

**Meeting of:** The Cabinet

**Date** 8<sup>th</sup> February 2023

**Time:** 6.30pm

**Venue:** Council Chamber, The Business Centre, Futures Park, Bacup, OL13 0BB



The meeting will also be live streamed at the following link:

<https://www.youtube.com/channel/UCrLsMDOP7AYxik5pNP0gTIA/streams>

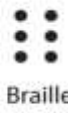
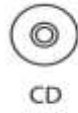
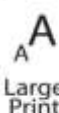
**Supported by:** Glenda Ashton, Committee and Member Services officer Tel: 01706 252423

Email: [democracy@rossendalebc.gov.uk](mailto:democracy@rossendalebc.gov.uk)

ITEM		Lead Member/Contact Officer
<b>A.</b>	<b>BUSINESS MATTERS</b>	
<b>A1.</b>	<b>Apologies for Absence</b>	<p>Clare Birtwistle, Monitoring Officer 01706 252438 <a href="mailto:clarebirtwistle@rossendalebc.gov.uk">clarebirtwistle@rossendalebc.gov.uk</a></p>
<b>A2.</b>	<b>Minutes of the last meeting</b> To approve and sign as a correct record the Minutes of the meeting held on 7 <sup>th</sup> December 2022.	
<b>A3.</b>	<b>Urgent Items of Business</b> To note any items which the Chair has agreed to add to the Agenda on the grounds of urgency.	
<b>A4.</b>	<b>Declarations of Interest</b> <i>Members are advised to contact the Monitoring Officer in advance of the meeting to seek advice on interest issues if necessary.</i>  Members are requested to indicate at this stage, any items on the agenda in which they intend to declare an interest. Members are reminded that, in accordance with the Local Government Act 2000 and the Council's Code of Conduct, they must declare the nature of any personal interest and, if the interest is prejudicial, withdraw from the meeting during consideration of the item.	
<b>B.</b>	<b>COMMUNITY ENGAGEMENT</b>	
<b>B1.</b>	<b>Public Question Time</b> Members of the public can register their question by contacting the Committee Officer. Groups with similar questions are advised to appoint and register a spokesperson.  This is an opportunity to ask a question about an agenda matter which the Council may be able to assist with. A time limit applies for each question and you are only able to address the meeting once.	<p>Glenda Ashton, Committee and Member Services Officer 01706 252423 <a href="mailto:glendaashton@rossendalebc.gov.uk">glendaashton@rossendalebc.gov.uk</a></p>

The agenda and reports are also available for inspection on the Council's website <https://www.rossendale.gov.uk/>. Other formats are available on request. Tel 01706 217777 or contact Rossendale Borough Council, Futures Park, Bacup, OL13 0BB

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ITEM		<b>Lead Member/Contact Officer</b>
	<p>To register for public question time your question must be received no later than 9.00am two working days prior to the day of the meeting by emailing <a href="mailto:democracy@rossendalebc.gov.uk">democracy@rossendalebc.gov.uk</a> Please give your full name, telephone number and include a copy of your question.</p> <p>At the meeting you will be invited to speak at the appropriate time, please begin by giving your name and state whether you are speaking as an individual member of the public, or as a representative of a group. (Question time normally lasts up to 30 minutes).</p>	<p>Please register an agenda related public question by emailing <a href="mailto:democracy@rossendalebc.gov.uk">democracy@rossendalebc.gov.uk</a> no later than 9.00am Friday 3<sup>rd</sup> February 2023</p>
<b>C.</b>	<b>CHAIR'S UPDATE</b>	
<b>C1.</b>	Update from the Chair of the Overview & Scrutiny Committee	Councillor M Smith/Councillor A Barnes
<b>D.</b>	<b>PERFORMANCE MATTERS</b>	
<b>D1.</b>	2023/24 Council Budget and Medium Term Financial Strategy	Councillor Walmsley/Karen Spencer Chief Finance Officer/S151 Officer 01706 252409 <a href="mailto:karenspercer@rossendalebc.gov.uk">karenspercer@rossendalebc.gov.uk</a>
<b>D2.</b>	Capital Strategy 2022/23 – 2026/27 and Capital Programme 2023/24	Councillor Walmsley/Karen Spencer Chief Finance Officer/S151 Officer 01706 252409 <a href="mailto:karenspercer@rossendalebc.gov.uk">karenspercer@rossendalebc.gov.uk</a>
<b>D3.</b>	Treasury Management Strategy & Treasury Management Practises	Councillor Walmsley/Karen Spencer Chief Finance Officer/S151 Officer 01706 252409 <a href="mailto:karenspercer@rossendalebc.gov.uk">karenspercer@rossendalebc.gov.uk</a>
<b>E.</b>	<b>NON-KEY DECISIONS</b>	
<b>E1.</b>	Performance Management Report Quarter 3 2022/23	Councillor Lythgoe/Clare Law Head of People and Policy 01706 252457 <a href="mailto:clarelaw@rossendalebc.gov.uk">clarelaw@rossendalebc.gov.uk</a>



**Adam Allen**  
Acting Chief Executive

**Date Published:** 31<sup>st</sup> January 2023

**MINUTES OF: THE CABINET**

**Date of Meeting: Wednesday 7<sup>th</sup> December 2022**

**Present: Councillor A Barnes (Chair)  
Councillors Ashworth, Lythgoe, Oakes and Walmsley**

**In Attendance: Mr N Shaw, Chief Executive  
Mr A Allen, Director of Communities  
Ms M Lewis, Director of Economic Development  
Ms C Birtwistle, Head of Legal (Monitoring Officer)  
Mrs K Spencer, Chief Finance Officer (Section 151 Officer)  
Mrs A Storah, Principal Planner (Forward Planning)**

**Also present: Councillor Foxcroft  
Councillor Hughes (observing on Zoom from item 7/D1)  
1 member of the public**

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**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Hughes.

**2. MINUTES OF THE LAST MEETING**

**Resolved:**

That the minutes of the meeting held on 7<sup>th</sup> September 2022 were agreed as a correct record.

**3. URGENT ITEMS OF BUSINESS**

There were no urgent items.

**4. DECLARATIONS OF INTEREST**

The Leader of the Council declared an interest in item 11 (E4), investment in facilities at the Moller Ring site. Councillor Ashworth declared an interest in the Weir play area item at 12 (E5).

**5. PUBLIC QUESTION TIME**

No written questions had been submitted.

**6. UPDATE FROM THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE**

The Chair provided an update in the absence of Councillor Johnson.

**7. FINANCIAL MONITORING REPORT Q2 2022/23**

The Lead Member for Resources outlined the report, which asked Cabinet to note the contents of the Quarter 2 2022/23 financial monitoring report.

**Resolved:**

1. Cabinet noted the contents of the Q2 2022/23 financial monitoring report.

**Reason for Decision:**

For the robust monitoring of the General Fund and Medium Term Financial Strategy (MTFS).

**Alternative Options Considered:**

None.

## **8. CLIMATE CHANGE SUPPLEMENTARY PLANNING DOCUMENT**

Lead Member for Environment and Corporate Services outlined the report, which asked Cabinet to approve the Climate Change Supplementary Planning Document and for it to be used in the determination of planning applications. To delegate further minor amendments to the Head of Planning and the Lead Member.

Cabinet members were invited to comment on the report

- Officers were thanked for their hard work.
- Comments from the Overview and Scrutiny Committee have been taken into account.
- Document to be shared with external bodies and stakeholders e.g. RTPI, LGA etc. to celebrate the work that has been completed.

### **Resolved:**

1. Cabinet approved the Climate Change Supplementary Planning Document (SPD) and for it to be used in the determination of planning applications.
2. Cabinet delegated further minor amendments to the Head of Planning and the Lead Member.

### **Reason for Decision:**

Adopting the Climate Change SPD will enable the Council to ensure development that requires planning permission will take climate change issues into account, addressing the Climate Change emergency that the Council declared in 2019, and meet the strategic priorities set out in the Council's Corporate Plan 2021-2025.

### **Alternative Options Considered:**

None.

## **9. WATER HYGIENE AND ASBESTOS POLICIES APPROVAL**

The Lead Member for Environment and Corporate Services outlined the report, which asked Cabinet to approve the adoption of the new Water Hygiene and Asbestos Policies.

### **Resolved:**

1. Cabinet approved the adoption of the Water Hygiene and Asbestos Policies.

### **Reason for Decision:**

Rossendale Borough Council has both a legal and moral obligation to ensure it carries out the works described, which these policies enforce.

### **Alternative Options Considered:**

None.

## **10. ANNUAL AIR QUALITY REPORT 2022**

The Lead Member for Environment and Corporate Services outlined the report, which asked Cabinet to note the content of the report, to endorse the statutory requirement to declare Air Quality Management Area 3 as detailed and authorise the Monitoring Officer to make the necessary Order. That Cabinet endorse the statutory requirement to revoke Air Quality Management Areas 1 and 2 as detailed and authorise the Monitoring Officer to make the necessary Orders.

Cabinet members were invited to comment on the report:

- It was encouraging that the actions taken have proved positive.

**Resolved:**

1. Cabinet noted the content of the Annual Air Quality report.
2. Cabinet endorsed the statutory requirement to declare Air Quality Management Area 3 as detailed and authorised the Monitoring Officer to make the necessary Order.
3. Cabinet endorsed the statutory requirement to revoke Air Quality Management Areas 1 and 2 as detailed and authorised the Monitoring Officer to make the necessary Orders.

**Reason for Decision:**

The improvement in overall levels of NO<sub>2</sub> across the Borough is a positive step and the proposed revocation of two existing AQMA's is testament to this. However localised issues of NO<sub>2</sub> exceedance is still an issue, which needs to be addressed by the Council.

The declaration of a further AQMA shows the authorities determination to tackle this important issue. Success in improving the air that we breathe relies on action by a wide range of organisations and individuals and continued work across the authority and in partnership with other public and private organisations is central to achieving this.

**Alternative Options Considered:**

None.

**11. INVESTMENT IN FACILITIES AT THE MOLLER RING SITE**

The Lead Member for Environment and Corporate Services outlined the report, which asked Cabinet to approve the project and proposed funding streams to develop the Moller Ring site with phase one addressing the play area and phase two resurfacing the pump track. That Cabinet authorises officers to accept the grants and proceed to procure the necessary contractors in accordance with the Council's Contract Procedure Rules. That subject to the successful grant award Cabinet approves an addition to the capital programme of a new fully funded capital scheme totalling £160,500.

Cabinet members were invited to comment on the report:

- Excellent work to bring in external funding and is a good news story.

**Resolved:**

1. Cabinet approved the project and proposed funding streams to develop the Moller Ring site with phase one addressing the play area and phase two resurfacing the pump track.
2. Cabinet authorised officers to accept the grants and proceed to procure the necessary contractors in accordance with the Council's Contract Procedure Rules.
3. That subject to the successful grant award Cabinet approved an addition to the capital programme of a new fully funded capital scheme totalling £160,500.

**Reason for Decision:**

The development of the Moller Ring site will mean the Council are addressing sites as identified as in need of investment through extensive surveys. The improvements to the site will mean that the residents of the area will have access to first class play facilities whilst ensuring the council provides equipment that is both high in play value and in safe condition to use.

**Alternative Options Considered:**

None.

**12. IMPROVEMENTS TO WEIR PLAY AREA**

The Lead Member for Environment and Corporate Services outlined the report, which asked

Cabinet to approve the improvements and associated funding streams to upgrade Weir Play Area which will combine phase one and two of the project. That Cabinet authorises officers to accept the grants and proceed to procure the necessary contractors in accordance with the Council's Contract Procedure Rules. That subject to the successful grant award, Cabinet approves an addition to the capital programme of a new fully funded capital scheme totalling £149,763, this includes transferring £7,441 from existing Playgrounds capital scheme.

Cabinet members were invited to comment on the report:

- Again excellent work to improve our play areas.

**Resolved:**

1. Cabinet approved the improvements and associated funding streams to upgrade Weir Play Area which will combine phase one and two of the project.
2. Cabinet authorised officers to accept the grants and proceed to procure the necessary contractors in accordance with the Council's Contract Procedure Rules.
3. That subject to the successful grant award, Cabinet approved an addition to the capital programme of a new fully funded capital scheme totalling £149,763, this includes transferring £7,441 from existing Playgrounds capital scheme.

**Reason for Decision:**

The development of Weir Play Area will mean the council is addressing sites for investment as identified through extensive surveys of play areas in the borough. The improvements to the site will mean the residents of the area will have access to first class play facilities whilst ensuring the council provides equipment that is both high in play value and in safe condition to use.

**Alternative Options Considered:**

None.

**The meeting concluded at 6.51pm**

\_\_\_\_\_ CHAIR \_\_\_\_\_ DATE

<b>Subject:</b>	2023/24 Council Budget and Medium Term Financial Strategy	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	8 February 2023
<b>Report of:</b>	Head of Finance	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Karen Spencer	<b>Telephone:</b>	01706 252409
<b>Email:</b>	karens pencer@rossendalebc.gov.uk		

## 1. RECOMMENDATIONS

Cabinet recommends that Council approve:-

- 1.1. A revenue budget for 2023/24 of £10.256m, as detailed in this report.
- 1.2. A council tax increase of 2.99%, increasing the Council Tax rate for a Band D property from £290.80 to £299.49, an increase of £8.69 pa.
- 1.3. Use of £756k from the Transitional reserve to support the 2023/24 revenue budget.
- 1.4. The proposed fees and charges attached as Appendix 1.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to enable the Cabinet to review and recommend to Council the proposed revenue budget and level of Council Tax for 2023/24, together with implications for the Council's Medium Term Financial Strategy. This is an opportunity for Overview & Scrutiny to identify and comment on any of the Cabinet's budget proposals.

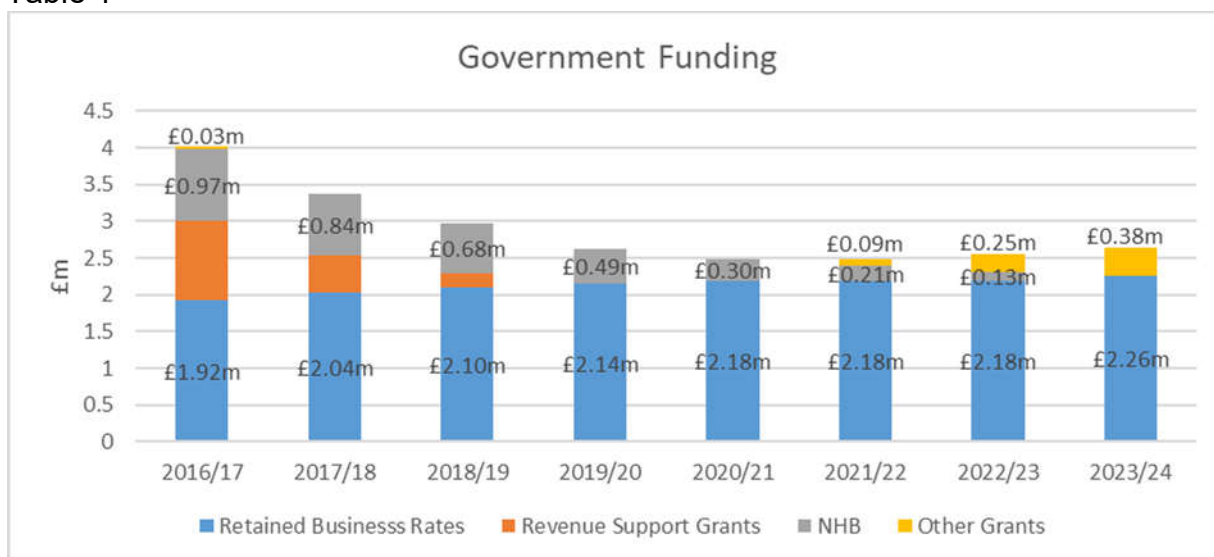
### 3 Background

3.1 The budget process is a key element of the council’s strategic planning process. It is part of the service and financial planning approach adopted by the council, is a means of ensuring that resources are best placed to enable the council to deliver its corporate priorities expressed in the Corporate Plan.

