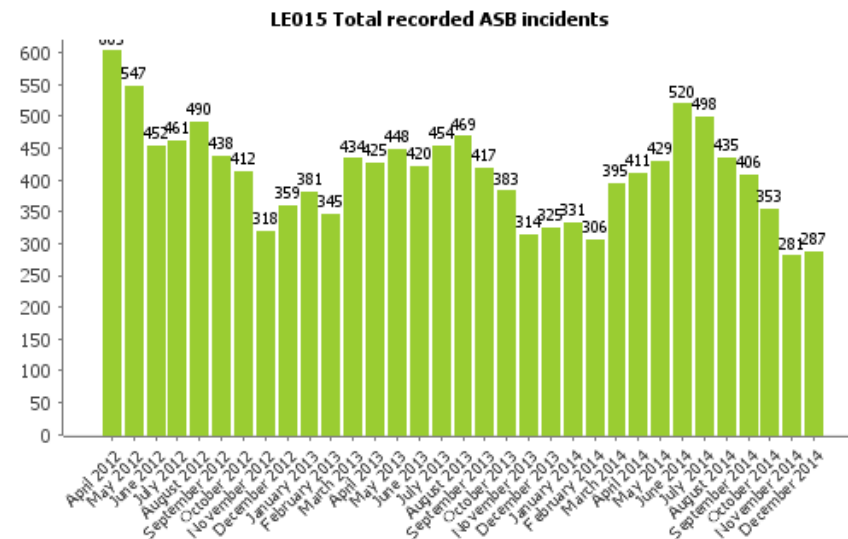
LA066 Yearly residual Waste Per Household – KG's (old RES PI 08 /NI191)



Current Value 553

Managed By Steve Brant

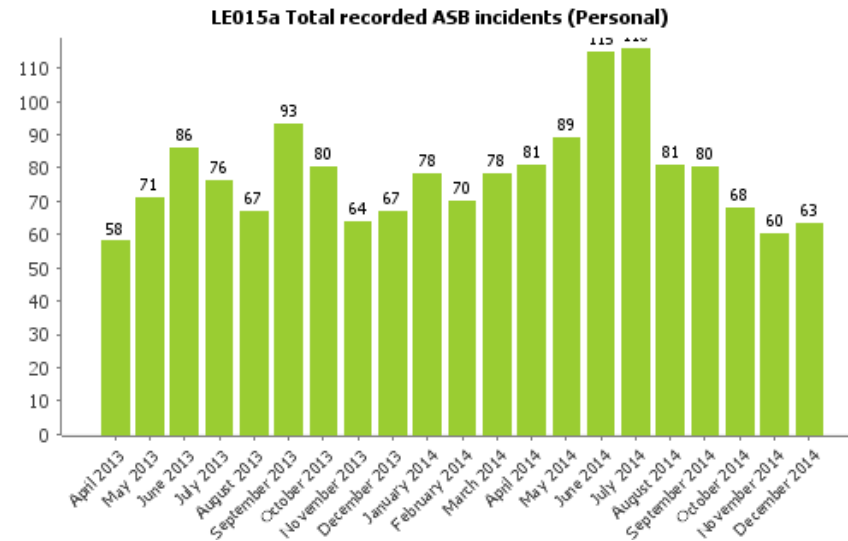
LE015 Total recorded ASB incidents



Current Value 287

Managed By Kathryn Washington

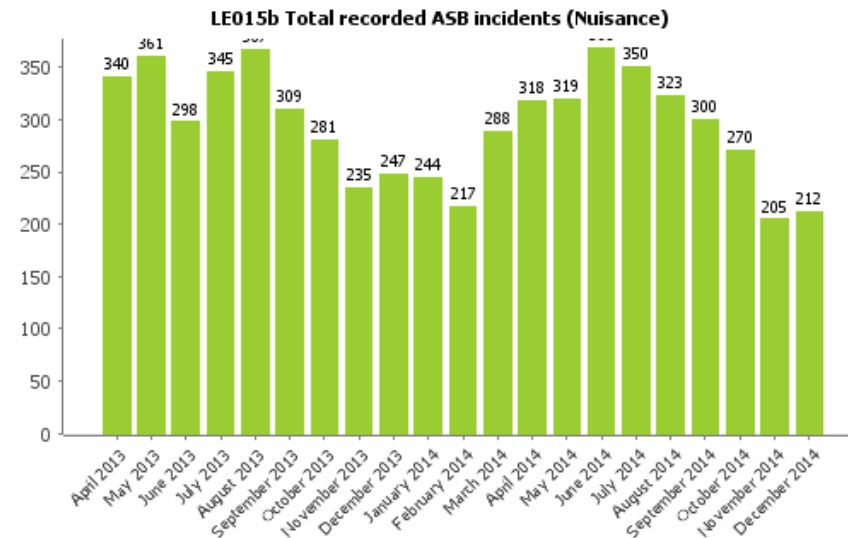
LE015 Total recorded ASB incidents
a (Personal)



Current Value 63

Managed By Kathryn Washington

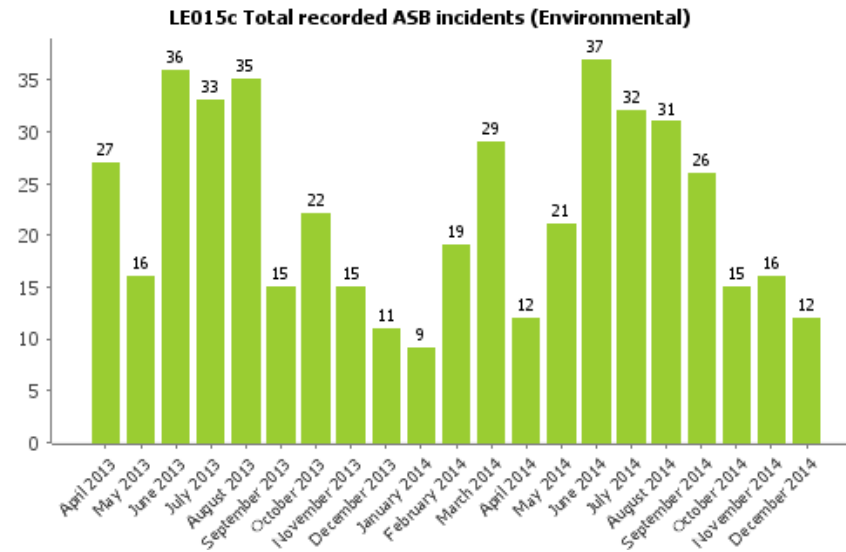
LE015 Total recorded ASB incidents
b (Nuisance)



Current Value 212

Managed By Kathryn Washington

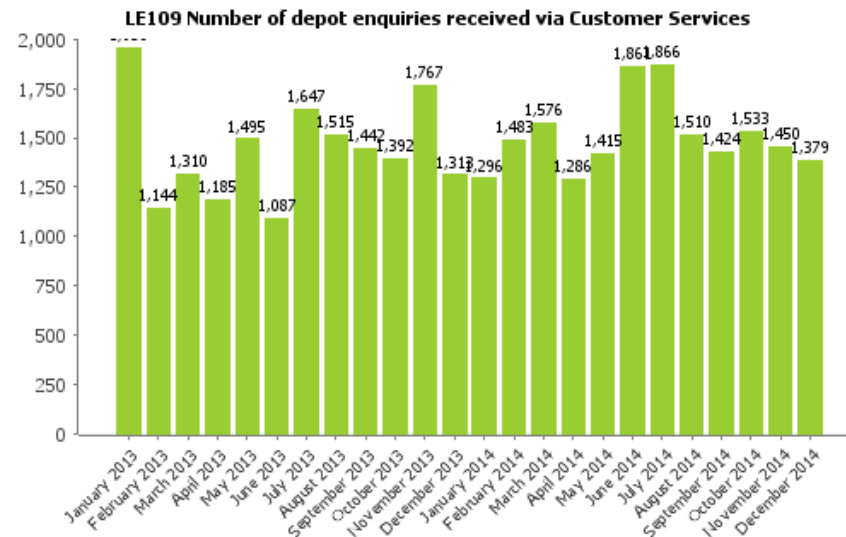
LE015 Total recorded ASB incidents
c (Environmental)



Current Value 12

Managed By Kathryn Washington

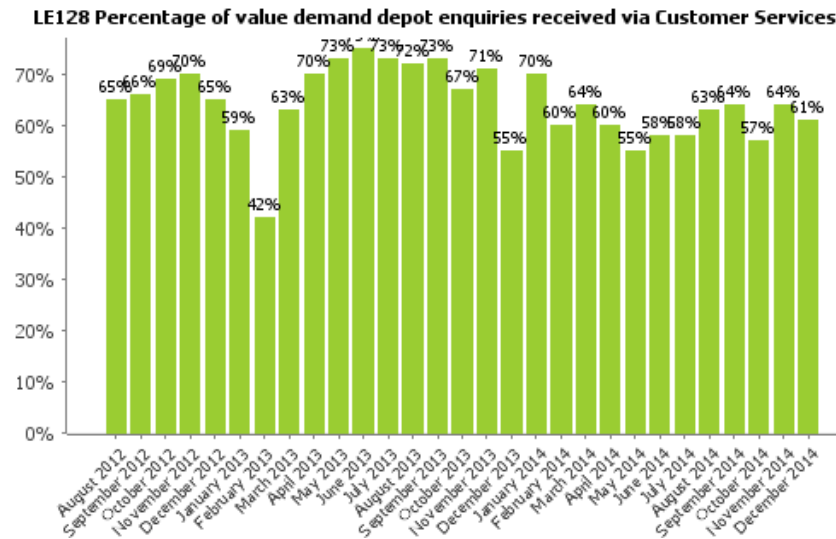
LE109 Number of depot enquiries received via Customer Services



Current Value 1,379

Managed By Steve Brant

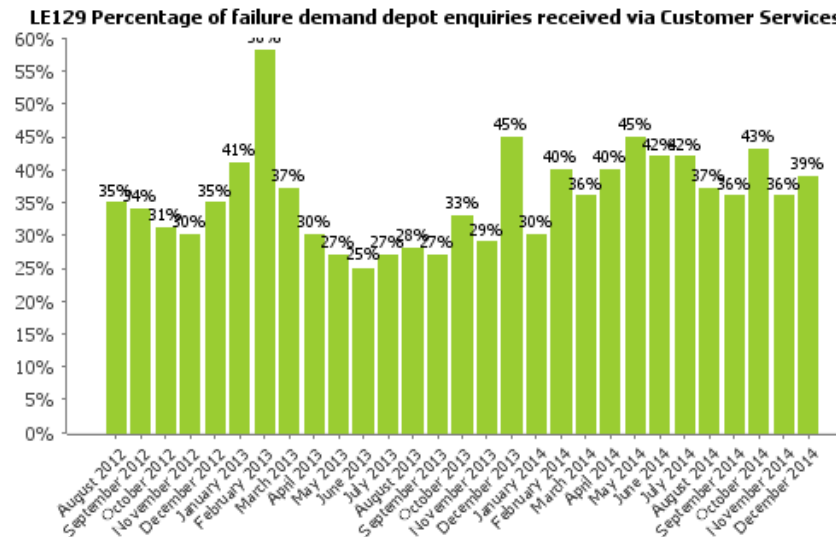
LE128 Percentage of value demand depot enquiries received via Customer Services



Current Value 61%

Managed By Steve Brant

LE129 Percentage of failure demand depot enquiries received via Customer Services



Current Value 39%

Managed By Steve Brant

Cross cutting Actions

Listed below are primary actions for other purposes but also impact on this purpose:

WFF 14/15 19

Kidderminster Town Centre Public Realm Framework

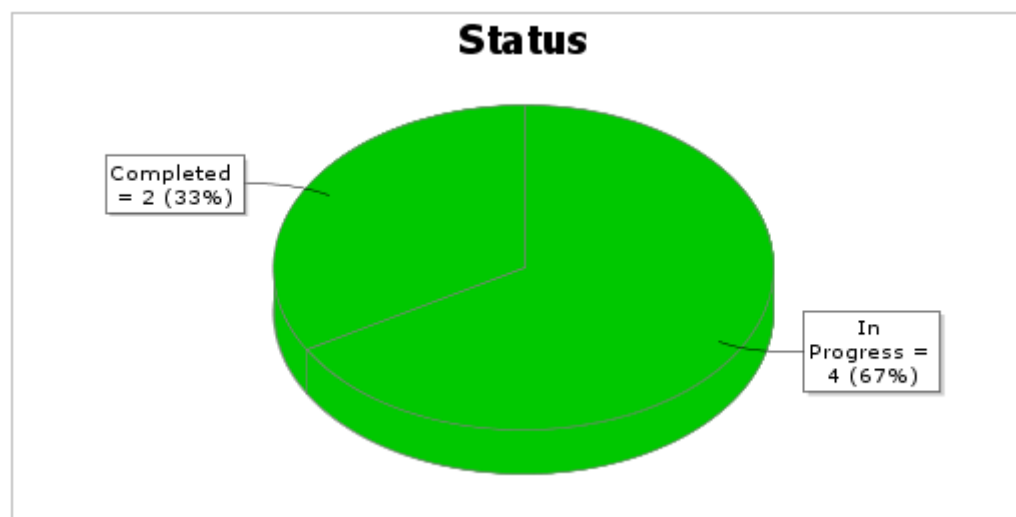
ENSURE THAT THERE ARE GOOD THINGS FOR ME TO DO, SEE AND VISIT

This report details the progress we have made against our purpose of 'ensure that there are good things for me to do, see and visit'.



Actions

Listed below is the progress against our current major projects that support the delivery of our purpose of 'ensure that there are good things for me to do, see and visit'.



WFF 14/15 39

Strategic Review of Paddling Pools – closure if uneconomically viable to repair

100%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Linda Collis	Review of district provision has been undertaken and all paddling pools will be open for summer holiday period and a further review will take place next April.	03-Jul-2014

WFF 14/15 40

Town Hall in Kidderminster

75%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Kay Higman	Preparatory work ongoing for HLF bid and systems and processes updated. Final report due March 2015.	12-Jan-2015

WFF 14/15 41

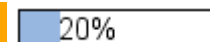
Transfer of playing pitches



Due Date	Managed By	Latest Note	Latest Note Date
30-Sep-2014	Kay Higman	Leases have been agreed and transfer on target. Press release issued and users have taken over management and maintenance of pitches.	29-Sep-2014

WFF 14/15 42

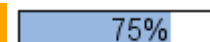
Arts, events, sports and leisure



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Kay Higman	Alternative management vehicles e.g. a Trust or similar, currently being explored and more work required with external expertise (percentage reviewed accordingly).	12-Jan-2015

WFF 14/15 43

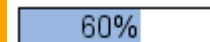
Public toilets



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Linda Collis	Final consultation underway seeking any other interested organisation who may wish to take over Broadwaters Toilets with a supporting grant prior to planned closure March 31st 2105. Due date amended to 31st March 2015.	20-Jan-2015

WFF 14/15 44

Bewdley Museum Development

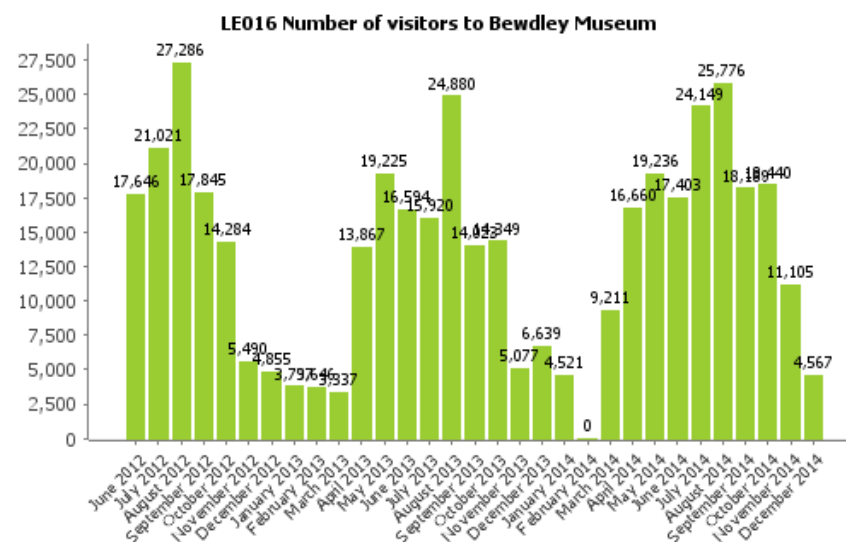


Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2015	Kay Higman	Feasibility being finalised. Final report due February 2015.	12-Jan-2015

Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LE016 Number of visitors to Bewdley Museum



Current Value 4,567

Managed By Kay Higman

Cross cutting Actions

Listed below are primary actions for other purposes but also impact on this purpose:

WFF 14/15 07	New Leisure Centre
WFF 14/15 30	Stourport Canal Basins

Cross cutting measures

Listed below are primary measures for other purposes but also impact on this purpose:

LA028	National survey on participation rates – Sport England
LA029	Percentage of people whose quality of life and sense of wellbeing has improved as a result of Cultural Activities
LE033	Participation rates in sport/leisure facilities
LE033a	Participation rates in sport/leisure facilities – Glades
LE033b	Participation rates in sport/leisure facilities – Stourport
LE033c	Participation rates in sport/leisure facilities – Bewdley

Bewdley Museum 2014

Our 2013/14 season has been the most successful to date in terms of visitor numbers 168,479 and opportunities to generate income.

The museum is now a popular venue offering many differing experiences for new and regular visitors from near and far. There are many factors that contribute to this but some of the highlights are;

- A new community exhibition space in the saw yard, this freed up retail space in the entrance which enabled us to stock more items generating more sales.
- We had a hugely successful WW1 exhibition and event which attracted 7000 visitors
- We had new operators in our cafe at the beginning of the season; this has proved to be a great success. The new team offer fresh and original food, they are focused on the customer experience and quality and this has brought in regular customers. As part of the new contract we now benefit from the increased rental income plus a percentage of day to day income and a higher percentage of joint events income. Many visitors have commented on the quality of the food and the fantastic setting of the Shambles cafe. This year we applied for an alcohol license allowing us to serve local beers, wines and cider from our cafe and shop area. Needless to say that has proved to be popular.
- We have developed our education and groups programmes this year with children on site for blitz and evacuation, river and rail plus bespoke combinations of workshops. We also cater for walking groups, groups with learning disabilities and groups of tourists asking for guided tours. We have had groups of 90 children on site on some occasions and seen all of these growing in popularity.
- Our activities programme for children in the school holidays is extremely popular, regularly attracting 60 children per day. These as with all of our education groups generate income for us. They also bring in parents and grandparents who shop, have coffee or just wander into one of our exhibitions.
- The shop at the front of the museum has been revamped within its limited current layout, the TIC staff introduced late night shopping at Christmas and have started to have taster days for apple juice and chutneys that are sold in there.
- Our air raid shelter and herb garden have both been mentioned in evaluation on site. The volunteers manning the shelter have made visitors feel welcome and informed. The garden has proved popular as a place to sit and relax and also our growing collection of common and unusual herbs has become popular with horticultural enthusiasts.
- Finally the numbers attending events on site continues to grow, we had 20 events throughout the season attracting over 25,000 visitors. On some of our lovely summer days the daily figure was 1000 visitors and these happened more this year than any other year despite previous good summers.

From our own on site evaluations and trip advisor comments we know that our helpful and friendly staff along with the variety of activities on offer ranks high in the range of positive comments that we receive.

Alison Bakr
Museum Development Officer
January 2015

WYRE FOREST DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE
5TH FEBRUARY 2015

Treasury Management Strategy 2015/16

OPEN	
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Chief Financial Officer
CONTACT OFFICERS:	Tracey Southall - Ext. 2100 tracey.southall@wyreforestdc.gov.uk Lisa Hutchinson - Ext. 2120 lisa.hutchinson@wyreforestdc.gov.uk
APPENDICES:	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 Appendix 9 – Capita Asset Services Weekly Credit List (Counterparty List as at 9 th January 2015)

1. PURPOSE OF REPORT

- 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 2015/16 to 2017/18 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 2015 to 31st March 2016 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 2015 to 31st March 2016 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 Policy Statement for the period 1st April 2015 to 31st March 2016 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 28th January 2015, who commended to the Overview and Scrutiny Committee to recommend that February 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. RECOMMENDATIONS

Overview and Scrutiny Committee recommends to Council to:

- 2.1 **Approve the restated Prudential Indicators and Limits for the financial years 2015/16 to 2017/18 included in Appendix 3. These will be revised for the February 2015 Council meeting, as per paragraph 7.3 of this report, following any changes to the Capital Programme brought about as part of the budget process.**
- 2.2 **Approve the updated Treasury Management and Investment Policy and Strategy Statements for the period 1st April 2015 to 31st March 2016 (the associated Prudential Indicators are included in Appendix 3 and the detailed criteria is included in Section 10 and Appendix 5).**
- 2.3 **Approve the Minimum Revenue Provision (MRP) Statement that sets out the Council's policy on MRP included in Appendix 1.**
- 2.4 **Approve the Authorised Limit Prudential Indicator included in Appendix 3.**

3. **BACKGROUND**

- 3.1 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.
- 3.2 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.

3.3 **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."

3.4 **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 updates 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.

3.5 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.

3.6 Treasury Management Strategy for the period 1st April 2015 to 31st March 2016

The strategy for 2015/16 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.

4. TREASURY LIMITS FOR THE PERIOD 1st APRIL 2015 to 31st MARCH 2016

- 4.1 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.
- 4.2 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’.
- 4.3 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.

5. CURRENT PORTFOLIO POSITION

5.1 The Council's treasury portfolio position at 9th January 2015 comprised:

Investments Held With	As at 9 th January 2015 £	Average Rate of Return	Duration
Lloyds TSB Bank	8,030	0.40%	Instant Access
Santander	2,535,000	0.40%	Instant Access
Ignis Money Market Fund	2,725,000	Variable (0.42% on 09/01/15)	Instant Access
Black Rock Money Market Fund	2,380,000	Variable (0.42% on 09/01/15)	Instant Access
Federated Prime Money Market Fund	2,650,000	Variable (0.40% on 09/01/15)	Instant Access
Lloyds TSB Bank	1,000,000	0.80%	Fixed to 12/03/15 (9 months)
Lloyds TSB Bank	1,000,000	0.70%	Fixed to 12/01/15 (6 months)
Lloyds TSB Bank	1,000,000	0.80%	Fixed to 29/04/15 (9 months)
Nationwide Building Society	1,500,000	0.55%	Fixed to 09/02/15 (4 months)
Lloyds TSB Bank	1,000,000	1.00%	Fixed to 30/11/15 (1 year)
Barclays Bank	2,000,000	0.50%	Fixed to 03/03/15 (3 months)
Standard Chartered Certificate of Deposit (CD)	1,000,000	0.66%	Fixed to 05/06/15 (6 months)
Total £	18,798,030		

5.2 The Council had £9m invested in Icelandic Banks at the time of collapse in October 2008. In January 2014 the Council sold its Landsbanki claim and has recovered almost 97% of the £3million that it had deposited.

The table below details the latest position regarding the Council's remaining two Icelandic investments. A twelfth dividend of 1p in £, was paid by KSF on 23rd December 2014, reducing the principal investment to £875,000. Fourteen dividends have been received to date from Heritable Bank reducing the principal investment to £60,157. A full and final distribution is awaited in respect of this investment.

Bank	Original Investment £	Interest Claimed £	Total Claim £	Dividends Received £	Balance Outstanding including Interest Due £	Balance Outstanding Principal Only £
Kaupthing Singer & Friedlander	5,000,000	156,378	5,156,378	4,254,012	902,366	875,000
Heritable Bank	1,000,000	31,110	1,031,110	969,422	61,688	60,157
Total	6,000,000	187,488	6,187,488	5,223,434	964,054	935,157

6. **BORROWING REQUIREMENT**

- 6.1 The Council's Capital Financing Requirement (CFR), its underlying borrowing requirement, is detailed below. Capital expenditure was originally approved by Council on 26th February 2014; slippage in the Capital Programme is now factored into the Prudential Indicators included in this report.

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 31st March	5,539	8,724	16,872	18,153	18,463

7. **PRUDENTIAL AND TREASURY INDICATORS FOR THE PERIOD 1st APRIL 2015 to 31st MARCH 2016**

- 7.1 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.
- 7.2 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.
- 7.3 Within the Budget Report to Council in February 2015, revised Prudential Indicators 2015/16 to 2017/18 will be presented for approval (see Recommendation 2.1 of this report).

8. **BORROWING STRATEGY**

- 8.1 The Council is currently maintaining a small externally 'under-borrowed' position. This means that the underlying capital borrowing need (Capital Financing Requirement – CFR) has not previously been funded with external loan debt but has been met using cash flow funds. Up until 2013 it had 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 has now undertaken external borrowing to fund the majority of the CFR and will continue to do so for any future unsupported capital expenditure.

The Council's external borrowing position at 9th January 2015 totalled £7m, detailed below:

Lender	Date	Principal	Type	Interest Rate	Maturity
PWLB	15/03/13	£1m	Fixed interest rate	2.62%	15/03/22 (9 years)
PWLB	02/04/13	£1m	Fixed interest rate	1.52%	02/04/18 (5 years)
Market - Borough of Kings Lynn & West Norfolk	14/07/14	£2m	Fixed interest rate	0.95%	14/07/16 (2 years)
PWLB	29/07/14	£1m	Fixed interest rate	3.99%	29/07/33 (19 years)
PWLB	20/10/14	£1m	Fixed interest rate	3.54%	20/10/56 (42 years)
PWLB	02/12/14	£1m	Fixed interest rate	3.44%	02/12/39 (25 years)

8.2 Prospects for Interest Rates: View as provided by Capita Asset Services - Treasury Solutions

The Council has appointed Capita Asset Services 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 their central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

United Kingdom (UK) Gross Domestic Product (GDP) growth surged during 2013 and the first half of 2014. Since then it appears to have subsided somewhat but still remains strong by UK standards and is expected to continue likewise into 2015 and 2016. There needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy has been that wage inflation has only recently started to exceed the Consumer Price Index (CPI) inflation, so enabling disposable income and living standards to start improving. The plunge in the price of oil brought CPI inflation down to a low of 1.0% in November, the lowest rate since September 2002. Inflation is expected to stay around or below 1.0% for the best part of a year; this will help improve consumer disposable income and so underpin economic growth during 2015. However, labour productivity needs to improve substantially to enable wage rates to increase and further support consumer disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen early in 2015.