3.2 Previous budget reports have set out the level of uncertainty associated with any forward projections with Government funding. This uncertainty remains given the one-year funding settlement for 2023/24. However Government has stated that the core settlement will continue in a similar manner for 2024/25, with the referendum principles and major grants, with the exception of New Homes Bonus, remaining at the levels set out in 2023/24. The Government will set out the future position of the New Homes Bonus ahead of the 2024/25 settlement. Business Rate pooling will also continue in to 2024/25. The Council can also expect to receive new income, subject to the Extended Producer Responsibility for Packaging (pEPR) coming into force during 2024/25, as currently planned. The Government has confirmed that the Review of Relative Needs and Resources (also known as the Fair Funding Review) and the business rates reset will not be implemented in the current Parliament, although state that they remain committed to improving the local government finance landscape in the next Parliament.

3.3 For a number of years the council has continued to reduce its net revenue expenditure in line with its own efficiency agenda, and the Government’s changes to local government financing over both recent years and the changes proposed for the future. This has resulted in all borough councils now being heavily reliant on the income they generate from their own locality, be it from residents, visitors, property, and/or businesses. The graph below demonstrates how Government funding for Rossendale has reduced over the period 2016/17 to 2023/24, with the traditional Revenue Support Grant ceasing in 2018/19.

Table 1



### 4 2023/24 Provisional Finance Settlement

4.1 The provisional Settlement Funding Assessment for 2023/24 was announced on 19<sup>th</sup> December 2022. The key messages arising from the settlement are:



- a. Up to 2.99% maximum annual increase for Council Tax without triggering a local referendum. It needs to be noted that the Governments 'Core Spending Power' calculations assume all council's increase their Council Tax by the maximum allowed.
- b. The NNDR baseline funding has been increased for 2023/24.
- c. New Homes Bonus payments will be made in 2023/24 for one year only.
- d. The 'Lower Tier Services Grant' will be repurposed into a new one-off funding guarantee (included in 'other grants' in table 1 above), which ensures all councils will see at least a 3% increase in their 'Core Spending Power' before any decision is made about organisational efficiencies, use of reserves, and council tax.
- e. Extension of the 'Services Grant' in to 2023/24, albeit reduced to pay for other parts of the settlement.
- f. The Family Annexe Council Tax Discount grant and Local Council Tax Support Administration Subsidy (LCTS) grant will be 'rolled in' to the Revenue Support Grant (RSG). This is not new funding.
- g. The Lancashire Business Rates Pool is likely to continue in 2023/24.

4.2 The Government announcement indicates that Local Government Core Spending Power will rise by an average 9.2 per cent in 2023/24 However as a shire district, Rossendale will see an increase in Core Spending Power of 3% before any changes in council tax levels are taken into account. Whilst this additional funding is welcomed, following years of austerity and with inflation running at 10.7% (November 2022), this still leaves this council with a significant funding gap.

## 5. The Medium Term Financial Strategy

5.1 Taking into account the impact of the finance settlement, including an annual increase in Council Tax of 2.99% per annum, the 2023/24 net budget estimates, resources and future forecasts are as follows:

Table 2

	2022-23	2023-24	2024-25	2025-26	2026-27
	£000	£000	£000	£000	£000
<b>Original Budget</b>	8,991	10,395	10,641	10,752	11,004
<b>Additional in year pressures</b>	1,515				
<b>Budget Proposals</b>		(139)	(91)	20	
<b>Revised Budget Estimates</b>	10,506	10,256	10,550	10,772	11,004
Estimated Funding:					
Council Tax (+2.99%)	5,985	6,238	6,425	6,617	6,749
Council Tax - growth in base 0.75%			47	95	145
Collection Fund Surplus - Council Tax		40			
Retained Business Rates	2,180	2,261	2,261	2,261	2,261
Revenue Support Grant*		85	85	85	85
Funding Guarantee**	98	290	290	-	-
Services Grant	150	85	85	-	-
New Homes Bonus	132	1	-	-	-
NNDR Retained / Pooling	500	500	500	200	200
<b>Resources</b>	<b>9,045</b>	<b>9,500</b>	<b>9,693</b>	<b>9,258</b>	<b>9,440</b>
<b>Surplus / (further savings required)</b>	<b>(1,461)</b>	<b>(756)</b>	<b>(857)</b>	<b>(1,514)</b>	<b>(1,564)</b>

\*Rolled in Local Council Tax Support Admin and Family Annex Grants

\*\*Re-purposed Lower Tier Services Grant

5.2 Changes in the base budget costs between 2022/23 and 2023/24 are as follows:

Table 3

Forecast Changes	£000
<b>2022/23 Base Budget</b>	<b>8,991</b>
Employment Costs (Pay Award & Increments)	679
Inflation (Utilities)	274
Vehicle Fuel	130
NET Revenues & Benefits Contract Inflation	104
IT Software Inflation	67
Insurance Inflation	40
Audit Fees Increase	118
Bank Charges	35
Employer Pension Contribution Reduction	(156)
Interest Payable	115
Interest Receivable	(109)
Local Council Tax Support Grant	94
Reduction in Housing Benefit Admin Grant	12
Previous Years Budget Proposals	(67)
Various small technical adjustments	68
<b>2023/24 Original Budget</b>	<b>10,395</b>

The current economic situation is having a significant adverse impact on the council's overall financial position. Major issues are:-

- a. Pay inflation for 2022/23 was an average 6.63% 2022/23, this was against a budget of 2.5%. In addition, these pressures are compounded by the national recruitment challenges facing the local government sector. Like many authorities, a reducing pool of suitable candidates at all levels is being experienced. The balance between pay restraint, inflation, and maintaining vital services to our residents will continue to present a significant challenge.
- b. Goods and services are becoming more expensive to buy. General inflationary increases are being experienced across all contracts that are linked directly to RPI and CPI. The largest of which is the Revenues and Benefits contract with Capita, which is linked to CPI.
- c. Vehicle fuel and utility costs have increased significantly throughout 2022/23.
- d. Following the Public Sector Audit Appointments (PSAA) procurement exercise to appoint the Council's external auditor for the period 2023/24 to 2027/28. The PSAA advice is to estimate an increase of 150% on the total 2022/23 fees charged for 2023/24.
- e. Additional costs arising from the empty homes scheme and the ongoing legal claim.
- f. Rising inflation and interest rates is impacting on the capital programme. On average vehicle replacement costs are running c20% over and above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry - pushing up costs, increasing tender prices. In addition, as interest rates rise, so does the cost of borrowing which presents a longer-term risk.

5.3 The budget proposals for 2023/24 onwards are set out below:-

Table 4

Budget Proposals	2023-24	2024-25	2025-26	2026-27
	£000	£000	£000	£000
<b>Income/Efficiencies</b>				
Fees and charges: annual increase in line with inflation	(8)	(8)	(8)	(8)
Trade Waste net increased income	(21)	(21)	(21)	(21)
Garden Waste £4 increase	(25)	(25)	(25)	(25)
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(2)	(2)	(2)	(2)
Promoting Rossendale Budget	(20)	(20)	(20)	(20)
Review of partner grant funding	(12)	(28)	(28)	(28)
Corporate Contingency	(10)	(10)	(10)	(10)
Increased Grant Income	(20)	(20)		
Management Savings Target	(65)	(130)	(130)	(130)
<b>Growth</b>				
Citizen Access - Customer Portal for Revs & Bens	34	34	34	34
Kings Coronation Community Grants	10			
<b>Total</b>	<b>(139)</b>	<b>(230)</b>	<b>(210)</b>	<b>(210)</b>
Future Annual budget movement		(91)	20	0

## 6 Impact on reserves

6.1 As shown in Table 2, after the implementation of the Cabinet proposals there is a funding gap of £756k in 2023/24. This is to be funded by the Transitional reserve as set out in the table below. The table also shows the potential impact on the Transitional reserve, the General reserve and the un-ringfenced Directorate reserves if no further savings/increased income are generated:

Table 5

Use of Reserves if no further income/savings generated		2022/23	2023/24	2024/25	2025/26	2026/27
£000		£000	£000	£000	£000	£000
<b>Funding gap</b>	Adj	<b>(1,461)</b>	<b>(756)</b>	<b>(857)</b>	<b>(1,514)</b>	<b>(1,564)</b>
Use of Reserves	Opening Balance					
Transitional Reserve usage	2,559	(1,461)	(756)	(342)		
General Fund Reserve	1,000	0	0	(515)	(485)	
Directorate reserves	820	0	0	0	(820)	
<b>Reserve Balance</b>	<b>4,379</b>	<b>2,918</b>	<b>2,162</b>	<b>1,305</b>	<b>0</b>	<b>0</b>
<b>Remaining shortfall</b>					<b>(209)</b>	<b>(1,564)</b>

The table demonstrates an annual deficit from 2022/23 onwards. In 2022/23 and 2023/24 this can be funded through the use of the Transitional reserve and beyond that the General Fund reserve and Directorate reserves, however as shown if nothing else changes these will run out in 2025/26.

It must be noted the General Fund reserve of £1.0m is in reality the Council's Minimum Working Balance, this is a requirement of Sections 32 and 43 of the Local Government

6.2 Finance Act 1992 which requires local authorities to consider the establishment and maintenance of reserves. These can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but legally remain part of the General Fund

In support of this requirement, and as part of the development of the budget for 2023/24, an assessment has been carried out to establish the minimum level of the General Fund Working Balance for this Council. Based on this assessment it is recommended that the minimum working balance should remain at £1.0m. At this level it represents circa 3% of the council's gross revenue expenditure.

6.3 In addition to the above reserves the council also holds a Local Business Rate Retention reserve. The Business Rate Collection Fund annual surpluses and deficits are set aside in this earmarked reserve to smooth peaks and troughs in business rate receipts over the life of the forecast. At 31/03/2022 the balance of this reserve was £5.031m, with an estimated £2.816m being used in 2023/24. This balance still includes some of the additional S31 grant receipts during 2020/21, in respect of the extension of the Retail, Hospitality, Leisure and Nursery reliefs which were due to be released equally over the three years, commencing 2021/22, to fund Collection Fund deficits. 2023/24 being the final year. This is in accordance with amended legislation to fund the 'exceptional balance' incurred as a result of the Covid pandemic on the Collection Fund ('re-phasing the deficit'). Further information on reserves can be found in Appendix 2.

## 7 Council Tax for 2023/24

7.1 Cabinet will make its final recommendation for Full Council to approve on 28<sup>th</sup> February 2023. Other precepting authorities will announce their Council Tax changes as follows:

- Lancashire County Council – 9<sup>th</sup> February 2023
- Lancashire Fire & Rescue – 20<sup>th</sup> February 2023
- Lancashire Police & Crime Commissioner – Early February 2023
- Whitworth Town Council – 26<sup>th</sup> January 2023

7.2 The proposed Band D Council Tax for 2023/24 and the previous change across Rossendale is as follows:

Table 6

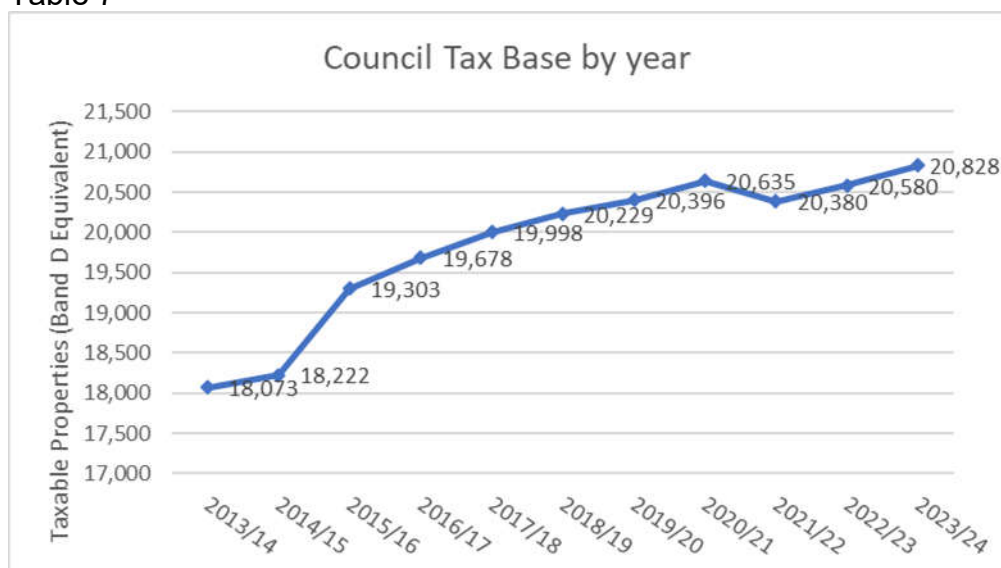
Precepting Body	% Increase	2022/23	2023/24	Increase £	% Share	2022/23	2023/24	Increase £
		Band D £	Band D £			Band A £	Band A £	
<b>Rossendale BC</b>	2.99%	<b>290.80</b>	<b>299.49</b>	8.69	13.5%	<b>193.87</b>	<b>199.66</b>	5.80
Lancashire County Council *	2.99%	<b>1,334.53</b>	<b>1,379.83</b>	45.30	62.2%	<b>889.69</b>	<b>919.89</b>	30.20
LCC Adult Social Care *	2.00%	<b>179.76</b>	<b>210.02</b>	30.26	9.5%	<b>119.84</b>	<b>140.01</b>	20.17
Combined Fire Authority *	6.47%	<b>77.27</b>	<b>82.27</b>	5.00	3.7%	<b>51.51</b>	<b>54.85</b>	3.33
Police & Crime Commissioner *	4.23%	<b>236.45</b>	<b>246.45</b>	15.00	11.1%	<b>157.63</b>	<b>164.30</b>	6.67
<b>Total (Excl' Whitworth)</b>	<b>4.68%</b>	<b>2,118.81</b>	<b>2,218.06</b>	104.25	100.0%	<b>1,412.54</b>	<b>1,478.71</b>	66.17
Whitworth Parish Council	1.00%	<b>26.87</b>	<b>27.14</b>					
<b>Total Whitworth Parish</b>	<b>4.91%</b>	<b>2,145.68</b>	<b>2,245.20</b>					

\* At the time of publication the 2023/24 rates have not yet been published, therefore the maximum increase has been assumed.