The United States (US), the biggest world economy, has generated stunning growth rates of 4.6% (annualised) in Q2 2014 and 5.0% in Q3. This is hugely promising for the outlook for strong growth going forwards and it very much looks as if the US is now firmly on the path of full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central rate increases by mid 2015.

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

- Greece: the general election on 25 January 2015 is likely to bring a political party to power which is anti European Union (EU) and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify;
- As for the Eurozone (EZ) in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The closing weeks of 2014 saw gilt yields dip to historically remarkably low levels after inflation plunged, a flight to quality from equities (especially in the oil sector), and from the debt and equities of oil producing emerging market countries, and confirmation that the European Central Bank (ECB) will commence quantitative easing (purchase of EZ government debt) in early 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns. This will be factored into all borrowing decisions.

A more detailed Capita forecast is included in Appendix 2.

8.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2015/16 treasury operations. The Chief Financial Officer 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 the anticipated rate to US tapering of asset purchases, 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 are still lower than they will be in the next few years.*

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

- 8.4 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 and other bodies as relevant, as and when required.

8.5 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.

8.6 Municipal Bond Agency

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Chief Financial Officer may consider the use of this new source of borrowing as and when appropriate and will continue to monitor progress of this new potential treasury partner. Any arrangement will be subject to compliance with the approved treasury policy in accordance with standard practice.

8.7 Property Investment Funds

Property funds are a vehicle for investing funds and diversifying investments. The Council has no investments within these types of funds, but is currently reviewing suitability of this option. Property funds should be seen as a medium to long term investment (5 years minimum) to ensure that the full benefit of the return is seen, and to also ensure that any entry and exit costs are covered over the life of the investment. Any fund of this nature incurs costs, and these vary depending on the type of fund. Property funds can provide a regular return on the initial investment amount. As a result of the increased durations required to increase the yield a revision to our treasury strategy is necessary, as set out in Appendix 5 to provide the Chief Financial Officer with the flexibility to consider the use of this non-specified investment if appropriate. Any arrangement will be subject to compliance with the approved treasury policy in accordance with standard practice.

9. DEBT RESCHEDULING

9.1 The Council commenced external borrowing in January 2013. A Policy in respect of debt rescheduling is therefore required.

9.2 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

9.3 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).

9.4 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.

9.5 Any rescheduling will be reported to the Cabinet at the earliest meeting following its action.

10. ANNUAL INVESTMENT STRATEGY

10.1 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 will be security first, liquidity second and then return.

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 the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Capita ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

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

The intention of the strategy is to provide security of investments and minimisation of 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.

10.2 Creditworthiness Policy

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

Capita 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 Chief Financial Officer 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 * (credit score 1)
- Dark pink 5 years for Enhanced money market funds (EMMFs) (credit score 1.25)
- Light pink 5 years for Enhanced money market funds (EMMFs) (credit score 1.5)
- Purple 2 years (credit score 2)
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks) (credit score 3)
- Orange 1 year (credit score 4)
- Red 6 months (credit score 5)
- Green 100 days (credit score 6)
- No colour not to be used (credit score 7+)

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

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The following table shows the standard limits using the Capita Creditworthiness Policy. However, details of the limits for Specified and Non-Specified Investments applicable to this Council can be found in Appendix 5.

	Colour (and long term rating where applicable)	% Limit	Time Limit
Banks *	yellow	25%	5yrs
Banks	purple	25 %	2 yrs
Banks	orange	25 %	1 yr
Banks – part nationalised	blue	50% (subject to a maximum value of £5m, whichever is the lower) Requires Chief Financial Officer approval if greater than 25%	1 yr
Banks	red	25 %	6 mths
Banks	green	25 %	100 days
Other institutions limit	green	25 %	100 days
DMADF	AA+	unlimited	6 months
Local authorities	n/a	25 %	5 yrs
Money market funds	AAA	25%	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	25 %	Trade plus 3 days
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	25 %	Trade plus 3 days
Property Funds		25%	Up to 5 years and over

* The yellow colour category is for UK Government debt or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.

The Capita 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.

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

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 Capita 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 (CDS) 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; Capita will supply this information to the Treasury team as part of their comprehensive service.

10.3 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.

10.4 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 2 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2015/16 1.00%
- 2016/17 1.50%
- 2017/18 2.50%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

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 100 days) in order to benefit from the compounding of interest.

10.5 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.

10.6 External Fund Managers

The use of specialist investment managers be considered by the Chief Financial Officer 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 Chief Financial Officer 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) would comply with the Annual Investment Strategy. Any agreement(s) between the Council and the fund manager(s) would additionally stipulate guidelines and duration and other limits in order to contain and control risk.

11. POLICY ON THE USE OF EXTERNAL SERVICE PROVIDERS

- 11.1 The Council uses Capita Asset Services – Treasury Solutions (Capita) as its external treasury management advisers, appointed from 1st September 2010 with the current contract ending on 31st August 2015. On 3rd November 2014 the Treasury Management Review Panel endorsed the recommendation of the Chief Financial Officer to agree to progress a new contract with Capita for Treasury Management Services for a period of 3 years with an option to extend for a further 2 years. Favourable terms in line with expectation have been agreed and the new contract is currently being finalised by the Council's legal team.
- 11.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and the Chief Financial Officer will ensure that statutory Section 151 responsibilities continue to be met, in close liaison with, but without undue reliance, upon our external service providers.
- 11.3 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.

12. SCHEME OF DELEGATION

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

13. ROLE OF THE SECTION 151 OFFICER

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

14. MEMBER AND OFFICER TRAINING

- 14.1 The CIPFA Code requires the Responsible Officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. 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. The Council has addressed this important issue by:

- Annual Portfolio holder training from the Chief Financial Officer 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

15. LOCAL ISSUES

- 15.1 During the next year the funds available for investment will continue to reduce as the Council continues to progress 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 approved capital projects progress, the most significant being the Leisure Future Provision, the borrowing requirement will increase significantly over the next 18 months, as detailed in this report.
- 15.2 Historically, the most significant issue to affect the Council was 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. On 30th January 2014 the Council sold its legal claim to recover the investment it had deposited with the now insolvent estate of Landsbanki and has recovered almost 97% of the £3 million that it had deposited. Repayments in respect of the remaining two investments continue in line with expectations. The Council remains optimistic of overall recovery rates. Further details can be found in Section 5.2 of this report.

- 15.3 Over the coming years the Council is also scheduled to make disposals of assets, however, careful consideration will be made at each opportunity to ensure that the Council sells at a time that maximises the return to the authority.

16. KEY ISSUES

- 16.1 The Key Issues of this report are summarised as follows:

- The Investment Policy and Strategy Statement 2012/13 was revised by Council. 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 Chief Financial Officer. 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. This Policy has continued to date; the Chief Financial Officer has reviewed this Policy and concluded it should continue as part of the ongoing TMSS to avoid increased use of the Debt Management Office (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 continues to enter into external borrowing in accordance with the current approved TMSS. Loans outstanding as at 9th January 2015 total £7million, and this will increase in line with the CFR over the next 18 months. It is essential that we take advantage of the historically low borrowing rates, subject to cost of carry, before they start to rise again. Full details can be found in Section 8.1 of this report.

- 16.2 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 Quarter 4 of 2015, implemented over a long period. Section 10 of this report identifies the on-going sensitivity that the Council faces in relation to investment returns.

- 16.3 The Chief Financial Officer 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.

- 16.4 The financial situation facing this Council continues to be extremely challenging. The Provisional Local Government Settlement was announced following the Chancellor's Autumn Statement, on 18th December 2014. The settlement was for 2015/16 only, with austerity measures looking set to continue into the future. This one year settlement, and the prospect of the General Election in May, presents increased uncertainty and economic risk for treasury management. However, this Strategy manages this risk as set out in section 19. All relevant factors will be monitored and if the risk changes significantly then further reports will be made to update the Treasury Strategy.

- 16.5 Following the successful banking tender Lloyds Bank became the Council's bank from 1st April 2014. The Council is aware of the potential for an increasing exposure to risk as the Government progressively sells its share interest in Lloyds Bank. However, during the past year Lloyds have successfully passed both the Prudential Regulation Authority (PRA) and European Banking Authority (EBA) Stress Tests. Both tests examined the bank's ability to maintain liquidity during a succession of simulated economic scenarios and defaults. It is notable that the only UK High Street Bank to fail was the Co-operative Bank.

It is important to note that the Council would rank 5th under any bail-in order of priority (exposure) out of a list of 10, after shareholders and un-secured creditors. The exposure to risk will in future be significantly reduced by the ring fenced proposal that separates the speculative operations (casino banking) from the normal banking operations (vanilla deposits).

17. FINANCIAL IMPLICATIONS

- 17.1 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.

18. LEGAL AND POLICY IMPLICATIONS

- 18.1 The Local Government Act 2003 supplemented by Regulations set out the current 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.
- 18.2 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.

19. RISK MANAGEMENT

- 19.1 The Council is aware of the risks of passive management of the treasury portfolio. With the support of Capita, the Council's treasury advisors, the Council has proactively managed the portfolio over the year.
- 19.2 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.

- 19.3 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.
- 19.4 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.
- 19.5 There is 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 Chief Financial Officer. 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.
- 19.6 There is a risk that as the government relinquishes its stake holding in Lloyds Bank the credit agencies may react by reducing the credit rating of the Council's bank and that it may be excluded from investments under the Capita Creditworthiness Methodology. In a positive move the credit agencies have undertaken to moderate their initial response by removing sovereign support from their assessments. This should reduce the possibility of short term reductions in counterparty's creditworthiness. The response of the credit rating agencies to the continuing bank bail-in will be carefully monitored in liaison with Capita to ensure our treasury risk management does not increase beyond acceptable parameters within this policy.

20. EQUALITY IMPACT ASSESSMENT

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

21. CONCLUSION

- 21.1 See Recommendations.

22. CONSULTEES

- 22.1 Capita Asset Services – Treasury Solutions (Treasury Advisors)
- 22.2 Cabinet
- 22.3 CLT
- 22.4 Treasury Management Review Panel

23. BACKGROUND PAPERS

23.1 Local Government Act 2003.

23.2 CIPFA's Revised Prudential Code for Capital Finance in Local Authorities, 2011.

23.3 CIPFA's Revised Code of Practice on Treasury Management in the Public Services, 2011.

23.4 Local Government and Housing Act 1989.

23.5 Council 26/02/14 – Treasury Management Strategy 2014/15.
http://www.wyreforest.gov.uk/council/docs/doc48860_20140226_council_agenda.pdf

23.6 Council 24/09/14 - Annual Report on Treasury Management Services, Actual Prudential Indicators 2013/14 and Proposed Technical Revision to the Treasury Management Strategy Statement 2014/15.
http://www.wyreforest.gov.uk/council/docs/doc49414_20140924_council_agenda.pdf

23.7 Council 10/12/14 – Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2014/15.
http://www.wyreforest.gov.uk/council/docs/doc49668_20141210_council_agenda.pdf

23.8 The Prudential Code for Capital Finance in Local Authorities: Guidance Notes for Practitioners (2013 Edition).

23.9 Treasury Management Review Panel 28/01/15 – Treasury Management Strategy 2015/16.

APPENDIX 1 MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

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 Chief Financial Officer (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 Chief Financial Officer. However, under these powers delegated by Council, the Chief Financial Officer 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 Chief Financial Officer 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.

APPENDIX 2 INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by Capita Asset Services and Capital Economics (an independent forecasting consultancy).

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

Capita Asset Services Interest Rate View													
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	2.10%
6 Month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PW IB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PW IB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	-	-	-	-	-
5yr PW IB Rate													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%	-	-	-	-	-
10yr PW IB Rate													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%	-	-	-	-	-
25yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%	-	-	-	-	-
50yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%	-	-	-	-	-
Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012													

APPENDIX 3 PRUDENTIAL AND TREASURY INDICATORS

1 THE CAPITAL PRUDENTIAL INDICATORS 2014/15 – 2017/18

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 2015 as part of the Council's approval of the Financial Strategy 2015 to 2018, 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	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Chief Executive	116	1,531	210	-	-
Community Well-being and Environment	686	2,388	8,383	3,622	-
Economic Prosperity and Place	1,233	1,832	2,186	1,022	451
Vehicle, Equipment and Systems Renewals	130	576	513	348	942
Total	2,165	6,327	11,292	4,992	1,393

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	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Total	2,165	6,327	11,292	4,992	1,393
Financed by:					
Capital receipts	832	1,983	970	1,745	451
Capital grants	1,028	854	1,971	1,556	-
Revenue	10	103	-	150	-
Net financing need for the year	295	3,387	8,351	1,541	942

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.

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:

£'000	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Financing Requirement					
Total CFR	5,539	8,724	16,872	18,153	18,463
Movement in CFR	34	3,185	8,148	1,281	310

Movement in CFR represented by:					
Net financing need for the year (above)	295	3,387	8,351	1,541	942
Less MRP/VRP and other financing movements	(261)	(202)	(203)	(260)	(632)
Movement in CFR	34	3,185	8,148	1,281	310

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.

%	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Ratio	1.92	2.40	6.61	7.79	10.57

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.