## 8 Council Tax Base

- 8.1 For 2023/24 the Council Band D Tax base has increased by 248 properties – 1.21% to 20,828 Band D equivalents. As can be seen in table 7 below, 2021/22 saw a reduction in the Council Tax Base due to the increase in Local Council Tax Support claimants, resulting from the Covid pandemic. Across Rossendale as a whole, the level of Council Tax Support granted has now returned to pre Covid pandemic levels and that combined with the increase in new properties across the Borough has resulted in the increase.

Table 7



Any variation through actual billing will be reflected in the Collection Fund. Future estimated increases in the Council Tax have been assumed at 0.75% c154 Band D equivalents. The Local Plan target is now 185 pa (albeit there is no Band D equivalent published).

- 9 The draft **budget book** for 2022/23 (based on the above) is included at Appendix 3. The key assumptions are:

1. Budget estimates:

- Annual pay award 5% 2023/24 for all staff (as advised by National Employers), 2% pa 2025/24 onwards for all staff – (1% for all staff equates to c.£60k, inclusive of on costs).
- An annual staff vacancy saving of £200k pa
- General price inflation – a freeze on all general revenue expenditure with the exception of pay, utility budgets and contractual increases
- Employers Pension Contribution – the results of the triennial pension review for the period 2023/24 to 2025/26 have reduced the pension contribution to 14.6%. (17.6% 2022/23),
- Employer National Insurance Contributions –The increase of 1.25% to the Employers standard rate announced by Government for 2022/23 was reversed from November 2022, therefore the rate is reducing back to 13.8%. The average rate for the Council is 8.2% in 2022/23 and 7.7% in 2023/24
- Assumes a £500k pa pooling gain, based on current 2022/23 forecasts.

2. Council tax to increase by 2.99% (previously 1.99% in February 2022) with growth in the tax base of 0.75% pa included from 2024/25 onwards.

3. The Government's provisional settlement (December 2022) confirmed the NNDR baseline funding plus other one-off grants.

4. NNDR:

- a. The benefits of the 2022/23 pooling arrangement are currently forecast to contribute c£500k to reserves. Pooling gains reduced significantly during the pandemic due to the additional reliefs Government granted and the impact they had on the NNDR Collection Fund, if Government announce further reliefs to assist with the current economic crisis this could negatively affect the level of pooling gain.
- b. The Government has announced that business rate pools will continue into 2024/25. However beyond 2024/25 the outlook is very uncertain. The MTFS does assume a continued retained pooling gain of £200k pa, less than previous assumptions of £1m. Given the Government's previous consultation on business rates retention, this assumption continues to have some risk as the 2025/26 and future position could be that all or some greater proportion of growth will be taken away from council.

5. New Home Bonus legacy payments ceased being earned in 2018 and end in 2022/23.

## 10 Fees and charges

10.1 The annual budget requires that any changes to the council's fees and charges be approved by members. Unless there is commercial justification not to increase fees or an alternative statutory regulation, the proposal is to increase all fees and charges by a minimum of 10% having taken into consideration the consumer price index (CPI) impact on the service. The November 2022 CPI published annual inflation at 10.7%. A full list of fees (including previous year comparisons) are included at Appendix 1.

## 11 Bridging the council's future funding gap

11.1 The council continues to face a funding gap for the future. Therefore the council should continue to give consideration to:

- The future levels of Council Tax
- Maximising the returns from business rates revenue
- The council's ability to support non-statutory activities and partner/community organisations
- The future quality and standard of statutory service provision
- Any future efficiencies within services and ensuring support services are appropriate
- The council's ability to exploit new revenue generating opportunities
- Treasury management initiatives and maximising the strength of the council's balance sheet resources
- Ensuring any contract renewals are to the best advantage of the council

## 12. Section 25 report

As part of the final recommendations to Full Council Section 25 of the Local Government Act (2003) places a requirement on the Chief Financial Officer of each local authority to advise councillors during the budget process on "the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves", which includes a financial resilience statement. This provision is designed to ensure that members have information which will support responsible financial management

over the longer term. The full section 25 report can be found at Appendix 2.

### 13. RISK

In managing the council's budget the council is seeking to manage the following larger scale risks.

- 13.1 **Council Tax:** In setting the 2023/24 budget members should continue to plan and give due regard to the continued financial challenges over the medium term. In particular, members should be aware of the future implications for the council's financial resources of any council tax freeze or any increase below the Governments' referendum trigger of the higher of £5.00 or 3%.
- 13.2 **Reserves:** The level of reserves is still an estimate until the external auditors sign off the proposed amendments to the previous years accounts and the 2021/22 year end process is finalised. Members should note that the 2023/24 budget proposals include the use of £698k from the Transitional reserve. The un-ringfenced reserves are the Transitional, General Fund and some Directorate reserves. An ongoing reliance on reserves to manage the medium term budget is unsustainable and this will require the council to seek future savings and income generation which members will need to support.
- 13.3 **Resources:** The Council faces significant financial pressures, with table 1 showing the continued real time reduction in Government funding. The financial settlement gives some indication as to the level of funding the Council can expect in 2024/25 and has also confirmed that the Review of Relative Needs and Resources (also known as the Fair Funding Review) and the business rates reset will not be implemented in the current Parliament.
- 13.4 **Funding gap:** The medium term financial forecast indicates the underlying deficit is increasing to c£1.5m by 2025/26 (subject to the assumptions noted above and before future savings initiatives). Members must continue to give due consideration as to how they are to bridge this annual deficit going forward, in order to produce legally balanced budgets for the future.
- 13.5 **NNDR arrangements for 2022/23:** The Government has announced that the Business Rates reset will not be implemented in the current Parliament. Therefore arrangements for 2023/24 are the same as 2022/23. The council remains a member of the Lancashire Business Rates Pool which means the council retains 40% of all business rates growth and avoids the direct payment of a 50% levy on any end of year surplus. This is beneficial for the council's budget position and the council should continue to lobby for the retention of this model, however over recent years the impact of Covid and the economic crisis have significantly reduced the benefits achieved from the pool.
- 13.6 **Pay:** The 2022/23 pay award equated to an average 6.63% increase for this Council. National Employers have indicated the award is likely to be similar for 2023/24, therefore the budget assumes a 5% pay award in 2023/24 and 2% each year thereafter. The budget also assumes, as in previous years a saving as a result of natural staff turnover and the vacancy saving this creates, this is set at £200k pa. Whilst this is a challenging target, it is achievable and will be closely monitored.
- 13.7 **Capital:** Members need to be aware of the impact the increased number of capital schemes and expenditure will have on the MTFs in future years. Capital expenditure has to be paid

for through the revenue budget spread across the life of the asset, this is called the Minimum Revenue Provision (MRP). The MRP charged to the revenue budget in 2023/24 based on the estimated capital expenditure is c£599k, however based on current schemes this rises to c£820k by 2026/27. This places additional pressure on the MTFs.

- 13.8 **Empty Homes Scheme:** The project continues to have a significant adverse impact on the council's financial position with the potential for legal claims ongoing. The project team continue to closely monitor the scheme, manage the project risks and challenge any potential claims where possible thereby reducing the scale of the liability, but the scale of this is very limited given the overall scale of both current works and the nature of the property leases. The scheme is due to end in December 2024.
- 13.9 **Rossendale Leisure Trust:** The key risk to the financial sustainability of the Trust is no longer Covid 19, but the cost of living crisis. Whilst the Leisure Trust is now trading normally the membership and income levels have not yet fully recovered to pre-pandemic levels. In addition the increase in the minimum wage, the increasing energy costs and the current economic climate are impacting adversely on the Trust. The Trust is estimating an income shortfall of c£650k in 2022/23. The Trust and the Council are trying to mitigate the risks as much as possible, however many of the factors are beyond the Trusts' and the council's control. The announcement in the Autumn Statement of a further 9.7% increase in the living wage from April 2023 will place further pressure on the Trust. The Trust and the council need to continue to work together to control the losses wherever possible. This is a significant risk for the council in that it provides the day-to-day cashflow for the Trust, and also in respect of the ongoing delivery of leisure services across the borough. It is critical that the Trust remains financially sustainable and financially independent of the council.
- 13.10 **Corporate Risk register:** The register includes risks around the MTFs, the County Council Budget, Sustainable Workforce and the Leisure Trust. The MTFs is currently a "red" risk, in light of this current MTFs update it is recommended that the current risk rating is retained.

## 14. FINANCE

- 14.1 The key financial matters are dealt with throughout this report. The decision to increase Council Tax is a Member decision. In making their decision Members should give consideration of the deficit facing the council over the medium term. Given the council's future deficit an increase of 2.99% in Council Tax is strongly recommended by the s.151 officer. Any change to Council Tax below the maximum allowed, has an ongoing and cumulative negative impact on future year resources.
- 14.2 The council continues to face a funding gap challenge despite the savings and income generation work already completed this year and in previous years. The council has a statutory duty to produce annually a balanced budget and it is legally bound to find a solution to the future funding gap. There are also some higher risk assumptions in the forecast. Ultimately the use of reserves to balance the funding gap, although legal, is both finite and financially not a sustainable approach to managing the budget in the long-term.
- 14.3 Given the 2023/24 cost base and the financial gap over the longer term the council needs to continue to develop plans to reduce its net cost base in order to avoid reliance on limited reserves and to deal with the future resource deficit. The key messages for the medium term continue to be:



- Council must continue to increase Council Tax in line with the Government's maximum thresholds.
- Council must give further consideration to either reduce costs or increase revenue.
- The uncertainty of future funding levels given the Review of Relative Needs and Resources (also known as the Fair Funding Review) and the business rates reset will not be implemented in the current Parliament.

14.4 The MTFs includes the impact of the UK Shared Prosperity Fund investment Plan.

## 15. **LEGAL**

15.1 The council must calculate and approve its Council Tax Requirement annually for the forthcoming financial year in accordance with s32 and s43 of the Local Government Finance Act 1992 (LGFA 1992). Section 25 of the Local Government Act (2003) also requires the officer having responsibility for the administration of the council's financial affairs, to report to the council on the robustness of the budget estimates and adequacy of financial reserves when determining its budget requirement under the Local Government Finance Act 1992. This report discharges this responsibility.

## 16. **POLICY AND EQUALITIES IMPLICATIONS**

16.1 The Equality Act (2010) requires the council to have due regard in the exercising of its functions to eliminate discrimination, advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not share it. Equality impact assessments will be carried out where necessary on any savings proposal. The duty to inform, consult or involve requires that the council must involve communities and those directly affected at the most appropriate and proportionate level in 'routine functions, in addition to one-off decisions.' Consultation took place with:

- Cabinet and Management Team – October and December 2022 and January 2023
- Members - January 2023
- Public (via the council's website) – January 2023
- Overview & Scrutiny - 1 February 2023

## 17. **CONCLUSIONS**

17.1 The financial position for the council, like all local authorities, is challenging and subject to a high-level of risk regarding the current economic position. The council is proposing to set a revenue budget for 2023/24 of £10.256m.

17.2 There are a number of significant risks outside the council's control which remain a major concern including the current economic crisis and the uncertainty of future Government funding levels. Members will be kept updated on latest financial projections, local Government Finance announcements and risks as they transpire.

17.3 The Council carefully considers and monitors the MTFs and the risks as set out in this report and in the Corporate Risk Register. The Council has a risk management strategy in place to identify and evaluate risks. Risks are identified, potential impacts are highlighted and controls and mitigations are set in place. The Council monitors and reports to Cabinet Members and Audit and Accounts Committee during the year.

17.4 The Council currently holds a number of earmarked reserves, these are funds set aside for

funding future liabilities, however they are being used to fund the shortfall between how much the Council spends and how much funding the Council receives. Based on the estimates detailed in section 4 above, if no further savings/efficiencies or additional income is generated these reserves will be exhausted over the life of the current forecast.

- 17.5 As stated in 13.9 above the nature of the relationship with the Leisure Trust, in that the Council provides their day to day cashflow poses a significant risk for the Council. The Council has commissioned an independent assessment of the financial and legal risk which will make recommendations as to how this risk can be mitigated.
- 17.6 The council must remain focused on identifying and delivering further savings and income in order to ensure annual balanced budgets over the immediate and medium term. It must also ensure that all its budget resource allocations are directed to the core functions of the council and that the use of its resources drives the delivery of the council’s Corporate Plan priorities.

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
Draft 2023/24 Budget & MTFS Papers Draft Capital Programme & Strategy	Presented to Overview & Scrutiny Committee 6 <sup>th</sup> February 2023
Previous updates to the MTFS	Rosendale Borough Council website
Government’s Financial Settlement	DCLG website



# Rossendale Borough Council

## Fees and Charges for 2023/24

*Council may from time to time revise fees and charges partway through a financial year*

## Trade Waste

<b>Trade Waste</b>	
Cost per annum one pick up a week	
size of bin	<b>2022/23 Charge</b>
140ltr	£230.00
240ltr	£375.00
500ltr	£600.00
660ltr	£800.00
770ltr	£900.00
1100ltr	£998.00

	<b>2023/24 Charge</b>
	£280.00
	£425.00
	£660.00
	£880.00
	£990.00
	£1,050.00

<b>Schools/ Charities</b>	
Cost per annum one pick up a fortnight	
size of bin	<b>2022/23 Charge</b>
55 - 140ltr Bin, Bag or Box	£110.00
240ltr	£175.00
500ltr	£300.00
660ltr	£400.00
770ltr	£450.00
1100ltr	£499.00

	<b>2023/24 Charge</b>
	£140.00
	£212.50
	£330.00
	£440.00
	£495.00
	£525.00

<b>Trade Recycling</b>	
Cost per annum - fortnightly collection	
size of bin	<b>2022/23 Charge</b>
55 - 140ltr Bin, Bag or Box	£50.00
240ltr	£60.90
500ltr	£116.10
660ltr	£152.60
770ltr	£182.60
1100ltr	£204.70

	<b>2023/24 Charge</b>
	£65.00
	£80.00
	£140.00
	£180.00
	£200.00
	£240.00

<b>Sacks etc</b>	
	<b>2022/23 Charge</b>
Grey Sacks (includes VAT) (50 pack)	£200.00
Blue Sacks (50 pack)	£50.00
Aqua Sacks (50 pack)	£50.00

	<b>2023/24 Charge</b>
	£250.00
	£65.00
	£65.00

## Bulky Collections

<b><u>Bulky Collection Charges</u></b>	<b>2022/23</b>	<b>2023/24</b>
1 item (furniture and electrical items)	£17.50	£20.00
2 items (furniture and electrical items)	£24.50	£30.00
3 items (furniture and electrical items)	£31.50	£40.00
4 items (furniture and electrical items)	£38.50	£50.00
5 items (furniture and electrical items)	£45.50	£60.00
6 items (furniture and electrical items)	£52.50	£70.00
7 items (furniture and electrical items)	£59.50	£80.00
8 items (furniture and electrical items)	£66.50	£90.00
9 items (furniture and electrical items)	£73.50	£100.00
10 items (furniture and electrical items)	£80.50	£110.00
<b>Price per additional item</b>	<b>£7.00 per item thereafter</b>	<b>£10 per item thereafter</b>
<b><u>Bins &amp; Sacks</u></b>		
New Bin Delivery	£33.50	£37.00
<b><u>Garden Waste</u></b>		
Garden Waste (yearly fee)	£40.00	£44.00

### **No charges for the following Bins**

Blue - Glass, Cans & Plastics

Grey - Paper & Cardboard

## Parks and Playing Fields

	2022/23	2023/24
<b>Letting of Sites (Per Day)</b>		
Moorlands Park	218.00	240.00
Stubbylee Park	218.00	240.00
Victoria Park	218.00	240.00
Maden Recreation Ground	218.00	240.00
New Hall Hey Bacup Cricket Ground - Property Services	218.00	240.00
Fairview	218.00	240.00
All Other Playing Fields	112.00	125.00

## Parks and Playing Fields

	2022/23	2022/23
<b>Memorials / Dedications</b>		
<b>Trees</b>		
Standard option	212.00	235.00
Own selected species		
<b>Benches</b>		
Standard	885.00	975.00
Ornate	1,078.00	1,200.00

## Cemeteries

	2022/23 Charges	2023/24 Charges
Purchase of right of burial in numbered grave space	£1,130.00	£1,245.00
Purchase of right of burial in numbered grave space (outside of the Borough)	£1,342.00	£1,480.00
Transfer of Grant	£67.00	£74.00
<b>Right to fix a headstone or monument</b>		
Headstone	£206.00	£230.00
Kerb Stones		
Inscriptions	£56.00	£62.00
Vase / Plinth and Tablets	£95.00	£105.00
<b>Interments</b>		
Earth Grave & Grave Dressing (resident of the Borough)	£911.00	£1,020.00
Earth Grave & Grave Dressing (non resident of the Borough)	£1,116.00	£1,530.00
Vault – Constructions costs + 5% (+ VAT)	£1,116.00	£1,230.00
Vault – Interments	£926.00	£1,120.00
Vault – Interments (non resident of the Borough)	£1,012.00	£1,620.00
Interment of Ashes	£215.00	£240.00
Interment of ashes (non resident of the borough)	£231.00	£310.00
Scattering of Ashes	£43.00	£48.00
Bricking of grave to coffin height (additional fee)	£186.00	£208.00
<b>Ashes Chambers (Rawtenstall, Bacup &amp; Haslingden)</b>		
Purchase of Exclusive Right of Burial in Chamber	£704.00	£780.00
Interment of ashes in chamber	£247.00	£275.00
<b>Miscellaneous Charges</b>		
Copy of Regulations and Charges	£8.00	£10.00
Search Fee	£38.00	£45.00
Duplicate Grave Deed	£64.00	£72.00
Use of Chapel	£155.00	£175.00
<b>Garden of Remembrance / Whitworth</b>		
Reserving Space	£33.00	£38.00
Interment of Ashes	£50.00	£60.00
Headstone in above.	£58.00	£65.00
Supply of Engraved Plaque (excluding VAT)	£150.00	£165.00
<b>Supply of Memorial Tree</b>	£370.00	£420.00
New Bench including Plaque	£1,088.00	£1,400.00

## Environmental Health

Item	2022/23 Charge	2023/24 Charge
<b>Food Safety</b>		
Export Certificate	£58.00	£60.00
Re-inspections of business operators for food hygiene rating	£175.00	£175.00
Private water supplies - Risk Assessment	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
Private water supplies - Sampling	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
Private water supplies - Investigation	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
Private water supplies - Granting Authorisation	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
Private water supplies - Analysing a sample under Regulation 10	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
Private water supplies - Analysing a check monitoring sample	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
Private water supplies - Analysing an audit monitoring sample	£44 per hour or any part there of, plus £12 per invoiced Household	£48 per hour or any part there of, plus £12 per invoiced Household
<b>Health &amp; Safety</b>		
Skin Piercing - premises	£200.00	£200.00
Skin Piercing - persons	£200.00	£200.00
Factual report to solicitors / injured person	£250.00	£300.00

## Environmental Health

Item	2022-23 Charge	2022-23 Charge
<b>Pollution Health &amp; Housing</b>		
LAPC & LAPPC Fees	<b>As Prescribed</b>	<b>As Prescribed</b>
Environmental Information Regulation enquires	£90 per hour (minimum 1 hour)	£90 per hour (minimum 1 hour)
List of permitted processes	£58.00	£58.00
Enquires related to public register of permitted processes	£90 per hour (minimum 1 hour)	£90 per hour (minimum 1 hour)
Contaminated Land Enquires	£90 (1st hour), £45 per additional half hour)	£99 (1st hour), £50 per additional half hour)
Any Default works	<b>Hourly rate of officer involved + 16.30% of external works costs</b> (min £15 and max £500 per household)	<b>Hourly rate of officer involved + 16.30% of external works costs</b> (min £15 and max £500 per household)
UK House inspections	£118.00	£130.00



HMO License	<b>New Application</b> <b>Part A £719.70</b> <b>Part B £279.50</b> <b>Renewal</b> <b>Part A £700.70</b> <b>Part B £279.50</b>	<b>New Application</b> <b>Part A £719.70</b> <b>Part B £279.50</b> <b>Renewal</b> <b>Part A £700.70</b> <b>Part B £279.50</b>
Housing Act 2004 Notices not including Variations and Revocations	<b>Up to Statutory Maximum of £500</b>	<b>Up to Statutory Maximum of £500</b>
Housing Act 2004 Revocation or Variation of Notice	Officer Time at £45 per hour	Officer Time at £48 per hour
The Smoke and Carbon Monoxide Alarm (England) Regulations 2016 Penalty Charge (not exceeding £5000) Reg 8	First offence £2,500 (reduced to £1,250 if paid early). Second offence £5,000 (reduced to £2,500 if paid early). Any other offence £5,000 with no reductions.	First offence £2,500 (reduced to £1,250 if paid early). Second offence £5,000 (reduced to £2,500 if paid early). Any other offence £5,000 with no reductions.
<b>Scrap Metal</b>		
Dealers 3 year Licence	<b>£414.00</b>	<b>£450.00</b>
Mobile Collections 3 year Licence	<b>£293.00</b>	<b>£350.00</b>
Variations	<b>£59.00</b>	<b>£65.00</b>
Replacement licences	<b>£47.00</b>	<b>£50.00</b>

**Animal Welfare**

Item	Application Fee	Licence Fee	2022/23 Charge	Application Fee	Licence Fee	2023/24 Charge	NOTES
Keeping or Training Animals for exhibition	£121.00	£274.00	£395.00	£121.00	£274.00	£395.00	
Selling animals as Pets	£121.00	£274.00	£395.00	£121.00	£274.00	£395.00	
Doggy Day Care	£121.00	£274.00	£395.00	£121.00	£274.00	£395.00	
Hiring out Horses	£153.00	£283.00	£436.00	£153.00	£283.00	£436.00	Additional vet fees apply and charged separately prior to issue of licence
Dog Breeding	£153.00	£283.00	£436.00	£153.00	£283.00	£436.00	Additional vet fees apply and charged separately prior to issue of licence
Dog Breeding	£184.00	£295.00	£479.00	£184.00	£295.00	£479.00	Additional vet fees apply and charged separately prior to issue of licence
Boarding for cats	£121.00	£274.00	£395.00	£121.00	£274.00	£395.00	
Boarding dogs in kennels	£121.00	£274.00	£395.00	£121.00	£274.00	£395.00	
Home Boarders (Single Dwelling)	£114.00	£285.00	£399.00	£114.00	£285.00	£399.00	
Arranging boarding/day care where agent not	£250.00	£289.00	£539.00	£250.00	£289.00	£539.00	
Additional fee for every 1 host	£55.00	£30.00	£85.00	£55.00	£30.00	£85.00	
Arranging boarding/day care where Host has	£308.00	£286.00	£594.00	£308.00	£286.00	£594.00	
Add additional activity to existing licence	£88.00		£88.00	£88.00		£88.00	
Licence issue (copy licence or following	£14.00		£14.00	£14.00		£14.00	
Appeal Fee	£82.00		£82.00	£82.00		£82.00	£43 refunded if appeal results in a higher star rating
Re-score Request	£62.00		£62.00	£62.00		£62.00	
Missed vet or inspector appointment fee	£52.00		£52.00	£52.00		£52.00	Where appointment arranged but inspection cannot be undertaken for any reason
Zoo Licence	£186.00	£186.00	£372.00	£186.00	£186.00	£372.00	Additional vet fees apply and charged separately prior to issue of licence
Dangerous Wild Animals Licence	£78.00	£77.00	£155.00	£78.00	£77.00	£155.00	Additional vet fees apply and charged separately prior to issue of licence

## Taxi Licensing

	2022-23 Charges	2023-24 Charges
Hackney Carriage Driver Licence (Renewal) 3 years	223.00	246.00
Hackney Carriage Driver New Licence (Renewal) 3 years	223.00	246.00
Hackney Carriage Vehicle Licences	178.00	201.00
Electric Hackney Carriage Vehicle Licences	0.00	0.00
Hackney Carriage Vehicle Licence (Renewal)	178.00	201.00
Private Hire Vehicle Licence	178.00	201.00
Electric Private Hire Vehicle Licence	0.00	0.00
Private Hire Vehicle Licence (Renewal)	178.00	201.00
Private Hire Driver Licence 3 years	223.00	246.00
Private Hire New Driver License 3 years	223.00	246.00
Private Hire Operators License 5 years	413.00	425.00
Private Hire Operators License 3 years	294.00	306.00
Private Hire Operators License 1 year	175.00	187.00
Driver/ Vehicle/ Operator License only	No charge	No charge
Copy documents	No charge	No charge
Re-booking Fee	35.00	35.00
Basic Skills Assessment / Policy Knowledge Test	70.00	70.00
Change of Vehicle	42.00	42.00
Replacement Door Stickers (each)	7.50	7.50
Replacement ID Plate	13.00	13.00
Replacememnt ID Badge	5.00	5.00
Lanyard	1.50	1.50

**Gambling Act Licences**

<b>Activity</b>	<b>2022-23 Charge</b>	<b>2023-24 Charge</b>
Bingo Hall – New Licence	1,885.00	1,885.00
Bingo Hall – Non Fast Track	1,540.00	1,540.00
Bingo Hall – Fast Track	274.00	274.00
Bingo Hall – Annual Fee	1,000.00	1,000.00
Bingo Hall – Variations	631.00	631.00
Bingo Hall – Reinstatement of Licence	1,110.00	1,110.00
Bingo Hall – Provisional statement	1,133.00	1,133.00
Bingo Hall – Transfer	567.00	567.00
Betting Shop – New Application	1,681.00	1,681.00
Betting Shop – Non Fast Track	1,485.00	1,485.00
Betting Shop – Fast Track	300.00	300.00
Betting Shop – Annual Fee	600.00	600.00
Betting Shop – Variations	631.00	631.00
Betting Shop – Reinstatement	1,100.00	1,100.00
Betting Shop – Provisional Statement	1,133.00	1,133.00
Betting Shop – Transfer	567.00	567.00
Adult Gaming Centre – New Application	1,335.00	1,335.00
Adult Gaming Centre – Non Fast Track	1,000.00	1,000.00
Adult Gaming Centre – Fast Track	274.00	274.00
Adult Gaming Centre – Annual Fee	1,000.00	1,000.00
Adult Gaming Centre – Variations	631.00	631.00
Adult Gaming Centre – reinstatement of licence	1,110.00	1,110.00
Adult Gaming Centre – provisional licence	1,133.00	1,133.00
Adult Gaming Centre – transfer	567.00	567.00
Family Entertainment Centre – New Application	1,327.00	1,327.00
Family Entertainment Centre – Non Fast Track	1,000.00	1,000.00
Family Entertainment Centre – Fast Track	300.00	300.00
Family Entertainment Centre – Annual Fee	750.00	750.00
Family Entertainment Centre – Variations	750.00	750.00
Family Entertainment Centre – reinstatement of licencer	950.00	950.00
Family Entertainment Centre – provisional statement	1,133.00	1,133.00
Family Entertainment Centre – Transfer	567.00	567.00

## Premises Liquor Licences

The cost premises licences are determined in accordance with the Licensing Act 2003 and the regulations made therein. Local Authorities have no discretion in this matter.

Rateable Value
Rateable < £4,300
£4,300 to £33,000
£33,001 to £87,000
£87,001 to £125,000
£125,001 and above

Band
A
B
C
D
E

Band
A
B
C
D
E

License	Description	2022-23 Charge	2022-23 Charge
Premises Licence - Alcohol Band A	New	100.00	100.00
Premises Licence - Alcohol Band B	New	190.00	190.00
Premises Licence - Alcohol Band C	New	315.00	315.00
Premises Licence - Alcohol Band D	New	450.00	450.00
Premises Licence - Alcohol Band E	New	635.00	635.00
Premises Licence - NO Alcohol Band A	New	100.00	100.00
Premises Licence - NO Alcohol Band B	New	190.00	190.00
Premises Licence - NO Alcohol Band C	New	315.00	315.00
Premises Licence - NO Alcohol Band D	New	450.00	450.00
Premises Licence - NO Alcohol Band E	New	635.00	635.00
Club Premiese Certificate - Alcohol Band A	New	100.00	100.00
Club Premiese Certificate - Alcohol Band B	New	190.00	190.00
Club Premiese Certificate - Alcohol Band C	New	315.00	315.00
Club Premiese Certificate - Alcohol Band D	New	450.00	450.00
Club Premiese Certificate - Alcohol Band E	New	635.00	635.00
Club Premiese Certificate - NO - Alcohol Band A	New	100.00	100.00
Club Premiese Certificate - NO - Alcohol Band B	New	190.00	190.00
Club Premiese Certificate - NO - Alcohol Band C	New	315.00	315.00
Club Premiese Certificate - NO - Alcohol Band D	New	450.00	450.00
Club Premiese Certificate - NO - Alcohol Band E	New	635.00	635.00
Premises Licence - Alcohol Band A	Annual Fee	70.00	70.00
Premises Licence - Alcohol Band B	Annual Fee	180.00	180.00
Premises Licence - Alcohol Band C	Annual Fee	295.00	295.00
Premises Licence - Alcohol Band D	Annual Fee	320.00	320.00
Premises Licence - Alcohol Band E	Annual Fee	350.00	350.00
Premises Licence - NO Alcohol Band A	Annual Fee	70.00	70.00
Premises Licence - NO Alcohol Band B	Annual Fee	180.00	180.00
Premises Licence - NO Alcohol Band C	Annual Fee	295.00	295.00
Premises Licence - NO Alcohol Band D	Annual Fee	320.00	320.00
Premises Licence - NO Alcohol Band E	Annual Fee	350.00	350.00
Copy premises license or summary	Section 25	10.50	10.50
Provisional Statement	Section 29	315.00	315.00
Notification of Change of Name or address - premise license	Section 33	10.50	10.50
Variation of DPS	Section 37	23.00	23.00
Transfer Premises License	Section 42	23.00	23.00
Interim Authority Notice	Section 47	23.00	23.00
Copy club premises certificate or summary	Section 79	10.50	10.50
Notification of Change of Name or alteration of rules	Section 82	10.50	10.50
Change of registered address of club	Section 83	10.50	10.50
Temporary Event Notice	Section 100	21.00	21.00
Copy Temporary Event Notice	Section 100	10.50	10.50
Personal Licence	New	37.00	37.00
Personal Licence	Renewal	37.00	37.00
Copy personal license	Section 126	10.50	10.50
Notification of change of name or address - personal license	Section 127	10.50	10.50
Notification of interest	Section 178	21.00	21.00