£	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Council tax - band D	1.23	2.25	2.25

1.6 Current portfolio position

The Council's treasury portfolio position at 31st March 2014, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
External Debt					
Gross debt at 31st March	5,018	8,405	16,752	17,789	18,226
The Capital Financing Requirement	5,539	8,724	16,872	18,153	18,463
Under / (over) borrowing *	521	319	120	364	237

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 2015/16 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 Chief Financial Officer 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 indicator introduced in November 2012 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. The unexpected change from net to gross debt in 2012 will be unachievable for many Councils given past decisions made in full accordance with the Prudential Code. Capita's advice is that it is sufficient to disclose this as part of the Strategy review.

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	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	25,000	27,000	27,000	27,000
Other long term liabilities	-	-	-	-
Total	25,000	27,000	27,000	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	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	30,000	33,000	33,000	33,000
Other long term liabilities	0	0	0	0
Total	30,000	33,000	33,000	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.

	2015/16	2016/17	2017/18
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 2015/16			
	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 2015/16			
	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%	

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	2015/16	2016/17	2017/18
Principal sums invested > 364 days	£2m	£2m	£2m

APPENDIX 4 ECONOMIC BACKGROUND (AS PROVIDED BY CAPITA ASSET SERVICES – TREASURY SOLUTIONS (TREASURY ADVISORS))

Economic Background

4.1 Global economy

Eurozone. The Eurozone (EZ) is facing an increasing threat from weak or negative growth and from deflation. In November 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the European Central Bank (ECB) took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. The ECB has announced that it will embark on full quantitative easing (purchase of EZ country sovereign debt) in early 2015 through until late 2016.

Concern in financial markets for the Eurozone subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to Gross Domestic Product (GDP) ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the United States (US).

Greece. The general election due to take place on 25th January 2015 is likely to bring a political party to power which is anti European Union (EU) and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries which have high unemployment rates. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti austerity policies. Any loss of market confidence in either of the two largest Eurozone economies after Germany would present a huge challenge to the resources of the ECB to defend their debt.

United States of America. The US Federal Reserve (Fed) ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and 5.0% have been stunning and hold great promise for strong growth going forward. It is therefore confidently forecast that the first increase in the Fed. rate will occur by the middle of 2015.

China. Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has indicated a marginally lower outturn for 2014, which would be the lowest rate of growth for many years. There are also concerns that the Chinese leadership has only started to address an unbalanced economy which is heavily over dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession in Q2 and Q3. The Japanese government already has the highest debt to GDP ratio in the world.

4.2 UK economy

After strong United Kingdom (UK) GDP growth in 2013 at an annual rate of 2.7%, and then in 2014 0.7% in Q1, 0.9% in Q2 2014 (annual rate 3.2% in Q2), Q3 has seen growth fall back to 0.7% in the quarter and to an annual rate of 2.6%. It therefore appears that growth has eased since the surge in the first half of 2014 leading to a downward revision of forecasts for 2015 and 2016, albeit that growth will still remain strong by UK standards. For this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster than expected. The Monetary Policy Committee (MPC) is now focusing on how quickly slack in the economy is being used up. It is also particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back significantly above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Unemployment is expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in wage growth at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in consumer price inflation (CPI), reaching 1.0% in November 2014, the lowest rate since September 2002. Forward indications are that inflation is likely to remain around or under 1% for the best part of a year. The return to strong growth has helped lower forecasts for the increase in Government debt over the last

year but monthly public sector deficit figures during 2014 have disappointed until November. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated.

4.3 Capita Asset Services forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall 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 of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

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

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

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

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.

- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

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

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the economic and debt management policies adopted by the new government
- ECB either failing to carry through on recent statements that it will soon start quantitative easing (purchase of government debt) or severely disappointing financial markets with embarking on only a token programme of minimal purchases which are unlikely to have much impact, if any, on stimulating growth in the EZ.
- The commencement by the US Federal Reserve of increases in the central rate in 2015 causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities, leading to a sudden flight from bonds to equities.
- A surge in investor confidence that a return to robust world economic growth is imminent, causing a flow of funds out of bonds into equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

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 (DMADF) – UK Government	-	In-house
The Councils Own Bank - Transactional	End of day balance £1m (at the discretion of the Chief Financial Officer)	In-house
The Council’s Own Bank - Investments	Green	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 Chief Financial Officer 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. Current issues in relation to the Council's own bank are covered in the main report, paragraphs 16.5 and 19.6.

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 Capital Creditworthiness Methodology).

Council's Own Bank – For transactional purposes. 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.

Council's Own Bank – For investment purposes. Where the Council's own bankers fail to meet the basic credit criteria, it shall not be used for investment purposes.

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
Property Funds	-	Externally Managed	25%	Up to 5 years and over

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 may involve 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 currently being maintained up to 12 months, although this will be kept under review and longer term investments may be considered within the approved policy in the future. This is also applicable to the approved countries detailed in Appendix 6.

APPENDIX 6 APPROVED NON UK COUNTRIES FOR INVESTMENTS

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- 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 Capita 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

CAPITA

Asset Services

Credit List

Friday 9th January 2015



Upper Boundary (iTraxx + 50bps) 117.21

Top 5 Counterparties closest to moving FROM "Monitoring" TO "Out of Range" status

Reference	Institution	Current CDS	Proximity to Boundary	Week % Change
1	Norddeutsche Landesbank Girozentrale	104.90	12.31	0.00%
2	Standard Chartered Bank	97.05	20.16	3.13%
3	Societe Generale	96.07	21.14	1.03%
4	Macquarie Bank Limited	91.17	26.04	1.10%
5	Goldman Sachs International ~	86.36	30.85	1.60%

iTraxx Senior Financials Index + 95% Confidence Level 76.14

Top 5 Counterparties closest to moving FROM "In Range" TO "Monitoring" status

Reference	Institution	Current CDS	Proximity to Boundary	Week % Change
1	Credit Agricole SA	71.97	4.17	0.69%
2	Australia and New Zealand Banking Group Ltd	69.43	6.71	13.61%
3	BNP Paribas	68.99	7.15	-0.72%
4	Commonwealth Bank of Australia	68.43	7.71	1.45%
5	National Australia Bank Ltd	68.43	7.71	1.45%

Institution Benchmark








iTraxx Senior Financials Index 67.21 (67.46)
Upper Boundary (iTraxx + 50bps) 117.21

Institution Benchmark + 95% Confidence Level

iTraxx Senior Financials Index + 95% Confidence Level 76.14 (75.82)





Sovereign Benchmark

iTraxx SOVX Western Europe Index 30 (30)
Upper Boundary (SOVX + 20bps) 50


	Counterparty	Credit Ratings																Subjective Overlay											
		Fitch Rating							Moody's Ratings									S&P Ratings				CDS Data							
		Long Term Status	Long Term	Short Term Status	Short Term	Viability Status	Viability	Support Status	Support	Long Term Status	Long Term	Short Term Status	Short Term	FSR Status	FSR			Long Term Status	Long Term	Short Term Status	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	08/01/2015	Week % Change		1 Month % Change	3 Month % Change	6 Month % Change
	Abu Dhabi (U.A.E)		SB	AA						SB	Aa2					SB	AA			Not Applicable	Not Applicable	71.7	2.9%	14.4%	34.5%	61.4%	Out Of Range	Not Applicable	
	National Bank of Abu Dhabi		SB	AA-		F1+		a-		1	SB	Aa3		P-1	SB	C	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	Australia		SB	AAA							SB	Aaa					SB	AAA			Not Applicable	Not Applicable	36.5	-0.1%	12.4%	9.4%	15.6%	Monitoring	Not Applicable
	Australia and New Zealand Banking Group Ltd		SB	AA-		F1+		aa-		1	SB	Aa2		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths	69.4	13.6%	23.7%	33.0%	25.9%	In Range	O - 12 mths
	Commonwealth Bank of Australia		SB	AA-		F1+		aa-		1	SB	Aa2		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths	68.4	1.5%	18.9%	23.0%	25.2%	In Range	O - 12 mths
◆	Macquarie Bank Limited		SB	A		F1		a		3	SB	A2		P-1	SB	C-	SB	A		A-1	R - 6 mths	R - 6 mths	91.2	1.1%	3.3%	10.7%	-4.6%	Monitoring	G - 100 days
	National Australia Bank Ltd		SB	AA-		F1+		aa-		1	SB	Aa2		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths	68.4	1.5%	18.9%	23.0%	22.9%	In Range	O - 12 mths
	Westpac Banking Corporation		SB	AA-		F1+		aa-		1	SB	Aa2		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths	68.4	1.5%	18.9%	23.0%	27.6%	In Range	O - 12 mths
(I)	Belgium		NO	AA							SB	Aa3					SB	AA			Not Applicable	Not Applicable	45.0	0.0%	2.3%	3.3%	6.7%	Monitoring	Not Applicable
25 (I)	BNP Paribas Fortis		SB	A+		F1		a		1	NO	A2		P-1	SB	C-	NO	A+		A-1	R - 6 mths	R - 6 mths							R - 6 mths
(I)	KBC Bank NV		SB	A-		F1		a-		1	NO	A2		P-1	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths
	Canada		SB	AAA							SB	Aaa					SB	AAA			Not Applicable	Not Applicable							Not Applicable
(I)	Bank of Montreal		SB	AA-		F1+		aa-		1	NO	Aa3		P-1	SB	C+	NO	A+		A-1	O - 12 mths	O - 12 mths							O - 12 mths
(I)	Bank of Nova Scotia		SB	AA-		F1+		aa-		1	NO	Aa2		P-1	NO	B-	NO	A+		A-1	O - 12 mths	O - 12 mths							O - 12 mths
(I)	Canadian Imperial Bank of Commerce		SB	AA-		F1+		aa-		1	NO	Aa3		P-1	SB	C+	NO	A+		A-1	O - 12 mths	O - 12 mths							O - 12 mths
(I)	National Bank of Canada		SB	A+		F1		a+		1	NO	Aa3		P-1	SB	C	NO	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths
(I)	Royal Bank of Canada		SB	AA		F1+		aa		1	NO	Aa3		P-1	SB	C+	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
(I)	Toronto Dominion Bank		SB	AA-		F1+		aa-		1	NO	Aa1		P-1	SB	B	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	Denmark		SB	AAA							SB	Aaa					SB	AAA			Not Applicable	Not Applicable	19.5	0.0%	0.0%	-14.2%	-21.6%	In Range	Not Applicable
(I) ◆	Danske Bank		SB	A		F1		a		1	SB	A3		P-2	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths	76.9	-0.6%	8.4%	8.3%	9.8%	Monitoring	G - 100 days
	Finland		SB	AAA							SB	Aaa					SB	AA+			Not Applicable	Not Applicable	22.5	0.0%	0.0%	-12.5%	-10.6%	In Range	Not Applicable
1(I)	Nordea Bank Finland plc ~		SB	AA-		F1+		aa-		1	NO	Aa3		P-1	SB	C	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
(I)	Pohjola Bank		SB	A+		F1				1	NO	Aa3		P-1	SB	C-	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
(I)	France		SB	AA							NO	Aa1					NO	AA			Not Applicable	Not Applicable	43.8	1.2%	3.5%	3.5%	5.1%	Monitoring	Not Applicable
(I)	BNP Paribas		SB	A+		F1		a+		1	NO	A1		P-1	NO	C-	NO	A+		A-1	R - 6 mths	R - 6 mths	69.0	-0.7%	19.8%	16.7%	6.7%	In Range	R - 6 mths
2(I)	Credit Agricole Corporate and Investment Bank		SB	A		F1					NO	A2		P-1	SB	D	NO	A		A-1	R - 6 mths	R - 6 mths	66.5	-1.5%	19.6%	15.5%	-4.3%	In Range	R - 6 mths
3(I)	Credit Industriel et Commercial		SB	A+		F1		a+		1	NO	Aa3		P-1	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths

	Counterparty	Credit Ratings																Subjective Overlay								Suggested Duration (CDS Adjusted with manual override)		
		Fitch Rating								Moody's Ratings						S&P Ratings				CDS Data								
		Long Term Status	Long Term	Short Term Status	Short Term	Viability Status	Viability	Support Status	Support	Long Term Status	Long Term	Short Term Status	Short Term	FSR Status	FSR	Long Term Status	Long Term	Short Term Status	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	08/01/2015	Week % Change	1 Month % Change	3 Month % Change		6 Month % Change	CDS Status
(I)	Credit Agricole SA	SB	A		F1		a		1	NO	A2		P-1	SB	D+	NO	A		A-1	R - 6 mths	R - 6 mths	72.0	0.7%	18.8%	19.7%	9.1%	In Range	R - 6 mths
(I) ⚡	Societe Generale	NO	A		F1		a-		1	NO	A2		P-1	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths	96.1	1.0%	37.3%	34.4%	26.4%	Monitoring	G - 100 days
	Germany	SB	AAA							SB	Aaa					SB	AAA			Not Applicable	Not Applicable	16.5	-0.1%	10.6%	-9.6%	-21.9%	In Range	Not Applicable
(I)	BayernLB	NO	A+		F1+		bb+		1	NO	A3		P-2	SB	D					R - 6 mths	R - 6 mths							R - 6 mths
(I) ⚡	Commerzbank AG	NO	A+		F1+		bbb		1	NO	Baa1		P-2	SB	D+	NO	A-		A-2	G - 100 days	G - 100 days	84.3	0.0%	17.1%	0.0%	3.6%	Monitoring	N/C - 0 mths
(I) ⚡	Deutsche Bank AG	NO	A+		F1+		a		1	NO	A3		P-2	SB	D+	NO	A		A-1	R - 6 mths	R - 6 mths	77.4	-2.5%	10.6%	9.8%	3.6%	Monitoring	G - 100 days
	DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	SB	A+		F1+				1	SB	A1		P-1	SB	C-	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
(I)	Landesbank Baden Wuerttemberg	NO	A+		F1+		bbb		1	NO	A2		P-1	SB	D+					R - 6 mths	R - 6 mths							R - 6 mths
(I)	Landesbank Berlin AG									NO	A1		P-1	NO	D+					R - 6 mths	R - 6 mths							R - 6 mths
(I)	Landesbank Hessen-Thueringen Girozentrale (Helaba)	SB	A+		F1+				1	NO	A2		P-1	SB	D+	SB	A		A-1	R - 6 mths	R - 6 mths	58.6	0.0%	9.3%	16.9%	10.2%	In Range	R - 6 mths
	Landwirtschaftliche Rentenbank	SB	AAA		F1+				1	SB	Aaa		P-1			SB	AAA		A-1+	P - 24 mths	P - 24 mths							P - 24 mths
(I) ⚡	Norddeutsche Landesbank Girozentrale	NO	A		F1		bbb-		1	NO	A3		P-2	NO	D	NO	BBB+		A-2	G - 100 days	G - 100 days	104.9		0.0%	0.0%	-12.3%	Monitoring	N/C - 0 mths
	NRW.BANK	SB	AAA		F1+				1	SB	Aa1		P-1			SB	AA-		A-1+	P - 24 mths	P - 24 mths							P - 24 mths
(I) 20 ⚡	UniCredit Bank AG (Suspended)	NO	A+		F1+		a-		1	NO	Baa1		P-2	SB	D+	NO	A-		A-2	G - 100 days	G - 100 days	80.3	0.0%	14.1%	-5.8%	1.3%	Monitoring	N/C - 0 mths
	Hong Kong	SB	AA+							SB	Aa1					SB	AAA			Not Applicable	Not Applicable	45.0	8.4%	9.8%	10.8%	-2.3%	Monitoring	Not Applicable
	The Hong Kong and Shanghai Banking Corporation Ltd	SB	AA-		F1+		aa-		1	SB	Aa2		P-1	SB	B	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	Luxembourg	SB	AAA							SB	Aaa					SB	AAA			Not Applicable	Not Applicable							Not Applicable
(I)	Banque et Caisse d'Epargne de l'Etat									NO	Aa1		P-1	SB	C	SB	AA+		A-1+	P - 24 mths	P - 24 mths							P - 24 mths
	Clearstream Banking	SB	AA		F1+		aa		1							SB	AA		A-1+	P - 24 mths	P - 24 mths							P - 24 mths
	Netherlands	SB	AAA							SB	Aaa					SB	AA+			Not Applicable	Not Applicable	19.5	0.0%	3.9%	-4.9%	-38.3%	In Range	Not Applicable
(I)	Bank Nederlandse Gemeenten	NO	AAA		F1+				1	NO	Aaa		P-1		B-	SB	AA+		A-1+	P - 24 mths	P - 24 mths							P - 24 mths
6 (I)	Coöperatieve Centrale Raiffeisen Boerenleenbank BA (Rabobank Nederland)	NO	AA-		F1+				1	NO	Aa2		P-1	NO	B-	NO	A+		A-1	O - 12 mths	O - 12 mths	49.0	0.6%	19.3%	6.5%	0.7%	In Range	O - 12 mths
(I)	ING Bank NV	NO	A+		F1+		a		1	NO	A2		P-1	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths	57.4	1.3%	19.6%	10.5%	0.9%	In Range	R - 6 mths
(I)	Nederlandse Waterschapsbank N.V									NO	Aaa		P-1		C+	SB	AA+		A-1+	P - 24 mths	P - 24 mths							P - 24 mths
	Norway	SB	AAA							SB	Aaa					SB	AAA			Not Applicable	Not Applicable	13.1	3.9%	8.3%	10.4%	3.0%	In Range	Not Applicable
7 (I)	DnB Bank									NO	A1		P-1	SB	C-	SB	A+		A-1	R - 6 mths	R - 6 mths							R - 6 mths
	Qatar									SB	Aa2					SB	AA			Not Applicable	Not Applicable	82.6	0.6%	11.5%	37.1%	33.2%	Out Of Range	Not Applicable
	Qatar National Bank	SB	A+		F1		a		1	SB	Aa3		P-1	SB	C-	SB	A+		A-1	O - 12 mths	O - 12 mths							O - 12 mths
	Saudi Arabia	SB	AA							SB	Aa3					SB	AA-			Not Applicable	Not Applicable	69.3	-1.4%	14.7%	34.4%	46.6%	Out Of Range	Not Applicable
	Arab National Bank	SB	A		F1		a		1	SB	A1		P-1	SB	C	SB	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths

APPENDIX 9

	Counterparty	Credit Ratings																		Subjective Overlay								Suggested Duration (CDS Adjusted with manual override)
		Fitch Rating								Moody's Ratings						S&P Ratings				CDS Data								
		Long Term Status	Long Term	Short Term Status	Short Term	Viability Status	Viability	Support Status	Support	Long Term Status	Long Term	Short Term Status	Short Term	FSR Status	FSR	Long Term Status	Long Term	Short Term Status	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	08/01/2015	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	
	Riyad Bank	SB	A+		F1		a		1	SB	A1		P-1	SB	C	SB	A+		A-1	R - 6 mths	R - 6 mths							R - 6 mths
	Samba Financial Group	SB	A+		F1		a		1	SB	Aa3		P-1	SB	C+	SB	A+		A-1	O - 12 mths	O - 12 mths							O - 12 mths
	Singapore		SB	AAA						SB	Aaa					SB	AAA			Not Applicable	Not Applicable							Not Applicable
8	DBS Bank Ltd	SB	AA-		F1+		aa-		1	SB	Aa1		P-1	SB	B	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	Oversea Chinese Banking Corporation Ltd	SB	AA-		F1+		aa-		1	SB	Aa1		P-1	SB	B	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	United Overseas Bank Ltd	SB	AA-		F1+		aa-		1	SB	Aa1		P-1	SB	B	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	Sweden		SB	AAA						SB	Aaa					SB	AAA			Not Applicable	Not Applicable	14.1	0.0%	3.7%	7.6%	-3.8%	In Range	Not Applicable
9 (I)	Nordea Bank AB	SB	AA-		F1+		aa-		1	NO	Aa3		P-1	SB	C	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
10 (I)	Skandinaviska Enskilda Banken AB	PO	A+		F1		a+		1	NO	A1		P-1	SB	C-	NO	A+		A-1	R - 6 mths	R - 6 mths							R - 6 mths
11 (I)	Swedbank AB	PO	A+		F1		a+		1	NO	A1		P-1	SB	C-	NO	A+		A-1	R - 6 mths	R - 6 mths							R - 6 mths
(I)	Svenska Handelsbanken AB	SB	AA-		F1+		aa-		1	NO	Aa3		P-1	SB	C	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	Switzerland		SB	AAA						SB	Aaa					SB	AAA			Not Applicable	Not Applicable	21.1	0.0%	0.0%	-3.8%	-15.6%	In Range	Not Applicable
12 (I)	Credit Suisse AG	SB	A		F1		a		1	NO	A1		P-1	NO	C-	NO	A		A-1	R - 6 mths	R - 6 mths	56.8	-0.9%	19.1%	-0.5%	1.0%	In Range	R - 6 mths
(I)	UBS AG	SB	A		F1		a		1	NO	A2		P-1	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths	45.2	-1.1%	16.7%	-3.1%	0.1%	In Range	R - 6 mths
	U.K		SB	AA+						SB	Aa1					SB	AAA			Not Applicable	Not Applicable	19.4	2.4%	8.4%	-0.5%	2.3%	In Range	Not Applicable
(I)	Abbey National Treasury Services plc	SB	A		F1					NO	A2		P-1							R - 6 mths	R - 6 mths							R - 6 mths
13	Bank of New York Mellon (International) Ltd	SB	AA-		F1+				1											O - 12 mths	O - 12 mths							O - 12 mths
(I)	Barclays Bank plc	SB	A		F1		a		1	NO	A2		P-1	SB	C-	NO	A		A-1	R - 6 mths	R - 6 mths	52.5	1.6%	9.3%	-9.4%	-21.6%	In Range	R - 6 mths
14	Cater Allen																			R - 6 mths	R - 6 mths							R - 6 mths
◆	Citibank International Plc ~	SB	A		F1				1	SB	A2		P-1	SB	C-	SB	A		A-1	R - 6 mths	R - 6 mths	77.4	4.2%	14.6%	8.3%	14.3%	Monitoring	G - 100 days
	Close Brothers Ltd	SB	A		F1		a		5	SB	A3		P-2	SB	C					G - 100 days	G - 100 days							G - 100 days
15	Clydesdale Bank	SB	A		F1		bbb+		1	SB	Baa2		P-2	SB	D+	SB	BBB+		A-2	N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
(I)	Co-operative Bank Plc	NO	B		B		b		5	NO	Caa2		NP	SB	E					N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
(I) 16	Credit Suisse International ~	SB	A		F1				1	NO	A1		P-1			NO	A		A-1	R - 6 mths	R - 6 mths	56.8	-0.9%	19.1%	-0.5%	1.0%	In Range	R - 6 mths
◆	Goldman Sachs International ~	SB	A		F1					SB	A2		P-1			SB	A		A-1	R - 6 mths	R - 6 mths	86.4	1.6%	4.0%	2.5%	14.1%	Monitoring	G - 100 days
◆	Goldman Sachs International Bank ~	SB	A		F1					SB	A2		P-1	SB	D+	SB	A		A-1	R - 6 mths	R - 6 mths	86.4	1.6%	4.0%	2.5%	14.1%	Monitoring	G - 100 days
(I)	HSBC Bank plc	SB	AA-		F1+		a+		1	NO	Aa3		P-1	SB	C	NO	AA-		A-1+	O - 12 mths	O - 12 mths	48.2	5.4%	22.8%	7.9%	1.5%	In Range	O - 12 mths
(I)	MBNA Europe Bank	NO	A-		F1				1											G - 100 days	G - 100 days							G - 100 days
(I)	Merrill Lynch International	NO	A		F1				1							SB	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths
(I) ◆	Morgan Stanley & Co. International plc ~									PO	A3		P-2			SB	A		A-1	G - 100 days	R - 6 mths	82.0	0.0%	6.4%	-1.2%	15.5%	Monitoring	G - 100 days
(I) 19	Santander UK plc	SB	A		F1		a		1	NO	A2		P-1	PO	C-	NO	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths

APPENDIX 8

	Counterparty	Credit Ratings																		Subjective Overlay								
		Fitch Rating								Moody's Ratings						S&P Ratings						CDS Data						
		Long Term Status	Long Term	Short Term Status	Short Term	Viability Status	Viability	Support Status	Support	Long Term Status	Long Term	Short Term Status	Short Term	FSR Status	FSR	Long Term Status	Long Term	Short Term Status	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	08/01/2015	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	Suggested Duration (CDS Adjusted with manual override)
(I) ⚡	Standard Chartered Bank	NO	AA-		F1+		aa-		1	SB	A1		P-1	SB	B-	NO	A+		A-1	O - 12 mths	O - 12 mths	97.1	3.1%	21.6%	10.0%	24.1%	Monitoring	R - 6 mths
(I) ⚡	Sumitomo Mitsui Banking Corporation Europe Ltd ~	SB	A-		F1				1	SB	A1		P-1	SB	C	NO	A+		A-1	R - 6 mths	R - 6 mths	79.6	0.0%	21.6%	60.9%	38.4%	Monitoring	G - 100 days
(I)	UBS Ltd ~	SB	A		F1				1	NO	A2		P-1			NO	A		A-1	R - 6 mths	R - 6 mths	45.2	-1.1%	16.7%	-3.1%	0.1%	In Range	R - 6 mths
	U.S.A 	SB	AAA							SB	Aaa					SB	AA+			Not Applicable	Not Applicable	15.1	-4.4%	0.5%	-12.2%	-5.9%	In Range	Not Applicable
(I)	Bank of America, N.A.~	NO	A		F1		a-		1	SB	A2		P-1	SB	C-	SB	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths
18	Bank of New York Mellon, The	SB	AA-		F1+		aa-		1	SB	Aa2		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	BOKF, NA	SB	A		F1		a		5	SB	A1		P-1	SB	B-	SB	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths
⚡	Citibank, N.A. ~	SB	A		F1		a		1	SB	A2		P-1	SB	C-	SB	A		A-1	R - 6 mths	R - 6 mths	77.4	4.2%	14.6%	8.3%	14.3%	Monitoring	G - 100 days
(I)	HSBC Bank USA, N.A.	SB	AA-		F1+		a-		1	SB	A1		P-1	SB	C-	NO	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	JPMorgan Chase Bank NA	SB	A+		F1		a+		1	SB	Aa3		P-1	SB	C	SB	A+		A-1	O - 12 mths	O - 12 mths	61.2	0.0%	0.0%	-0.1%	7.7%	In Range	O - 12 mths
	Northern Trust Company	SB	AA-		F1+		aa-		5	SB	A1		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
(I)	Silicon Valley Bank									NO	A2		P-1	NO	C+	SB	BBB+			G - 100 days	G - 100 days							G - 100 days
	State Street Bank and Trust Company	SB	AA-		F1+		aa-		1	SB	Aa3		P-1	SB	B-	SB	AA-		A-1+	O - 12 mths	O - 12 mths							O - 12 mths
	U.S. Bancorp	SB	AA-		F1+		aa-		5	SB	A1		P-1			SB	A+		A-1	O - 12 mths	O - 12 mths							O - 12 mths
	Wells Fargo Bank NA	SB	AA-		F1+		aa-		1	SB	Aa3		P-1	SB	C+	SB	AA-		A-1+	O - 12 mths	O - 12 mths	50.7	6.2%	10.3%	5.8%	9.7%	In Range	O - 12 mths
	UK BUILDING SOCIETIES																											
	Coventry BS	SB	A		F1		a		5	SB	A3		P-2	SB	C					G - 100 days	G - 100 days							G - 100 days
	Leeds BS	SB	A-		F1		a-		5	SB	A3		P-2	SB	C					G - 100 days	G - 100 days							G - 100 days
(I)	Nationwide BS	SB	A		F1		a		1	NO	A2		P-1	SB	C	NO	A		A-1	R - 6 mths	R - 6 mths							R - 6 mths
	Newcastle BS	SB	BB+		B		bb+		5											N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
	Nottingham BS									SB	Baa2		P-2	SB	C-					N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
(I)	Principality BS	SB	BBB+		F2		bbb+		5	PO	Baa3		P-3	PO	D+					N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
(I)	Skipton BS	PO	BBB		F2		bbb		5	SB	Baa3		P-3	SB	D+					N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
	West Bromwich BS									SB	B2		NP	SB	E+					N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
	Yorkshire BS	SB	A-		F1		a-		5	SB	Baa1		P-2	SB	C-					N/C - 0 mths	N/C - 0 mths							N/C - 0 mths
	AAA rated and Government backed securities																											
	Collateralised LA Deposit*		AA+								Aa1						AAA			Y - 60 mths	Y - 60 mths							No Data Available
	Debt Management Office		AA+								Aa1						AAA			Y - 60 mths	Y - 60 mths							No Data Available
	Multilateral Development Banks		AAA								Aaa						AAA			Y - 60 mths	Y - 60 mths							No Data Available
	Supranationals		AAA								Aaa						AAA			Y - 60 mths	Y - 60 mths							No Data Available
	UK Gilts		AA+								Aa1						AAA			Y - 60 mths	Y - 60 mths							No Data Available

	Counterparty	Credit Ratings																Subjective Overlay									
		Fitch Rating							Moody's Ratings						S&P Ratings						CDS Data						
		Long Term Status	Long Term	Short Term Status	Short Term	Viability Status	Viability	Support Status	Support	Long Term Status	Long Term	Short Term Status	Short Term	FSR Status	FSR	Long Term Status	Long Term	Short Term Status	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	08/01/2015	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status
	* This is an assumed rating on the basis that all collateral is LA LOBOs which is government risk																										
	NATIONALISED AND PART NATIONALISED BANKS																										
(I)	Lloyds Banking Group plc	NO	A		F1		a-		1	NO	A2				NO	A-		A-2									Not Applicable
(I)	Bank of Scotland Plc	NO	A		F1		a-		1	NO	A1		P-1	SB	C-	NO	A		A-1	B - 12 mths	B - 12 mths	51.5	1.6%	9.5%	0.0%	22.4%	Not Applicable
(I)	Lloyds Bank Plc	NO	A		F1		a-		1	NO	A1		P-1	SB	C-	NO	A		A-1	B - 12 mths	B - 12 mths	53.2	4.9%	15.1%	-11.5%	-5.6%	Not Applicable
(I)	Royal Bank of Scotland Group plc	NO	A		F1		bbb		1	NO	Baa2		P-2			NO	BBB+		A-2								Not Applicable
(I)	National Westminster Bank Plc	NO	A		F1		bbb		1	NO	Baa1		P-2	NO	D+	NO	A-		A-2	B - 12 mths	B - 12 mths						Not Applicable
(I)	The Royal Bank of Scotland Plc	NO	A		F1		bbb		1	NO	Baa1		P-2	NO	D+	NO	A-		A-2	B - 12 mths	B - 12 mths	56.0	8.3%	8.8%	-23.5%	-32.0%	Not Applicable
(I)	Ulster Bank Ltd (Suspended)	NO	A-		F1		ccc		1	NO	Baa3		P-3	SB	E+	NO	BBB+		A-2	N/C - 0 mths	N/C - 0 mths						Not Applicable

- Newly included on, or deleted from, the list OR Changes to ratings which have a significant effect
- Change to ratings
- (!) Ratings on Rating Watch / Rating Alert / Rating Outlook
- New rating
- ✕ Ratings withdrawn
- ◆ Change of duration based on CDS overlay

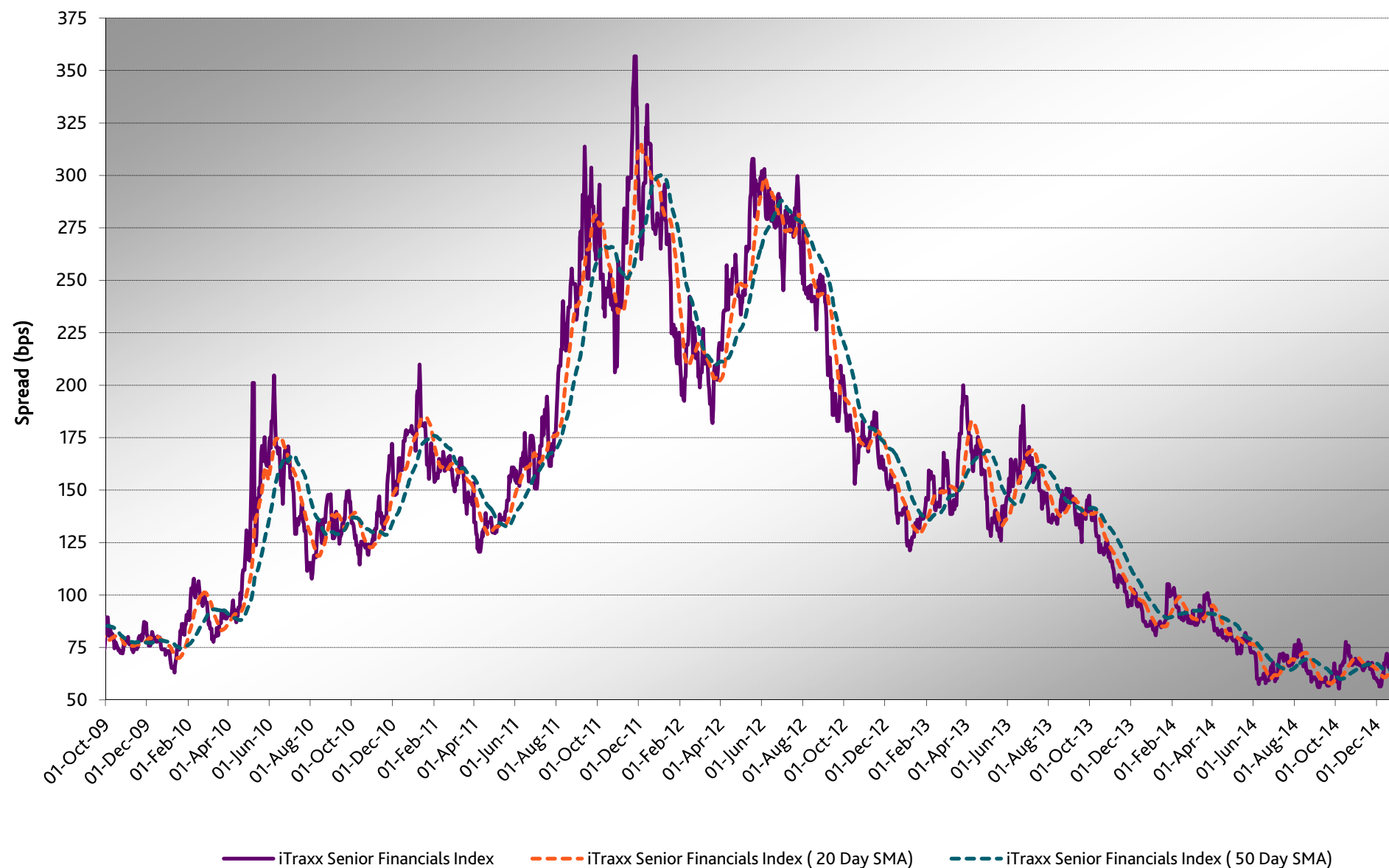
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24 Months	P
12 Months	B
12 Months	O
6 Months	R
100 Days	G
0 Months	N/C

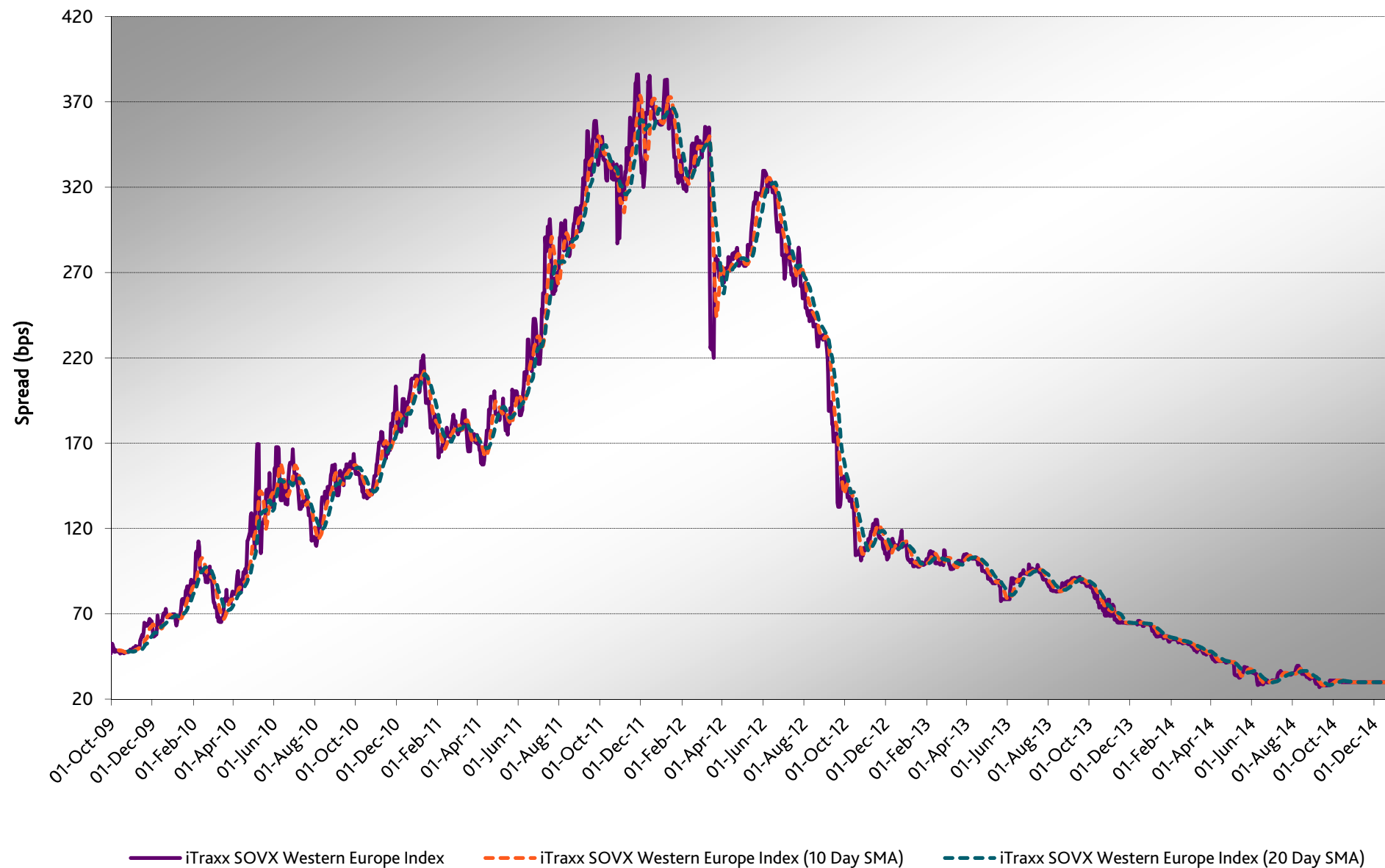
NO	Negative Outlook
NW	Negative Watch
DG	Downgrade
RD	Under Review for Possible Downgrade
PO	Positive Outlook
PW	Positive Watch
UP	Upgrade
RU	Under Review for Possible Upgrade
SB	Stable Outlook
EW	Evolving Watch
EO	Evolving Outlook
WD	Rating Withdrawn
DO	Developing Outlook
UN	Direction Uncertain