**Street Trading**

Licence	Details	2022-23 Charge	2023-24 Charge	Notes
Street Trading Consent - 12 mth consent	New	80.00	90.00	Application Fee. A further £275 will be charged for issue of consent (below)
Street Trading Consent - 12 mth consent	New	293.00	320.00	Issue fee
Street Trading Consent - 12 mth consent	Renewal	373.00	410.00	
Street Trading Consent - 14 day consent	New	80.00	90.00	Fee is not payable if the consent is a community event (as determined by the licencing manager)
Variation of Street Trading Consent	Variation	0.00	0.00	
Change of personal details		0.00	0.00	
Change in employee details		0.00	0.00	
Copy of street trading consent		0.00	0.00	

**Second Hand Goods Dealers Fees**

Licence	Details	2022-23 Charge	2023-24 Charge
Second hand Goods Dealer Registration	Registration	80.00	100.00
Copy registration certificate	Copy	0.00	0.00

**Other**

Licence	Details	2022-23 Charge	2023-24 Charge
Sex Shop	New	2,500.00	3,125.00

## Planning Applications

The planning application costs are determined in accordance with the Town and Country Planning Regulations 2012. Local Authorities have no discretion in this matter.

All Outline Applications		2022-23 Charges	20% fixing broken Hsg Mrkt element	2023-24 Charges	20% fixing broken Hsg Mrkt element
Site Area	Not more than 2.5 hectares	£462 per 0.1 hectare	£77	£462 per 0.1 hectare	£77
Site Area up to a maximum fee of £150,000	More than 2.5 hectares	£11,432 + £138 per 0.1 hectare	£1905 + £23	£11,432 + £138 per 0.1 hectare	£1905 + £23
Householder Applications		2022-23 Charges	20% fixing broken Hsg Mrkt element	2023-24 Charges	20% fixing broken Hsg Mrkt element
Alterations/extensions to a <b>single dwelling</b> , including works within boundary	Single dwelling (excluding flats)	£206	£34	£206	£34
Full Applications (and First Submissions of Reserved Matters)		2022-23 Charges	20% fixing broken Hsg Mrkt element	2023-24 Charges	20% fixing broken Hsg Mrkt element
Erection of dwellings					
Permission in Principle		£402 for each 0.1 hectare		£402 for each 0.1 hectare	
Alterations/extensions to <b>two or more dwellings</b> , including works within boundaries	Two or more dwellings (or one or more flats)	£407	£68	£407	£68
<b>New dwellings</b> (up to and including 50)	New dwellings (not more than 50)	£462 per dwelling	£77	£462 per dwelling	£77
<b>New dwellings</b> (for more than 50) up to a maximum fee of £300,000	New dwellings (more than 50)	£22,859 + £138 per additional dwelling	£3810 + £23	£22,859 + £138 per additional dwelling	£3810 + £23
Erection of buildings (not dwellings, agricultural, glasshouses, plant nor machinery):					
Increase of floor space	No increase in gross floor space or no more than 40m <sup>2</sup>	£234	£39	£234	£39
Increase of floor space	More than 40m <sup>2</sup> but no more than 75m <sup>2</sup>	£462	£77	£462	£77
Increase of floor space	More than 75m <sup>2</sup> but no more than 3,750m <sup>2</sup>	£462 for each 75m <sup>2</sup> or part thereof	£77	£462 for each 75m <sup>2</sup> or part thereof	£77
Increase of floor space	More than 3,750m <sup>2</sup>	£22,859 + £138 for each additional 75m <sup>2</sup> in excess of 3750 m <sup>2</sup> to a maximum of £300,000	£3810 + £23	£22,859 + £138 for each additional 75m <sup>2</sup> in excess of 3750 m <sup>2</sup> to a maximum of £300,000	£3810 + £23
The erection of buildings (on land used for agriculture for agricultural purposes)					
Site area	Not more than 465m <sup>2</sup>	£96	£16	£96	£16
Site area	More than 465m <sup>2</sup> but not more than 540m <sup>2</sup>	£462	£77	£462	£77
Site area	More than 540m <sup>2</sup> but not more than 4,215m <sup>2</sup>	£462 for first 540m <sup>2</sup> + £462 for each 75m <sup>2</sup> (or part thereof) in excess of 540m <sup>2</sup>	£77 + £77	£462 for first 540m <sup>2</sup> + £462 for each 75m <sup>2</sup> (or part thereof) in excess of 540m <sup>2</sup>	£77 + £77
Site area	More than 4,215m <sup>2</sup>	£22,859 + £138 for each 75m <sup>2</sup> (or part thereof) in excess of 4,215m <sup>2</sup> up to a maximum of £300,000	£3810 + £23	£22,859 + £138 for each 75m <sup>2</sup> (or part thereof) in excess of 4,215m <sup>2</sup> up to a maximum of £300,000	£3810 + £23
Erection of glasshouses (on land used for the purposes of agriculture)		2022-23 Charges	20% fixing broken Hsg Mrkt element	2023-24 Charges	20% fixing broken Hsg Mrkt element
Floor space	Not more than 465m <sup>2</sup>	£96	£16	£96	£16
Floor space	More than 465m <sup>2</sup>	£2,580	£430	£2,580	£430
Erection/alterations/replacement of plant and machinery					
Site area	Not more than 5 hectares	£462 for each 0.1 hectare (or part thereof)	£77	£462 for each 0.1 hectare (or part thereof)	£77
Site area	More than 5 hectares	£22,859 + additional £138 for each 0.1 hectare (or part thereof) in excess of 5 hectares to a maximum of £300,000	£3810 + £23	£22,859 + additional £138 for each 0.1 hectare (or part thereof) in excess of 5 hectares to a maximum of £300,000	£3810 + £23

**Planning Applications**

<b>Applications other than Building Works</b>		<b>2022-23 Charges</b>	<b>20% fixing broken Hsg Mrkt element</b>	<b>2023-24 Charges</b>	<b>20% fixing broken Hsg Mrkt element</b>
<b>Car parks, service roads or other accesses</b>	For existing uses	£234	£39	£234	£39
<b>Waste</b> (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals)					
Site area	Not more than 15 hectares	£234 for each 0.1 hectare (or part	£39	£234 for each 0.1 hectare (or part	£39
Site area	More than 15 hectares	£34,934 + £138 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£5822+ £23	£34,934 + £138 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£5822+ £23
<b>Operations connected with exploratory drilling for oil or natural gas</b>					
Site area	Not more than 7.5 hectares	£508 for each 0.1 hectare (or part	£123	£508 for each 0.1 hectare (or part	£123
Site area	More than 7.5 hectares	£36,070 + additional £151 for each 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £200,000	£7320 + £36	£36,070 + additional £151 for each 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £200,000	£7320 + £36
<b>Other operations (winning and working of minerals)</b>					
Site area	Not more than 15 hectares	£234 for each 0.1 hectare (or part	£39	£234 for each 0.1 hectare (or part	£39
Site area	More than 15 hectares	£34,934 + additional £138 for each 0.1 in excess of 15 hectare up to a maximum of £78,000	£5822 + £23	£34,934 + additional £138 for each 0.1 in excess of 15 hectare up to a maximum of £78,000	£5822 + £23
<b>Other operations (not coming within any of the above categories)</b>					
Site area	Any site area	£234 for each 0.1 hectare (or part thereof) up to a maximum of £2,028	£39	£234 for each 0.1 hectare (or part thereof) up to a maximum of £2,028	£39
<b>Lawful Development Certificate</b>		<b>2022-23 Charges</b>	<b>20% fixing broken Hsg Mrkt element</b>	<b>2022-23 Charges</b>	<b>20% fixing broken Hsg Mrkt element</b>
LDC – Existing Use - in breach of a planning condition		Same as Full		Same as Full	
LDC – Existing Use LDC - lawful not to comply with a particular condition		£234	£39	£234	£39
LDC – Proposed Use		Half the normal planning fee.		Half the normal planning fee.	
<b>Reserved Matters</b>					
Application for approval of reserved matters following outline approval		Full fee due or if full fee already paid then £462 due	£77	Full fee due or if full fee already paid then £462 due	£77
<b>Approval/Variation/discharge of condition</b>					
Application for removal or variation of a condition following grant of planning permission		£234	£39	£234	£39
Application relates to planning permission for development already carried out (Section 73A)		£234	£39	£234	£39
Request for confirmation that one or more planning conditions have been complied with		£34 per request for Householder otherwise £116 per request	£6 and £19	£34 per request for Householder otherwise £116 per request	£6 and £19
<b>Change of Use</b> of a building to use as one or more separate dwellinghouses, or other cases					
Number of Dwellings	Not more than 50 dwellings	£462 for each	£77	£462 for each	£77
Number of Dwellings	More than 50 dwellings	£22,859 + £138 for each in excess of 50 up to a maximum of £300,000	£3810 + £23	£22,859 + £138 for each in excess of 50 up to a maximum of £300,000	£3810 + £23
<b>Other Changes of Use</b> of a building or land		£462	£77	£462	£77
<b>Advertising</b>					
Relating to the business on the premises		£132	£22	£132	£22
Advance signs which are not situated on or visible from the site, directing the public to business		£132	£22	£132	£22
Other advertisements		£462	£77	£462	£77
<b>Prior Approval</b>					



## Planning Applications

Agricultural and Forestry buildings & operations or demolition of buildings		£96	£16	£96	£16
Telecommunications Code Systems Operators		£462	£77	£462	£77
Proposed Change of Use to State Funded School or Registered Nursery		£96	£16	£96	£16
Proposed Change of Use of Agricultural Building to a State-Funded School or Registered Nursery		£96	£16	£96	£16
Proposed Change of Use of Agricultural Building to a flexible use within Shops, Financial and Professional services, Restaurants and Cafes, Business, Storage or Distribution, Hotels, or Assembly or Leisure		£96	£16	£96	£16
Proposed Change of Use of a building from Office (Use Class B1) Use to a use falling within Use Class C3 (Dwellinghouse)		£96	£16	£96	£16
Proposed Change of Use of Agricultural Building to a Dwellinghouse (Use Class C3), where there are no Associated Building Operations		£96	£16	£96	£16
Proposed Change of Use of Agricultural Building to a Dwellinghouse (Use Class C3), and Associated Building Operations		£206	£34	£206	£34
Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and Residential Use to a use falling within Use Class C3 (Dwellinghouse), where there are no Associated Building Operations		£96	£16	£96	£16
Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and Residential Use to a use falling within Use Class C3 (Dwellinghouse), and Associated Building Operations		£206	£34	£206	£34
Notification for Prior Approval for a Change Of Use from Storage or Distribution Buildings (Class B8) and any land within its curtilage to Dwellinghouses (Class C3)		£96	£16	£96	£16
Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3)		£96	£16	£96	£16
Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3), and Associated Building Operations		£206	£34	£206	£34
Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to Restaurants and Cafés (Class A3)		£96	£16	£96	£16
Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to Restaurants and Cafés (Class A3), and Associated Building Operations		£206	£34	£206	£34
Notification for Prior Approval for a Change of Use from Shops (Class A1) and Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Class D2)		£96	£16	£96	£16
<b>Application for a Non-material Amendment Following a Grant of Planning Permission</b>					
Applications in respect of householder developments		£34	£6	£34	£6
Applications in respect of other developments		£234	£39	£234	£39
<b>Local Authority Involvement in High Hedge Complaints</b>					
High Hedge Complaint		£500	N/A	£500	N/A
<b>Pre-Application Advice Fees</b>					
Small scale- Householders		£90	N/A	£90	N/A
Medium Scale - 1-9 houses		£450		£450	
Majors		£2,000		£2,000	
Significant Majors		£3,000		£3,000	
Listed Building Consent & Conservation Works		£250		£250	
<b>Planning History Checks</b>					
		£72	N/A	£72	N/A
<b>Supplementary Planning Application Advice</b>					
		POA	N/A	POA	N/A

**S106 Fees****2023/24****Type of Obligation Monitoring Fee**

<b>Commuted Sum</b>	1% of each payment instalment	This will be included within each invoice requesting payment
<b>Land Contribution</b>	£1,100 per development site	This payment is to be made at the time that the land transfer takes place
<b>On-site Affordable Housing</b>	£1,100 per development site	Payment is to be made on the first occupation of the affordable units
<b>Other obligation</b>	£1,100 per obligation	This is to ensure compliance with obligations such as providing a woodland management strategy etc
<b>Overage Clause1</b>	At least £1,100 or 1% of any addit	This is to report on any commuted sum payments arising from greater profits.
<b>Commuted sum payments for open space / playing pitches contributions</b>	£2,262 per dwelling for housing schemes of 10 or more dwelling	This is to report on any commuted sum payments arising from greater profits.

**Building Control - Table A**

**New Build - Houses 2022/23**

**Standard Charge for New Housing (up to 300m2 Floor Area including flats and maisonettes but not conversions)**

No of Dwellings	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
1	£237.50	£47.50	<b>£285.00</b>	£663.33	£132.67	<b>£796.00</b>	£1,080.83	£216.17	<b>£1,297.00</b>
2	£314.17	£62.83	<b>£377.00</b>	£790.83	£158.17	<b>£949.00</b>	£1,325.83	£265.17	<b>£1,591.00</b>
3	£348.33	£69.67	<b>£418.00</b>	£928.33	£185.67	<b>£1,114.00</b>	£1,531.67	£306.33	<b>£1,838.00</b>
4	£416.67	£83.33	<b>£500.00</b>	£1,070.83	£214.17	<b>£1,285.00</b>	£1,785.00	£357.00	<b>£2,142.00</b>
5	£500.00	£100.00	<b>£600.00</b>	£1,225.00	£245.00	<b>£1,470.00</b>	£2,070.00	£414.00	<b>£2,484.00</b>

**Building Control - Table A**

**New Build - Houses 2023/24**

**Standard Charge for New Housing (up to 300m2 Floor Area including flats and maisonettes but not conversions)**

No of Dwellings	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
1	250.00	50.00	<b>£300.00</b>	695.83	139.17	<b>£835.00</b>	1,135.00	227.00	<b>£1,362.00</b>
2	329.17	65.83	<b>£395.00</b>	830.83	166.17	<b>£997.00</b>	1,392.50	278.50	<b>£1,671.00</b>
3	365.83	73.17	<b>£439.00</b>	974.17	194.83	<b>£1,169.00</b>	1,608.33	321.67	<b>£1,930.00</b>
4	437.50	87.50	<b>£525.00</b>	1,124.17	224.83	<b>£1,349.00</b>	1,874.17	374.83	<b>£2,249.00</b>
5	525.00	105.00	<b>£630.00</b>	1,286.67	257.33	<b>£1,544.00</b>	2,173.33	434.67	<b>£2,608.00</b>

**Standard Charge for New Housing (Floor Area between 301m2 and 700m2)**

	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
Single Dwelling with Floor Area between 301m2 and 500m2	£275.00	£55.00	<b>£330.00</b>	£750.00	£150.00	<b>£900.00</b>	£1,230.00	£246.00	<b>£1,476.00</b>
Single Dwelling with Floor Area between 501m2 and 700m2	£275.00	£55.00	<b>£330.00</b>	£966.67	£193.33	<b>£1,160.00</b>	£1,490.00	£298.00	<b>£1,788.00</b>

Please note for more than 5 Dwelling or if the floor area of a dwelling exceeds 700m2 the charge is individually determined

All the above charges are on the basis that any controlled electrical work is carried out by a person who is a member of a registered competent person scheme, if this is not the case an additional charge may apply

**Standard Charge for New Housing (Floor Area between 301m2 and 700m2)**

	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
Single Dwelling with Floor Area between 301m2 and 500m2	288.33	57.67	<b>£346.00</b>	787.50	157.50	<b>£945.00</b>	1,291.67	258.33	<b>£1,550.00</b>
Single Dwelling with Floor Area between 501m2 and 700m2	288.33	57.67	<b>£346.00</b>	1,015.00	203.00	<b>£1,218.00</b>	1,564.17	312.83	<b>£1,877.00</b>

Please note for more than 5 Dwelling or if the floor area of a dwelling exceeds 700m2 the charge is individually determined

All the above charges are on the basis that any controlled electrical work is carried out by a person who is a member of a registered competent person scheme, if this is not the case an additional charge may apply

**Building Control - Table B**

**Charges for small buildings, extensions and alterations to dwellings 2022-23**  
Valid for applications received between 01/04/2022 & 31/03/2023

Proposal	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
<b>Category 1: Extensions to Dwellings</b>									
Extension Internal Floor area not exceeding 10m2	£333.33	£66.67	<b>£400.00</b>	inc	inc	inc	£400.00	£80.00	<b>£480.00</b>
Extension Internal Floor Area over 10m2 but not exceeding 40m2	£166.67	£33.33	<b>£200.00</b>	£320.00	£64.00	<b>£384.00</b>	£584.00	£116.80	<b>£700.80</b>
Extension Internal Floor Area over 40m2 but not exceeding 60m2	£166.67	£33.33	<b>£200.00</b>	£455.83	£91.17	<b>£547.00</b>	£747.00	£149.40	<b>£896.40</b>
Extension - Internal Floor Area over 60m2 but not exceeding 80m2	£166.67	£33.33	<b>£200.00</b>	£591.67	£118.33	<b>£710.00</b>	£910.00	£182.00	<b>£1,092.00</b>
<b>Category 2 - Garages &amp; Carports</b>									
Erection or Extension of a detached or attached building or extension to a dwelling									
Which consists of a garage, carport or both; having a floor area not exceeding 40m2 in total and is intended to be used in common with an existing building	£256.67	£51.33	<b>£308.00</b>	inc	inc	inc	£308.00	£61.60	<b>£369.60</b>
The conversion of an attached garage into a habitable room	£226.67	£45.33	<b>£272.00</b>	inc	inc	inc	£272.00	£54.40	<b>£326.40</b>
Where the Garage extension exceeds a floor area of 40m2 but does not exceed 60m2	£369.17	£73.83	<b>£443.00</b>	inc	inc	inc	£443.00	£88.60	<b>£531.60</b>
<b>Category 3: Loft Conversion and Dormers</b>									
Formation of a room in a roof space, including means of access thereto. Fees for lofts greater than 40m2 are to be based on the cost of work. The Fee cannot be less than shown below									
Without a dormer but not exceeding 40m2 in floor area	£341.67	£68.33	<b>£410.00</b>	inc	inc	inc	£410.00	£82.00	<b>£492.00</b>
With a dormer but not exceeding 40m2 in floor area	£166.67	£33.33	<b>£200.00</b>	£285.83	£57.17	<b>£343.00</b>	£543.00	£108.60	<b>£651.60</b>

Where the extension to the dwelling exceeds 80m2 in floor area, the charge is based on the estimated cost in Table E, subject to the sum of the plan charge and inspection charge being not less than £761.67 (excluding VAT). The total estimated cost of the work must therefore be at least £50,001.

Note: All the above charges are on the basis that any controlled electrical work is carried out by a person who is a member of a registered Competent Person Scheme, if this is not the case an additional charge may apply.

**Building Control - Table B**

**Charges for small buildings, extensions and alterations to dwellings 2023/24**  
Valid for applications received between 01/04/2023 & 31/03/2024

Proposal	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
<b>Category 1: Extensions to Dwellings</b>									
Extension Internal Floor area not exceeding 10m2	350.00	70.00	<b>£420.00</b>	inc	inc	inc	420.00	84.00	<b>£504.00</b>
Extension Internal Floor Area over 10m2 but not exceeding 40m2	166.67	33.33	<b>£200.00</b>	344.17	68.83	<b>£413.00</b>	613.33	122.67	<b>£736.00</b>
Extension Internal Floor Area over 40m2 but not exceeding 60m2	166.67	33.33	<b>£200.00</b>	486.67	97.33	<b>£584.00</b>	750.83	150.17	<b>£901.00</b>
Extension - Internal Floor Area over 60m2 but not exceeding 80m2	166.67	33.33	<b>£200.00</b>	629.17	125.83	<b>£755.00</b>	955.00	191.00	<b>£1,146.00</b>
<b>Category 2 - Garages &amp; Carports</b>									
Erection or Extension of a detached or attached building or extension to a dwelling									
Which consists of a garage, carport or both; having a floor area not exceeding 40m2 in total and is intended to be used in common with an existing building	269.17	53.83	<b>£323.00</b>	inc	inc	inc	323.33	64.67	<b>£388.00</b>
The conversion of an attached garage into a habitable room	238.33	47.67	<b>£286.00</b>	inc	inc	inc	285.83	57.17	<b>£343.00</b>
Where the Garage extension exceeds a floor area of 40m2 but does not exceed 60m2	387.50	77.50	<b>£465.00</b>	inc	inc	inc	465.00	93.00	<b>£558.00</b>
<b>Category 3: Loft Conversion and Dormers</b>									
Formation of a room in a roof space, including means of access thereto. Fees for lofts greater than 40m2 are to be based on the cost of work. The Fee cannot be less than shown below									
Without a dormer but not exceeding 40m2 in floor area	358.33	71.67	<b>£430.00</b>	inc	inc	inc	430.00	86.00	<b>£516.00</b>
With a dormer but not exceeding 40m2 in floor area	166.67	33.33	<b>£200.00</b>	308.33	61.67	<b>£370.00</b>	570.00	114.00	<b>£684.00</b>

Where the extension to the dwelling exceeds 80m2 in floor area, the charge is based on the estimated cost in Table E, subject to the sum of the plan charge and inspection charge being not less than £1057.50 (excluding VAT). The total estimated cost of the work must therefore be at least £75,001.

Note: All the above charges are on the basis that any controlled electrical work is carried out by a person who is a member of a registered Competent Person Scheme, if this is not the case an additional charge may apply.

**Building Control - Table C**

**Standard Charges for Alterations to Dwellings 2022/23**

Proposal	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total	Regularisation
<b>1A Installation of Replacement windows and doors</b> in a dwelling where the number of windows / doors does not exceed 20							£70.83	£14.17	<b>£85.00</b>	
<b>1B Installation of Replacement windows and doors</b> in a dwelling where the number of windows / doors does not exceed 20 (retrospective)								£0.00		<b>£111.00</b>
<b>2 Underpinning</b> with a total cost not exceeding £30,000	£258.33	£51.67	<b>£310.00</b>	inc	inc	inc	£310.00	£62.00	<b>£372.00</b>	
<b>3 Controlled Electrical Work</b> to a single dwelling (not carried out in conjunction with work being undertaken that falls within Table B)	£229.17	£45.83	<b>£275.00</b>	inc	inc	inc	£275.00	£55.00	<b>£330.00</b>	
<b>4A Renovation of a thermal element</b> i.e. Work involving recovering of a roof, replacement of a floor or renovation of an external wall to which L 1b applies							£108.33	£21.67	<b>£130.00</b>	<b>£163.00</b>
<b>4B Renovation of a thermal element</b> Replacement conservatory Roof	POA						POA			<b>POA</b>
<b>5 Formation of a single en suite bathroom / shower room or cloakroom within an existing dwelling</b> (excluding electrical work)	£221.67	£44.33	<b>£266.00</b>	inc	inc	inc	£266.00	£53.20	<b>£319.20</b>	<b>£374.00</b>
<b>6 Removal or partial removal of chimney breast</b> (accompanied by Structural Engineering Details)	£139.17	£27.83	<b>£167.00</b>				£139.17	£27.83	<b>£167.00</b>	<b>£199.00</b>
<b>7 Installation of New or Replacement Sewage Treatment Plant and associated discharge</b>	£212.50	£42.50	<b>£255.00</b>				£233.33	£46.67	<b>£280.00</b>	<b>£337.00</b>
<b>8 Removal of wall and insertion of one or two steel beams maximum span 4 metres</b> (accompanied by Structural Engineering Details)	£139.17	£27.83	<b>£167.00</b>				£139.17	£27.83	<b>£167.00</b>	<b>£199.00</b>
<b>9 Structural Alterations not supported by Structural Calculations to be individually assessed (Calculations may still be required)</b>	POA						POA			<b>POA</b>
<b>10 The insertion of insulating material in a cavity wall of an existing property*</b>							£71.67	£14.33	<b>£86.00</b>	
<b>11 Installation of a multi fuel appliance including associated Flue liner and hearth*</b> to a single dwelling							£255.00	£51.00	<b>£306.00</b>	<b>£368.00</b>

\* Not carried out under a Competent Person Scheme

Where it is intended to carry out additional work internally within a dwelling at the same time as undertaking alterations as defined in Table C then the charge for all of the internal work (including work as defined in table C) may be assessed using the total estimated cost of work as set out in table E. All other work within dwellings will be charged as set out in Table E.

**Building Control - Table C**

**Standard Charges for Alterations to Dwellings 2023-24**

Proposal	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total	Regularisation
<b>1A Installation of Replacement windows and doors</b> in a dwelling where the number of windows / doors does not exceed 20							74.17	14.83	<b>£89.00</b>	
<b>1B Installation of Replacement windows and doors</b> in a dwelling where the number of windows / doors does not exceed 20 (retrospective)								0.00		<b>117.00</b>
<b>2 Underpinning</b> with a total cost not exceeding £30,000	270.83	54.17	<b>£325.00</b>	inc	inc	inc	325.00	65.00	<b>£390.00</b>	
<b>3 Controlled Electrical Work</b> to a single dwelling (not carried out in conjunction with work being undertaken that falls within Table B)	240.83	48.17	<b>£289.00</b>	inc	inc	inc	289.17	57.83	<b>£347.00</b>	
<b>4A Renovation of a thermal element</b> i.e. Work involving recovering of a roof, replacement of a floor or renovation of an external wall to which L 1b applies. (retrospective)							113.33	22.67	<b>£136.00</b>	<b>171.00</b>
<b>4B Renovation of a thermal element</b> Replacement Conservatory Roof	POA						POA			<b>POA</b>
<b>5 Formation of a single en suite bathroom / shower room or cloakroom within an existing dwelling</b> (excluding electrical work)	232.50	46.50	<b>£279.00</b>	inc	inc	inc	279.17	55.83	<b>£335.00</b>	<b>393.00</b>
<b>6 Removal or partial removal of chimney breast</b> (accompanied by Structural Engineering Details)	145.83	29.17	<b>£175.00</b>				145.83	29.17	<b>£175.00</b>	<b>210.00</b>
<b>7 Installation of New or Replacement Sewage Treatment Plant and associated discharge</b>	223.33	44.67	<b>£268.00</b>				268.33	53.67	<b>£322.00</b>	<b>386.00</b>
<b>8 Removal of wall and insertion of one or two steel beams maximum span 4 metres</b> (accompanied by Structural Engineering Details)	145.83	29.17	<b>£175.00</b>				145.83	29.17	<b>£175.00</b>	<b>210.00</b>
<b>9 Structural Alterations not supported by Structural Calculations to be individually assessed (Calculations may still be required)</b>	POA						POA			<b>POA</b>
<b>10 The insertion of insulating material in a cavity wall of an existing property*</b>							75.00	15.00	<b>£90.00</b>	
<b>11 Installation of a multi fuel appliance including associated Flue liner and hearth*</b> to a single dwelling							267.50	53.5	<b>£321.00</b>	<b>385.00</b>

\* Not carried out under a Competent Person Scheme

Where it is intended to carry out additional work internally within a dwelling at the same time as undertaking alterations as defined in Table C then the charge for all of the internal work (including work as defined in table C) may be assessed using the total estimated cost of work as set out in table E. All other work within dwellings will be charged as set out in Table E.

**Building Control - Table D**

**Extensions and New Build - Other than to Dwellings 2022/23**

(i.e. Shops, Offices, industrial, hotels, storage, assembly etc.)

Note - must be submitted as a full plans application (other than application for replacement windows)

Category of Work	Proposal	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total
1	Internal Floor Area not exceeding 6m <sup>2</sup>	£336.67	£67.33	<b>£404.00</b>	inc	inc	<b>inc</b>
2	Internal Floor Area over 6m <sup>2</sup> but not exceeding 40m <sup>2</sup>	£166.67	£33.33	<b>£200.00</b>	£320.00	£64.00	<b>£384.00</b>
3	Internal Floor Area over 40m <sup>2</sup> but not exceeding 80m <sup>2</sup>	£166.67	£33.33	<b>£200.00</b>	£503.33	£100.67	<b>£604.00</b>
4	<b>Shop fit</b> out not exceeding a value of £50,000	£326.67	£65.33	<b>£392.00</b>	inc	inc	<b>inc</b>
5	<b>Replacement Windows</b>						
	a - not exceeding 10 windows	£122.50	£24.50	<b>£147.00</b>	Inc	Inc	<b>inc</b>
	b - between 11 - 20 windows	£216.67	£43.33	<b>£260.00</b>	Inc	Inc	<b>inc</b>

**Building Control - Table D**

**Extensions and New Build - Other than to Dwellings 2023/24**

(i.e. Shops, Offices, industrial, hotels, storage, assembly etc.)