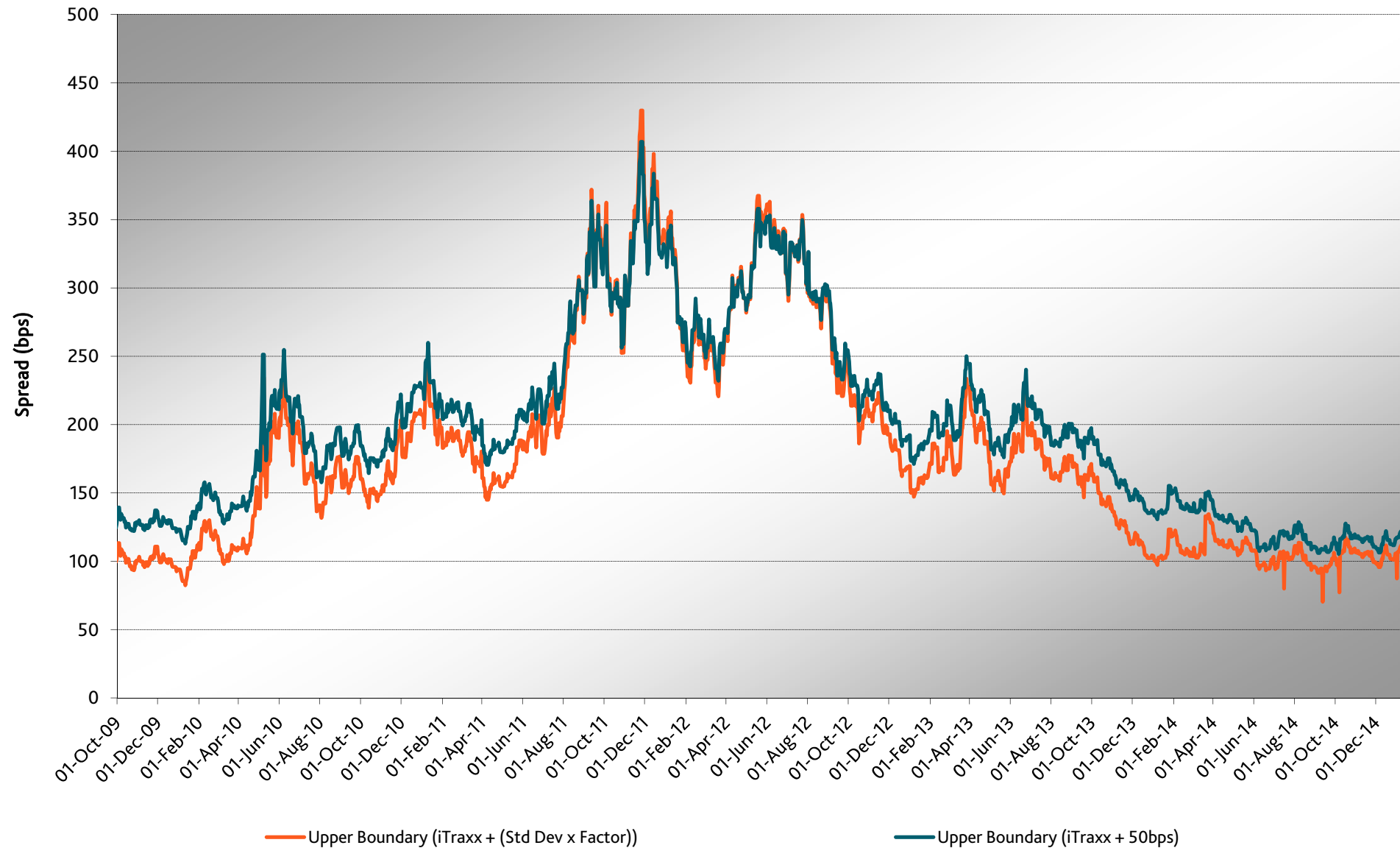
DG NO	Downgrade & Negative Outlook
DG NW	Downgrade & Negative Watch
DG RD	Downgrade & Under Review For Possible Downgrade
DG SB	Downgrade & Stable Outlook
DG EW	Downgrade & Evolving Watch
DG EO	Downgrade & Evolving Outlook
DG DO	Downgrade & Developing Outlook
DG UN	Downgrade & Direction Uncertain
UP PO	Upgrade & Positive Outlook
UP PW	Upgrade & Positive Watch
UP RU	Upgrade & Under Review For Possible Upgrade
UP SB	Upgrade & Stable Outlook
UP EW	Upgrade & Evolving Watch
UP EO	Upgrade & Evolving Outlook
UP DO	Upgrade & Developing Outlook
UP UN	Upgrade & Direction Uncertain

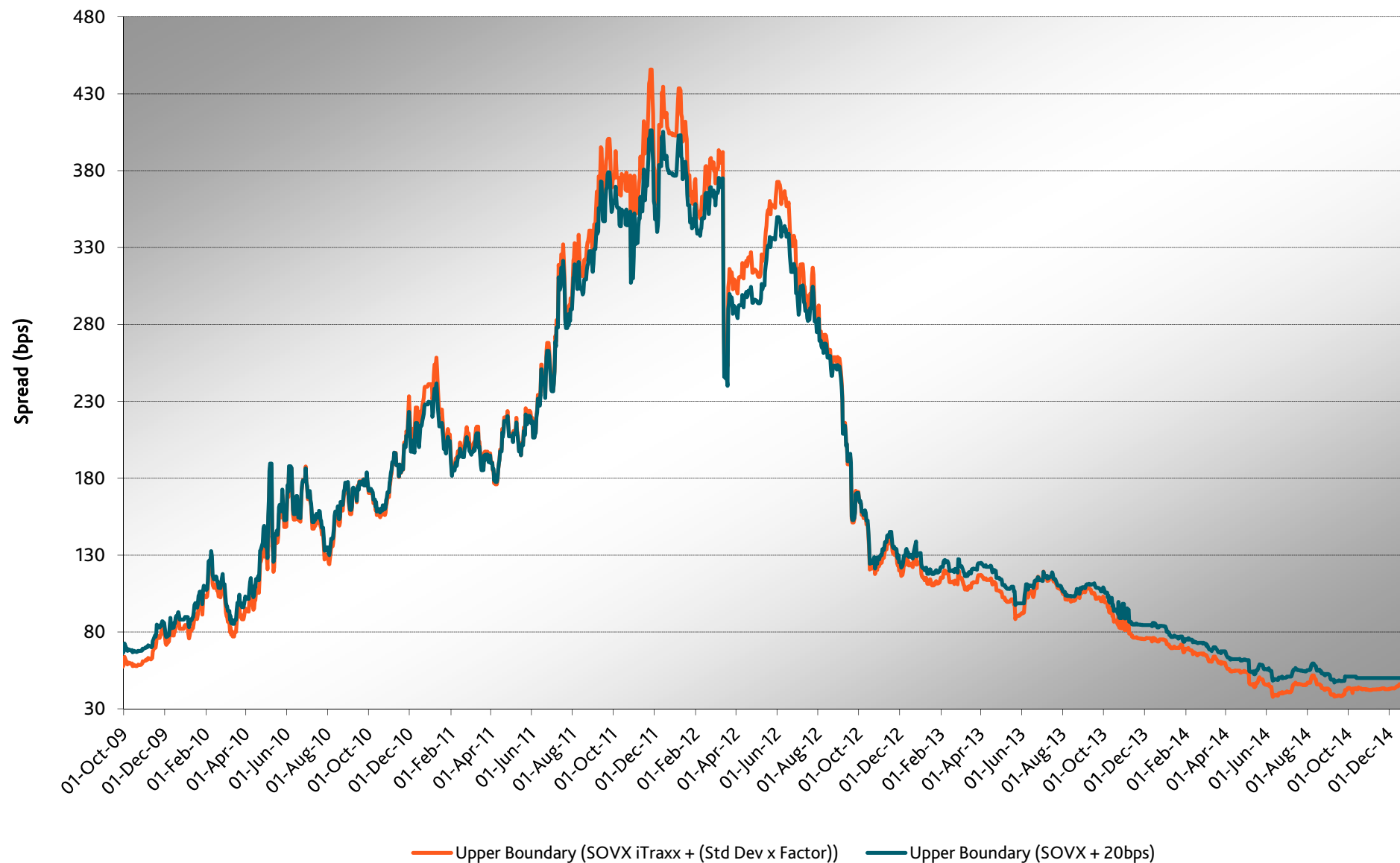
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Reference	Institution	Notes
1	Nordea Bank Finland Plc	Name changed from Mertia Bank Ltd.
2	Credit Agricole Corporate and Investment Bank	Name changed from CALYON Corporate and Investment Bank
3	Credit Industriel et Commercial	Name changed from Compagnie Financiere de CIC et de l'Union Europeenne to CIC Group and then changed to Credit Industriel et Commercial (CIC)
4	Intesa Sanpaolo	Merger between Banca Intesa and San Paolo IMI
5	UniCredit SpA	Merger between Unicredit Banca di Roma Spa and Unicredit SpA
6	Coöperatieve Centrale Raiffeisen - Boerenleenbank BA	Also trades as Rabobank/Rabobank International/Rabobank Netherland
7	DnB NOR Bank	Name changed from DnB NOR Bank. Merger between the former Den Norske Bank and Union Bank of Norway January 04
8	DBS Bank Ltd	Name changed from Development Bank of Singapore Ltd
9	Nordea Bank AB	(publ) Name changed from Nordea Bank Sweden (previously Nordbanken AB)
10	Skandinaviska Enskilda Banken AB	(publ) (SEB AB)
11	Swedbank AB	Name changed from ForeningsSparbanken AB
12	Credit Suisse	Merger between Credit Suisse and Credit Suisse First Boston
13	Bank of New York Mellon (International) Ltd	Formerly, The Bank of New York Europe Ltd
14	Cater Allen	Unconditionally guaranteed by Santander UK
15	Clydesdale Bank	Yorkshire Bank is the trading entity of Clydesdale Bank
16	Credit Suisse International	Name changed from Credit Suisse First Boston International
17	DB UK Bank Limited	Name changed from Morgan Grenfell and Co Ltd
18	Bank of New York Mellon, The	Formerly Bank of New York, The
19	Santander UK plc	Name changed from Abbey National plc
20	UniCredit Bank AG	Name changed from Bayerische Hypo und Vereinsbank
21	Belfius Bank	Name changed from Dexia Bank Belgium
22	Sumitomo Mitsui Trust Bank, Limited	Name changed from Sumitomo Trust & Banking Co Ltd
23	Permanent TSB plc	Name changed from Irish life & Permanent plc
24	Northern Rock plc	Name changed from Northern Rock plc to Virgin Money plc
25	Fortis Bank	Name changed from Fortis Bank to BNP Paribas Fortis
~		CDS prices inherited from Parent/Group Company











Overview & Scrutiny Committee

Briefing Paper

Report of: Ian Miller, Chief Executive
Date: 5th February 2015
Open

Wyre Forest House – Update on Project and Achievement of Savings

1. Summary

- 1.1 This report updates Members on the project including:
- Achievement of savings
 - Funding
 - Finalisation of the project including dealing with items on the “snagging list” and provision of additional heating capacity.

2. Background

- 2.1 This report provides an update on developments since the last full report to the Overview and Scrutiny Committee on 4 July 2013, which members may also wish to familiarise themselves with.

3. Key Issues

- 3.1 For several years the Council’s aspiration for the project has been that **annual revenue savings** of at least £500k a year would be achieved. The report in July 2013 gave the latest estimates of savings as reflected in the approved budget at £645k a year. This continues to demonstrate that the Council’s decision to move forward with the project has released resources that protect front-line services valued by our communities. If we had stayed in the four offices that the Council used to occupy, by now we would have had to reduce expenditure on those services by an equivalent amount.
- 3.2 **The financial benefit from Wyre Forest House has increased further.** The spare space identified in the July 2013 report has been or is in the final stages of being let to a range of tenants:
- Stoke-on-Trent College. In occupation since April 2014;
 - dhjh llp, a local accountancy firm. Tenancy expected to start by end February;
 - Worcestershire Regulatory Services. Tenancy commencing 23 March 2015.

Between them, these tenancies will generate additional income worth over £150k in a full year, including rental and ICT hosting charges for

Worcestershire Regulatory Services. This takes **the total annual financial benefit of Wyre Forest House to the Council to well over £750k**, even allowing for some additional costs of gas set out below.

- 3.3 The delivery of such a high level of savings takes the project well beyond the aspiration set by Council. It justifies the decision to proceed with the new HQ building which, with the tenancies, will be fully utilised.
- 3.4 The Civic Centre in Stourport-on-Severn was transferred to Stourport-on-Severn Town Council in March 2014 and the exposure of this Council to its running costs ended at that point. The refurbishment of the Civic Hall and the conversion of the offices for (among other things) use as a library and coroner's office is well advanced. Wyre Forest District Council has invested £150k in provision of starter units for businesses in part of the office building. Following on from the Council's successful SPACE project at Hoo Farm, which is fully occupied after only 15 months, this initiative provides further space for start-up businesses in the district. The Coventry Street offices were sold in December 2013 and have been converted into apartments by a private developer, thus assisting with housing supply. The council tax receipts from that site and New Homes Bonus generate further income for the Council as a result of consolidation of its offices.
- 3.5 The Council decided that the project should be **funded by capital receipts rather than borrowing**. Table 1 shows the position as at 27th January 2015. It will be seen that the full value of receipts to underpin the project cost of £10m has been achieved. This point was reached in November 2014. There are thus no borrowing costs associated with the project.