Note - must be submitted as a full plans application (other than application for replacement windows)

Category of Work	Proposal	Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total
1	Internal Floor Area not exceeding 6m <sup>2</sup>	353.33	70.67	<b>£424.00</b>	inc	inc	<b>inc</b>
2	Internal Floor Area over 6m <sup>2</sup> but not exceeding 40m <sup>2</sup>	166.67	33.33	<b>£200.00</b>	345.00	69.00	<b>£414.00</b>
3	Internal Floor Area over 40m <sup>2</sup> but not exceeding 80m <sup>2</sup>	166.67	33.33	<b>£200.00</b>	536.67	107.33	<b>£644.00</b>
4	<b>Shop fit</b> out not exceeding a value of £50,000	343.33	68.67	<b>£412.00</b>	inc	inc	<b>inc</b>
5	<b>Replacement Windows</b>						
	a - not exceeding 10 windows	128.33	25.67	<b>£154.00</b>	Inc	Inc	<b>inc</b>
	b - between 11 - 20 windows	227.5	45.50	<b>£273.00</b>	Inc	Inc	<b>inc</b>

**Building Control - Table E**

**Standard Charges for all work not in Tables A,B,C & D for 2022/23**  
(excludes individually determined charges)

Estimated Cost		Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
From	To									
£0.00	£1,000.00	£115.83	£23.17	<b>£139.00</b>	inc	inc	inc	£139.17	£27.83	<b>£167.00</b>
£1,001.00	£2,000.00	£221.50	£44.30	<b>£265.80</b>	inc	inc	inc	£265.83	£53.17	<b>£319.00</b>
£2,001.00	£5,000.00	£240.00	£48.00	<b>£288.00</b>	inc	inc	inc	£288.33	£57.67	<b>£346.00</b>
£5,001.00	£7,000.00	£257.50	£51.50	<b>£309.00</b>	inc	inc	inc	£309.17	£61.83	<b>£371.00</b>
£7,001.00	£10,000.00	£297.50	£59.50	<b>£357.00</b>	inc	inc	inc	£356.67	£71.33	<b>£428.00</b>
£10,001.00	£20,000.00	£367.50	£73.50	<b>£441.00</b>	inc	inc	inc	£440.83	£88.17	<b>£529.00</b>
£20,001.00	£30,000.00	£166.67	£33.33	<b>£200.00</b>	£311.67	£62.33	<b>£374.00</b>	£574.17	£114.83	<b>£689.00</b>
£30,001.00	£40,000.00	£216.67	£43.33	<b>£260.00</b>	£353.33	£70.67	<b>£424.00</b>	£684.17	£136.83	<b>£821.00</b>
£40,001.00	£50,000.00	£263.33	£52.67	<b>£316.00</b>	£425.00	£85.00	<b>£510.00</b>	£825.83	£165.17	<b>£991.00</b>
£50,001.00	£75,000.00	£310.00	£62.00	<b>£372.00</b>	£518.33	£103.67	<b>£622.00</b>	£994.17	£198.83	<b>£1,193.00</b>
£75,001.00	£100,000.00	£353.33	£70.67	<b>£424.00</b>	£654.17	£130.83	<b>£785.00</b>	£1,209.17	£241.83	<b>£1,451.00</b>
£100,001.00	£150,000.00	£395.00	£79.00	<b>£474.00</b>	£752.50	£150.50	<b>£903.00</b>	£1,376.67	£275.33	<b>£1,652.00</b>

Where it is intended to carry out additional work on a dwelling at the same time as undertaking an extension within table B, then the charge for this additional work (as indicated in Table E) shall be discounted by 50%, subject to a maximum estimated cost of less than £10,000

Note: In respect of domestic work the above charges are on the basis that any controlled electrical work is carried out by a person who is a member of a registered Competent Person Scheme, if this is not the case an additional charge may apply.

Where the estimated cost of work exceeds £150,000 the charge will be individually assessed by Rossendale Borough Council Building Control Services.

**Building Control - Table E**

**Standard Charges for all work not in Tables A,B,C & D for 2023/24**  
(excludes individually determined charges)

Estimated Cost		Plan Fee	VAT	Plan Total	Inspect Fee	VAT	Inspect Total	Building Notice Fee	VAT	Building Notice Total
From	To									
0	1000	121.67	24.33	<b>£146.00</b>	inc	inc	inc	145.83	29.17	<b>£175.00</b>
1,001	2,000	232.50	46.50	<b>£279.00</b>	inc	inc	inc	279.17	55.83	<b>£335.00</b>
2,001	5,000	251.67	50.33	<b>£302.00</b>	inc	inc	inc	301.67	60.33	<b>£362.00</b>
5,001	7,000	257.50	51.50	<b>£309.00</b>	inc	inc	inc	309.17	61.83	<b>£371.00</b>
7,001	10,000	312.50	62.50	<b>£375.00</b>	inc	inc	inc	375.00	75.00	<b>£450.00</b>
10,001	20,000	385.83	77.17	<b>£463.00</b>	inc	inc	inc	463.33	92.67	<b>£556.00</b>
20,001	30,000	166.67	33.33	<b>£200.00</b>	335.83	67.17	<b>£403.00</b>	603.33	120.67	<b>£724.00</b>
30,001	40,000	227.50	45.50	<b>£273.00</b>	370.83	74.17	<b>£445.00</b>	718.33	143.67	<b>£862.00</b>
40,001	50,000	276.67	55.33	<b>£332.00</b>	446.67	89.33	<b>£536.00</b>	868.33	173.67	<b>£1,042.00</b>
50,001	75,000	325.00	65.00	<b>£390.00</b>	544.17	108.83	<b>£653.00</b>	1,048.33	209.67	<b>£1,258.00</b>
75,001	100,000	370.83	74.17	<b>£445.00</b>	686.67	137.33	<b>£824.00</b>	1,269.17	253.83	<b>£1,523.00</b>
100,001	150,000	415.00	83.00	<b>£498.00</b>	790.00	158.00	<b>£948.00</b>	1,445.83	289.17	<b>£1,735.00</b>
150,001	200,000	458.33	91.67	<b>£550.00</b>	893.33	178.67	<b>£1,072.00</b>	1,621.67	324.33	<b>£1,946.00</b>
200,001	250,000	502.50	100.50	<b>£603.00</b>	996.67	199.33	<b>£1,196.00</b>	1,799.17	359.83	<b>£2,159.00</b>

Where it is intended to carry out additional work on a dwelling at the same time as undertaking an extension within table B, then the charge for this additional work (as indicated in Table E) shall be discounted by 50%, subject to a maximum estimated cost of less than £10,000

Note: In respect of domestic work the above charges are on the basis that any controlled electrical work is carried out by a person who is a member of a registered Competent Person Scheme, if this is not the case an additional charge may apply.

Where the estimated cost of work exceeds £250,000 the charge will be individually assessed by Rossendale Borough Council Building Control Services.

**Building Control - Table F**

Demolition (2022/23)		
Category of Work	Proposal	VAT Exempt Fee
1	Application to demolish existing property under Section 80 of the Buildings Act 1984 & issuing the counter notice under Section 81 of the Building Act 1984.	FOC

**Building Control - Table F**

Demolition (2023/24)		
Category of Work	Proposal	VAT Exempt Fee
1	Application to demolish existing property under Section 80 of the Buildings Act 1984 & issuing the counter notice under Section 81 of the Building Act 1984.	FOC

**Building Control - Table G**

Other Charges (2022/23)				
Category of Work	Proposal	Net	VAT	Gross Fee
1	Copy of Decision Notice or Completion Certificates (within the past 3 years)	£24.17	£4.83	£29.00
2	Additional copy from same file.	£6.67	£1.33	£8.00
3	Re- opening of archived applications (Charge per Hour - minimum 1 hour £75) plus decision notice and completion certificate	£64.17	£12.83	£77.00
4	Re- opening of archived applications (Charge per Hour - minimum 1 hour £75) plus decision notice, completion certificate and site visit	£90.00	£18.00	£108.00
5	Withdrawal of an application and any associated charges (Charge per Hour - minimum 1 hour £75)	£64.17	£12.83	£77.00
6	Building Regulation Confirmation letter	£64.17	£12.83	£77.00
7	Change of applicants details on valid application (New)	£64.17	£12.83	£77.00
8	Supply of non-standard data and information, including responding to solicitors enquiries (Charge per Hour - minimum 1 hour £75)	£64.17	£12.83	£77.00
9	Pre Application site visit discountably against full application	£64.17	£12.83	£77.00
10	Exemption Certificate (Charged per Hour - minimum 1 hour £76.50) additional charges for site visits.	£64.17	£12.83	£77.00

**Building Control - Table G**

Other Charges (2023/24)				
Category of Work	Proposal	Net	VAT	Gross Fee
1	Copy of Decision Notice or Completion Certificates (within the past 3 years)	24.17	4.83	£29.00
2	Additional copy from same file.	6.25	1.25	£7.50
3	Re- opening of archived applications (Charge per Hour - minimum 1 hour £80.00) plus decision notice and completion certificate	66.67	13.33	£80.00
4	Re- opening of archived applications (Charge per Hour - minimum 1 hour £80.00) plus decision notice and completion certificate	93.33	18.67	£112.00
5	Withdrawal of an application and any associated charges (Charge per Hour - minimum 1 hour £80.00)	66.67	13.33	£80.00
6	Building Regulation Confirmation letter	66.67	13.33	£80.00
7	Change of applicants details on valid application (New)	66.67	13.33	£80.00
8	Supply of non-standard data and information, including responding to solicitors enquiries (Charge per Hour - minimum 1 hour £80.00)	66.67	13.33	£80.00
9	Pre Application site visit discountably against full application	66.67	13.33	£80.00
10	Exemption Certificate (Charged per Hour - minimum 1 hour £80.00) additional charges for site visits.	66.67	13.33	£80.00



## Street Naming & Numbering

### Existing Properties

Individual House Name / Individual House re-name or re-number

#### 2022/23 Charge

£75

#### 2023/24 Charge

£75

Conversions of existing Properties into multiples

£120 up to a maximum of 4 units; additional Units £26 per unit

£120 up to a maximum of 4 units; additional Units £26 per unit

### Newbuild / Conversion to a property

Development of 10 plots or less

£75 per plot up to a maximum of £300

£75 per plot up to a maximum of £300

Development of 11 plots or more

Charges individually assessed

Charges individually assessed

Additional charge, where this includes the naming of a street

£120

£120

Additional charge, where this includes the naming of a building (e.g. block of flats)

£120

£120

## Local Land Charges

Offical Search / Enquiries / Con29R form / LLC1
Con 29R - Each additional parcel of land
Offical Search - LLC1
Supplementary Questions Con 29O *
Supplementary Question Con 29O (Question 22) *
Each additional Enquiry

2022/23		
Fee	VAT	TOTAL
£65.00	£13.00	£103.00
£25.00	£0.00	£25.00
£20.00	£4.00	£24.00
£25.00	£0.00	£25.00
£15.00	£3.00	£18.00
£25.00	£5.00	£30.00
£20.00	£4.00	£24.00

2023/24		
Fee	VAT	TOTAL
£70.00	£14.00	£114.00
£30.00	£0.00	£30.00
£20.00	£4.00	£24.00
£25.00	£0.00	£25.00
£15.00	£3.00	£18.00
£25.00	£5.00	£30.00
£20.00	£4.00	£24.00

## Legal Services

	2022/23			2023/24		
	Net	VAT	Gross	Net	VAT	Gross
<b><u>Sales of land and property and freehold reversion</u></b>						
Up to £5,000			£560.00			£570.00
£5001 - £15,000			£765.00			£775.00
£15,001 - £100,000			£1,730.00			£1,750.00
over £100k			2% of sale price			2% of sale price
<b><u>Leases and Licences</u></b>						
Industrial Unit Lease		*min	£360.00		*min	£365.00
Industrial Unit Licence		*min	£205.00		*min	£210.00
Garden/Garage Tenancy		*min	£305.00		*min	£310.00
Wayleave/Easement		*min	£500.00		*min	£505.00
Commercial Lease		*min	£765.00		*min	£770.00
Notice of Assignment			£85.00		*min	£85.00
Agricultural Tenancy			£360.00		*min	£365.00
Agricultural Tenancy Renewal			£255.00		*min	£260.00
Lease Renewal		*min	£255.00		*min	£260.00
Deed of Variation/Surrender/Release		*min	£360.00		*min	£365.00
<b><u>§106 Agreements</u></b>						
Preparation		* min	£1,550.00		* min	£1,600.00
Checking Fee		* min	£510.00		* min	£550.00
Deed of Variations		* min	£765.00		* min	£775.00
<b>Footpath Diversions</b>			£2,800.00		* min	£2,850.00
+ any disbursements (assuming unopposed)						
<b>Commercial Road Closures under TPCA</b>			£100.00		* min	£110.00
<b>Commercial Event Licences</b>		* min	£250.00		* min	£275.00
<b>Misc' Commercial Licence</b>		* min	£250.00		* min	£300.00

Property Services

	2022/23		
	Net	VAT	Gross
Garage sites (adopted TH sites will be held at current rate for a period of 12 months)	£178.33	£35.67	£214.00
Departure Charge (Rawtenstall Bus Terminal, Bacup Road)	78.00 p		
Garden Licences (a garden must be formed of land adjoining Rental £1.50 per sq.m)			
Information regarding industrial units or managed offices have not been included due to the sensitivity of individual pricing			
Garage bond scheme to be introduced to all new and renewing tenancies from 01/04/20			

Property Services

	2023/24		
	Net	VAT	Gross
Garage sites (adopted TH sites will be held at current rate for a period of 12 months)	£182.50	£36.50	£219.00
Departure Charge (Rawtenstall Bus Terminal, Bacup Road)	78.00 p		
Garden Licences (a garden must be formed of land adjoining Rental £1.50 per sq.m)			
Information regarding industrial units or managed offices have not been included due to the sensitivity of individual pricing			
Garage bond scheme to be introduced to all new and renewing tenancies from 01/04/20			

Valuation Services Residential	2022/23		
	Net	VAT	Gross
Band A (£1,000 - £5,000)	280.00	56.00	336.00
Band B (£5001 - £15,000)	280.00	56.00	336.00
Band C (£15,001 - £25,000)	300.00	60.00	360.00
Band D (£5,001 - £50,000)	300.00	60.00	360.00
Band E (£50,001 - £100,000)	320.00	64.00	384.00
Band F (£100,001 +)	450.00	90.00	540.00
Minimum rental fee of £200 per annum. Minimum purchase value of £1000. Valuations on a price banding basis based on letterhead valuation for purchase.			

Valuation Services Residential	2023/24		
	Net	VAT	Gross
Band A (£1,000 - £5,000)	300.00	60.00	360.00
Band B (£5001 - £15,000)	300.00	60.00	360.00
Band C (£15,001 - £25,000)	320.00	64.00	384.00
Band D (£5,001 - £50,000)	320.00	64.00	384.00
Band E (£50,001 - £100,000)	345.00	69.00	414.00
Band F (£100,001 +)	460.00	92.00	552.00
Minimum rental fee of £200 per annum. Minimum purchase value of £1000. Valuations on a price banding basis based on letterhead valuation for purchase.			