Table 1

Sources of Financing as at January 2015	Value
	£
Receipts received	9,442,440
Revenue Financing	557,560
Total	10,000,000

- 3.6 The original capital budget for the project was £10.5m but this was revised downwards to £10m. In terms of **expenditure against the revised capital budget** of £10m, the position at January 2015 is summarised in Appendix 1. At this point, £192k has not been committed and therefore - subject to the outcome of finalisation of the account mentioned below - it is possible that there may be a further modest underspend of capital resources.

- 3.7 The account has not been finalised because there are outstanding claims from the contractor, which are not being accepted by the Council at present. There have also been a number of issues relating to the satisfactory completion of the building. The updated position on the four principal items on the “**snagging list**” mentioned in the last report in July 2013 is as follows.
- 3.8 The blinds in the council chamber were specified as being fully retractable but, at first, could be retracted only in part. Replacement blinds were fitted in October 2013 and this issue has been satisfactorily resolved.
- 3.9 Surface of the car park. Thomas Vale will be replacing the car park surface in a phased programme that is due to start on 2 February and is expected to take six weeks. This is weather dependant as the work cannot be undertaken in sub-zero temperatures. The work is expected to resolve this issue satisfactorily.
- 3.10 Elements of the landscaping and planting were, at first, not in line with the specification. Rectification work to the wild flower area was carried out in Spring 2014. The landscaping is now looked after in-house by WFDC Parks and Open Spaces Team.
- 3.11 As the report in July 2013 made clear, the **ground source heat pump** has not worked fully effectively since the building was handed over. The system provides sufficient heating and cooling for the building for much of the year but cannot provide adequate heating in the winter months: in general terms, temperatures in the building do not reach comfortable levels when external air temperatures fall below about 10-12 C. It was not acceptable to the Corporate Leadership Team and Cabinet that the situation should be allowed to continue forever, given the financial and other impacts of the system not operating fully effectively.
- 3.12 A ground source heat pump was selected as the method for heating the building in 2010. This followed a report from the Renewable Energy and Efficiency Review Panel that was considered by the Community and Regeneration Scrutiny Committee on 15 July 2010. It recommended “that the Single Site of Office Accommodation achieves the very best standards of energy efficiency and uses the most appropriate and effective renewable energy technologies as can be afforded.” The report also highlighted “that many of the technologies which they had considered and witnessed in use, such as ground sourced heating and air conditioning could be successfully utilised at the Single Site.....What might not look economically feasible compared to the current price of gas could potentially look a very attractive proposition in several years time assuming continuing increases in real terms of the cost of gas, especially as a system such as ground sourced heating would not be subject to fluctuating cost variables as it required no fuel other than a minimal amount of

electricity. Once installed the only cost would be its upkeep and maintenance.”

- 3.13 This accorded with the design objective for the building to avoid relying on fossil fuels for heating and cooling. Detailed consideration was given as part of the design work to the whole-life cost of a range of “green” energy sources including solar, and the only technically and financially viable option at that time was judged to be a ground source heat pump.
- 3.14 The tests to identify the cause of the ineffective performance in summer 2013 and follow up advice confirmed the diagnosis as a geological one and identified a range of potential solutions. These included options such as drilling a further borehole and installing additional heating capacity to supplement the ground source heat pump in the colder winter months. The additional capacity could have been provided by a variety of means, including air source heat pumps and gas fired boilers.
- 3.15 Detailed consideration was given to these options in protracted discussions with our project managers, Rider Levett Bucknall, and the contractor, Thomas Vale Construction during 2013 and 2014. This also included consideration of liability for resolving the issues that had arisen.
- 3.16 Drilling a further borehole was ruled out on grounds of uncertainty: there could have been no guarantee that it would have resolved the situation. Installation of electric radiators throughout the building was also not favoured because of the high running costs compared to other options. Options that would have involved abandonment of the ground source heat pump were ruled out on the grounds that the system is able to cope for much of the year, and therefore the focus was on how best to supplement heating in the cooler months. On grounds of both cost and certainty - gas-fired boilers are a familiar and well-tested heating solution, and air source heat pumps cannot operate if air temperatures fall below -10C - it was decided to install two gas-fired boilers to provide the supplementary heating.
- 3.17 The decision to proceed with ordering the installation of the gas-fired boilers, with an estimated cost of £172k, did not require any further approval by Council or Cabinet as there was sufficient headroom within the approved capital budget for the project. This is demonstrated by Appendix 1 which takes account of the commitments and expenditure associated with the gas-fired boilers. All members were informed of the decision to install gas-fired boilers on 8 October 2014, and the relevant notice of an executive decision by an officer was published on the Council’s website later that month.
- 3.18 The estimated annual cost of the fuel to be used by the boilers is £11k and maintenance and other recurrent costs are estimated at £8k. While this will affect the overall level of savings associated with Wyre

Forest House, it will also mean that the cost of hiring and running temporary heaters would be avoided in future winters. The hire costs alone have been £740 a week since 22 September 2014, or £13k to the date of preparation of this report. The costs of hiring temporary heating in the current and previous winters are set out in Table 2.

Table 2

Winter period	Costs of hiring temporary heating
2012/13	Not known. Met by Thomas Vale Construction.
2013/14	£27k
2014/15	£13k (to 25 January 2015)

- 3.19 It is not possible to state what the cost of running the temporary heating has been across the three winters. This is because it is not possible accurately to break down the electricity costs in the building between lighting, computing and heating so it would be misleading to present a figure as the cost of heating. The building is also occupied by other organisations such as Stourport Town Council, Stoke on Trent College, external catering company Midshire's who operate the cafe, and various shared services with other authorities. The total cost of electricity for Wyre Forest House from October 2012 to early January 2015 is £178k.
- 3.20 At the time of preparing this report, the gas boilers have been installed and the gas pipe laid with testing and commissioning to be undertaken following installation of the gas meter. These processes are expected to be complete by the end of February and the supplementary heating will then be brought into operation. The implementation date may be earlier if the meter is installed sooner.

4. Options

- 4.1 That the progress with the project and achievement of savings be noted.

5. Consultation

- 5.1 Leader of the Council.
5.2 Corporate Leadership Team.

6. Related Decisions

- 6.1 Officer decision to place an order for gas-fired boilers, October 2014

<http://www.wyreforest.gov.uk/council/meetings/com197.htm>

7 Implications

- 7.1 Resources: No direct implications from this report. The funding of the project is set out in section 3 above.
- 7.2 Equalities: No direct implications from this report.
- 7.3 Partnership working: the opportunity for other organisations to take space at Wyre Forest House can enhance partnership working.
- 7.4 Human Rights: No direct implications from this report.
- 7.5 E-Government: No direct implications from this report.

8. Equality Impact Needs Assessment

- 8.1 This is an update report on a previously agreed project. No equality impact assessment is required.

9. Wards affected

- 9.1 Wyre Forest House is located in Lickhill ward but serves the whole district.

10. Appendices

- 10.1 Appendix 1 – expenditure against capital budget.

11. Background Papers

- 11.1 Report of the Renewable Energy and Efficiency Review Panel, Community and Regeneration Scrutiny Committee, 15 July 2010
- 11.2 Review of single site assumptions, Corporate Resources Scrutiny Committee, 10 February 2011
- 11.3 Update on Wyre Forest House, Overview and Scrutiny Committee, 4 July 2013
http://www.wyreforest.gov.uk/council/docs/doc48089_20130704_o_and_s_agenda.pdf

The report starts on page 107 of the pdf.

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Capital budget - Summary					
Type of Expense	2/11/2010 Original Capital allocation £	Latest Capital Programme £	January 2015 Value Actually spent £	January 2015 Value Committed * £	January 2015 Value Budget Remaining £
Land Acquisition	910,000	910,000	910,000	-	-
Construction and related Costs (Including Contingency)	8,344,000	7,969,300	7,497,610	395,312	76,378
Fixture Fittings and Equipment, removal costs	500,000	359,010	359,005	-	5
Professional Fees	659,000	600,550	576,499	-	24,051
Legal Costs and Fees	87,000	161,140	69,393	-	91,747
Total	10,500,000	10,000,000	9,412,507	395,312	192,181

* Committed expenditure includes the supplementary heating installation.

WYRE FOREST DISTRICT COUNCIL

**FEEDBACK FROM CABINET MEETING HELD ON
TUESDAY 16TH DECEMBER 2014**

**Agenda
Item No.**

DECISION

9.1 Kidderminster's Music Heritage Trail

Decision: The Music Heritage Trail (attached at Appendix 1 of the report to Cabinet) be approved for consultation.

11.1 Joint Worcestershire Regulatory Services (WRS) Task Group Final Report

Decision: The Joint Worcestershire Regulatory Services (WRS) Task Group Final Report be noted.

Overview & Scrutiny Committee Work Programme 2014-2015

July 2014

- 3rd Leisure Centre Update
- Housing Allocation Policy
- How Are We Doing? Performance Update (Q4)
- Climate Change Update
- Joint WRS Task Group (Final Report)
- Tracking Recommendations 2013-2014
- 10th Development of Council's Assets (Exempt)
- 23rd Joint WRS Task Group (Final Report)
- Call In – Review of Hub Satellite Offices at Stourport and Bewdley

September 2014

- How Are We Doing Q1 update (Enabling)
- Recs from Treasury Management Review Panel (to Council)
- Health Action Plan

October 2014

- Leisure Centre Update
- Design Supplementary Planning Document

November 2014

- How Are We Doing Q2 update (Business and People)
- Recs from Treasury Management Review Panel (to Council)
- Joint WRS Scrutiny Task Group Final Report – Summary of decision made in respect of recommendations

December 2014

- Leisure Centre Update
- Hub Update
- A Music Heritage Strategy for Kidderminster

January 2015 – Cancelled

February 2015

- Leisure Centre Update
- How Are We Doing Q3 update (Place)
- Recs from Treasury Management Review Panel (to Council)
- Annual Crime & Disorder Review
- Wyre Forest House Heating Update

March 2015

- Tackling Poverty
- Design Supplementary Planning Document
- A Music Heritage Strategy for Kidderminster

April 2015

- Leisure Centre Update
- S106 Obligations Supplementary Planning Document (SPD)

2015-2016 Municipal Year

June 2015

Leisure Centre Update

How Are We Doing Q4 update (Housing and Planning)

Terms of Reference - The Overview and Scrutiny Committee

1. Reviews the policies of the Council and the Cabinet and recommends to the Council or the Cabinet:
 - (i) Whether any new policies are required.
 - (ii) Whether any existing policies are no longer required.
 - (iii) Whether any changes are required to any existing policies.
 - (iv) Whether any action is required to make the policies more effective.
2. Reviews the discharge of Cabinet functions, and recommends to the Council or the Cabinet:
 - (i) Whether any action should be taken to improve the economy, efficiency and effectiveness of those functions.
 - (ii) Whether any action should be taken to improve the co-ordination of the various functions within the Authority, or with any other person or body.
 - (iii) Whether the function should continue to be discharged or be discharged in another way.
3. Reviews any decisions or proposed decisions of the Council and of the Cabinet. In undertaking such reviews, the Overview and Scrutiny Committee shall in particular consider:
 - (i) Whether the relevant criteria were used.
 - (ii) Whether the decision is in accordance with the budget and policy framework of the Council.
 - (iii) Whether the decision or action was within the powers of the Authority.
 - (iv) Whether the decision was lawful.
 - (v) Whether the decision contributes to the efficient, effective and economic discharge of the function.
4. Recommendations should all take account of the following:
 - (i) Whether the decision should be reconsidered, and if so, what alternative decision should be taken.
 - (ii) Whether the proposed decision should be taken or taken in a different form.
 - (iii) Whether any further action should be taken in the experience of that decision to ensure proper or better implementation of decisions.
 - (iv) Whether any further actions should be taken in the experience of that decision to improve the manner or quality of decision-making for the future.

5. Considers any matters which affect the Council or its administrative area or the inhabitants of that area and makes recommendations to the Council or the Cabinet arising from that consideration.

6. External Partners

Reviews the performance and effectiveness of the Council's external partner organisations, including the duty to scrutinise the local Crime and Disorder Reduction Partnership.

7. Review Panels

Establishes time limited Review Panels which focus upon specific issues of concern raised by Members through a Scrutiny Proposal Form, consider evidence, and subsequently make recommendations to the Overview and Scrutiny Committee. A protocol for the establishment of Review Panels is attached as Appendix C at section 10 of the Constitution.

8. Review the Forward Plan

Regularly reviews the Forward Plan with a view to deciding which, if any, forthcoming items require consideration.

9. Sets and agrees an Annual Work Programme and prioritises the work of the Committee.

10. Ensures consideration is given to encouraging public participation and engagement in functions of the Committee.

11. Ensures that the views of any invitees and co-opted Members (where appropriate) are taken into account when conducting investigations.

12. Monitors the implementation of scrutiny recommendations.

13. Reviews and scrutinises relevant public bodies and partners in the District, including the Council's contribution and relationship with them. Where necessary, requesting them to address overview and scrutiny about their activities, performance, particular decisions, initiatives or projects.