Valuation Services Commercial	2022/23		
	Net	VAT	Gross
Band A (£1,000 - £5,000)	£250	£50	£300
Band B (£5001 - £15,000)	£250	£50	£300
Band C (£15,001 - £25,000)	£250	£50	£300
Band D (£5,001 - £50,000)	£250	£50	£300
Band E (£50,001 - £100,000)	£300	£60	£360
Band F (£100,001 +)	£300	£60	£360
Min net fee of £200			
Minimum rental fee of £200 per annum. Minimum purchase value of £1000. Valuations on a price banding basis based on			

Valuation Services Commercial	2023/24		
	Net	VAT	Gross
Band A (£1,000 - £5,000)	267.25	£53	£321
Band B (£5001 - £15,000)	267.25	£53	£321
Band C (£15,001 - £25,000)	267.25	£53	£321
Band D (£5,001 - £50,000)	267.25	£53	£321
Band E (£50,001 - £100,000)	320.70	£64	£385
Band F (£100,001 +)	320.70	£64	£385
Min net fee of £200			
Minimum rental fee of £200 per annum. Minimum purchase value of £1000. Valuations on a price banding basis based on			

	2022/23		
	Net	VAT	Gross
Application to Purchase/Lease/Rent	110.00	22.00	132.00
Charity / CIC Application to Purchase/Lease/Rent	10.00	2.00	12.00
Licence / Lease Instruction Fee	60.00	12.00	72.00
Charity Licence / Lease Instruction Fee	10.00	2.00	12.00
Estates Administration Fee	25.00	5.00	30.00
Allotments			
Tenancy agreement pr sq. m.	25.00	0.00	25.00
Minimum fee of £50 per annum	0.35	0.00	0.35

	2023/24		
	Net	VAT	Gross
Application to Purchase/Lease/Rent	120.00	24.00	144.00
Charity / CIC Application to Purchase/Lease/Rent	10.83	2.17	13.00
Licence / Lease Instruction Fee	65.00	13.00	78.00
Charity Licence / Lease Instruction Fee	10.83	2.17	13.00
Estates Administration Fee	27.50	5.50	33.00
Allotments			
Tenancy agreement pr sq. m.	25.00	0.00	25.00
Minimum fee of £50 per annum	0.35	0.00	0.35

**Draft - Rossendale Borough Council Budget 2023/24 Risk Analysis and Report Under s25 of the Local Government Act 2000**

1. This analysis is produced in order to:
  - a) Support the conclusions as to the robustness of the budget and adequacy of reserves set out in the Chief Finance Officers report under 25 of the Local Government Act 2003.
  - b) Inform members of the financial risks facing the Council for consideration as part of their debates around the setting of the budget and approving the Medium Term Financial Strategy.
  
2. Financial risks are clearly of various sorts but can broadly be characterised as follows:
  - The chance of overspending against budget
  - The chance of under spending against budget
  - The chance of an unforeseen event with a major financial impact (for example a flood or similar event)
  - The chance of a significant reduction in previously available financial resources (eg New Homes Bonus, National Non-Domestic Rates, Council Tax, Fees & Charges, etc)
  
3. Clearly such risks have either a positive or negative effect on the Council’s overall financial position. It is the purpose of the financial management process to allow the Council to both identify the risks it faces and the steps required to either mitigate them in the case of negative risks or exploit them in the case of positive risks.
  
4. The degree to which the Council is exposed to such risks is influenced by a number of factors:
  - The robustness of the budget estimates. In preparing the budget a line by line review of spending and income is carried out by finance staff and Managers to ensure that budgets reflect the reality of operations and Council policies. This process gives some assurance that underlying budget issues are identified and dealt with.
  - The achievability of major variations to spending plans such as growth or savings items. Where major change is undertaken it is always possible that there will be some delays in delivery, for example due to delays in filling posts or restructuring departments. These issues are dealt with in the costing of the business case for change which should tend to underestimate the achievement of savings and overestimate new costs thus presenting a prudent estimate for inclusion in the budget.
  - External factors such as: the economy, inflation, changes to local government financing, Brexit, the Covid-19 Pandemic and fluctuations in the property market,

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all of which have an influence on costs and income. These issues and how they can be managed are dealt with in the next section of this report.

- The budget reflects the ongoing cost of business previously approved by Members. Any policy changes which impact on the core financial budget requirement are always brought before Members for approval.

Turning to the specific risk areas within the Council's budget for 2023/24 and the medium term the following specific areas of risks have been identified:

**Table 1**

<b>Expenditure/ Income Heading</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Comments</b>
<b>Employee Costs</b>			
Pay awards	Medium / High	Medium/High	The 2022/23 pay award resulted in a flat £1,925 increase for each scale point. This equated to an average increase in cost for the Council of 6.63%, with employees receiving an increase of between 1.75% - 10.5%. The budget included a 2.5% increase across all scale points, therefore in 2022/23 the cost of the pay award was c£260k over budget. National Employers have indicated that the 2023/24 pay award is likely to be similar to 2022/23, therefore based on their advice 5% has been included for the 2023/24 pay award.– from 2024/25 onwards the MTFS assumes a 2% pay award for all employees.
Vacancies / structures	Medium	High	Vacancies normally occur during the year generating savings - this has been the experience in recent years. The budgets include an estimate from the savings associated with natural turnover of staff during 2023/24 being £200k for the year. This is a challenging but achievable target in a normal year.
Pension Contributions	Medium	Low	The latest actuarial valuation published December 2022 for the period 2023/24 – 2025/26 no longer shows a deficit in the RBC pension fund. Therefore we are no longer required to make a deficit payment. This has also enabled the cost of future service contributions to be reduced from 17.6% to 14.6%.

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<b>Expenditure/ Income Heading</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Comments</b>
<b>Running Costs</b>			
Energy and Fuel	Medium	High	Both energy and fuel prices have increased significantly during 2022/23. The 2023/24 budget has been uplifted to cover the known increased costs. We are in a fixed price contract for gas costs until Dec 2023, for our half hourly (HH) electricity until Oct 2024 and non half hourly (NHH) electricity until Oct 2023. If energy and vehicle fuel costs continue to rise this will place additional pressure on the revenue budget.
Repairs and maintenance	Medium	High	High risk/cost areas remain with. Amongst others, the many drainage culverts within RBC land ownership, uninsured malicious damage to property and resolution of potential public liability matters. Capital requirements continue to experience increasing demand.  The budget proposes to continue the £100k pa capital scheme (£500k over the life of the MTFs, funded from either capital receipts, internal or external borrowing. In addition a scheme to cover any potential future unknown legacy liabilities is now included.
Insurance	Medium	High	The Council's insurance portfolio was tendered during 14/15 with the potential for a new 7 year max'm relationship, due to the Covid pandemic this has been extended for a further two year period.  Sporadically we have in recent years experienced a number of occupational health claims in relation to past employment. Councils are often seen, mistakenly, as resource rich by the legal system as liability is deemed to be with the local government public sector even though working life could have been, in part, within the private sector.  MMI the Councils insurer in 1992 triggered the Creditors Scheme of

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Expenditure/ Income Heading	Impact	Likelihood	Comments
			<p>Arrangement, during 2013/14. MMI now require contribution rates of 25% per claim.</p> <p>Adequacy of provisions will be reviewed at the close of 2022/23. We haven't processed any MMI claims during 2022/23</p> <p>The Council has <u>not</u> been able to identify its insurance providers pre – 1971. Any financial claims pre-1971 will fall entirely on the Council – effectively self-insured for pre 1971 claims.</p>
<b>Contract Costs</b>			
ICT	Low/Medium	Low	The Civica Financial & Icon contracts were renewed during 2021/22 through a framework for a fixed fee for the life of the seven year contract.
Leisure	High	High	<p>Rossendale Leisure Trust has been self-financing in recent years, albeit supported by the Council's "back office" teams. Whilst the covid-19 pandemic has impacted significantly on the leisure industry the Trust fared better than originally expected due to the level of grant support provided from Central Government and RBC.</p> <p>However the impact of the current economic crisis has lead to predicted losses for 2022/23 of c£650k, which are mainly attributed to the increase in the living wage and energy costs. The living wage is set to increase by a further 9.7% in April 2023 and the Governments Energy Support scheme ends in 2023 both of which will place additional pressure on the Trust. It is also unknown as to how the current economic crisis will impact on the level of income the Trust can achieve.</p>

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<b>Expenditure/ Income Heading</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Comments</b>
			As the Council provides the day to day cash flow for the Leisure Trust this is a significant risk to the Council. Therefore an independent study is being commissioned to fully assess the risk to the Council and suggest mitigating actions.
Revenues Benefits and Customer Contracts	Medium	Medium/High	The Council has a contract with Capita to deliver its Revenues, Benefits and One Stop Shop the contract commenced in December 2019 and is to run for 10 years with options to extend. The contract is subject to annual indexation increases.
Housing Benefits	High	Medium/High	Expenditure in this area is c. £19m and is the largest single item of expenditure in the Council's budget. Whilst this expenditure, is in the main, fully funded by grant there is an extremely complex system of rules that determine what is and what is not eligible for grant. Given that a 1% variance on this budget amounts to c.£190k and with some previous history of variances in this area, significant caution needs to be exercised.
Council Tax Support	High	High	<p>Since 2013/14 the council is now exposed to the cost of increased take up from claimants (be they of working age or pensioners). The Council and other precept authorities continue to be exposed to the risk of increased take up and the cost of non-collection from those who are not eligible to a maximum 80% benefit.</p> <p>The Covid Pandemic led to an increase in the number of Local Council Tax Support claimants, because this forms part of the Council Tax base calculations it adversely impacted on the Council Tax Base in 2021/22 and 2022/23. Whilst the level of claimants is now back to pre-pandemic levels, it is unknown as to how</p>

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<b>Expenditure/ Income Heading</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Comments</b>
			much the current economic crisis will impact throughout 2023/24.
<b>Income</b>			
Property Related ( Planning Fee, Building Control, licencing & Land charges) and other income	Medium	Medium/High	A prudent view has been taken for all income streams based on recent experience plus an inflation uplift where appropriate.
Market Rents	Medium	High	Reflects the previous decisions by Members on: management, pricing and policy changes (eg Rawtenstall).
Waste Collection / Recycling income	Medium	Medium	The LCC Cost share agreement ended on 31 <sup>st</sup> March 2018.  The value of the recycling market remains negligible. Council is not currently budgeting for any recycling income for 2022/23 and beyond.
Capital Financing and Interest	High	Medium	Over recent years the Councils ability to make interest gains has significantly reduced as bank rates have remained low, however interest rates have increased during 2022/23 and the MTFs includes an increase in interest receivable.  The use of cash balances to support capital projects will reduce our balances to close to day to day working capital requirements.  Estimates of future interest rates can be seen in the Councils Treasury Management Strategy.
NNDR (Business Rates)	High	low	Estimating the Council's share of income from business rates for 2023/24 remains a challenge, not only due to the current economic climate and the impact of the business rate revaluations, but also due to the ongoing uncertainty on the timing and level of appeals.

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<b>Expenditure/ Income Heading</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Comments</b>
			<p>Therefore it is prudent to earmark the Business Rates Reserve to provide a degree of contingency should income fall below projected levels. This is important given the Council remains a member of the Lancashire Business Rates Pool and by virtue of this does not benefit from any safety net protection under the current scheme of business rates retention. The Covid pandemic itself along with the reliefs given by Government as a result, combined to reduce the Council's 2021/22 pooling gain to c£500k from previous highs of up to £1m.</p> <p>Due to the reliefs from Central Government Covid-19 continues to have a significant impact on business rates income, with 2023/24 being the final year of the '3 year spread'.</p>
New Homes Bonus	Medium	High	<p>2018/19 was the final year for the 4 year NHB funding. There has been no similar replacement scheme. Funds due for 2023/24 are as per the Government's Finance Settlement.</p> <p>The Government has indicated that 2023/24 could be the final year for NHB.</p>
Housing	High	High	<p>During 2022/23 the Council has continued to face a significant capacity challenge as it continues to work through the Empty Homes Scheme.</p> <p>The Council is currently facing several legal claims and challenges.</p>
<b>Current Economic Outlook</b>	High	High	<p>Inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies have all had a significant impact on the economy. The Councils Treasury Management advisors are predicting that inflation has peaked at 11.1% in November 2022, with interest rates likely to reach a peak</p>

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<b>Expenditure/ Income Heading</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Comments</b>
			of 4.5% in June 2023 before starting to reduce in 2024.
<b>Use of Transitional Reserves</b>	High	High	<p>The Council will continue to grow when and where possible this reserve in order to support and balance future in year budget deficits.</p> <p>2023/24 will require the use of £736k from the Transitional Reserve.</p> <p>The forecast balance for 31/03/23 is c£1.67m.</p>
<b>Level of Council Tax</b>	High	High	<p>This is the Council's most significant income source.</p> <p>As a district Council, Rossendale is able to increase its CTax by a maximum of 3% or £5 (whichever is the higher) in order to avoid the risk of a referendum. Each 1% increase is worth c£60k cumulative resources for each year</p> <p>With NHB coming to an end and share of future NNDR uncertain, the decision on the level of Council tax is fundamental to the Council's medium term resources, future financial planning and ability to set a legally balanced budget,</p>

## 5. Adequacy of Reserves

Having conducted a review of the Council's requirement for the minimum working balance, taking into consideration various matters including:-

- the Council's spending plans for 2023/24 and the medium term financial position;
- adequacy of estimates of inflation, interest rates;
- treatment of demand led pressures;
- impact of external partnerships;
- the need to respond to emergencies.
- Capital programme variations.

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I can confirm that an amount of £1.0m set aside in the General Reserve is considered adequate for this purpose. £1m equates to c3% of the Council's gross expenditure.

In relation to other financial reserves, a review has also been conducted to determine their adequacy. In addition to the matters referred to above, and taking into account the Medium Term Financial Plan, the review concluded that the level of such reserves is adequate based on current information in relation to anticipated risk, existing commitments and known future plans. That said, should there be a significant call on those reserves another review will need to be carried out.

However, it is important to note the proposed usage of reserves to support the General Fund Revenue Budget is not sustainable over the medium term without the need to align expenditure more closely with ongoing resources.

In particular, during the lifetime of the current Medium Term Financial Plan, it is projected that the entirety of the Transitional Reserve will be used. By that time, the Council will have had to take the necessary action to balance expenditure with ongoing resources. This statement is made on the understanding that any use of reserves and balances is undertaken in accordance with the Council's existing Financial Procedure Rules and that a further review of reserves and balances will be undertaken in September 2023 following the preparation of the Council's accounts for 2022/23.

The table below sets out the opening balances at 31/03/2022 of the Council's revenue reserves, planned usage during the year and the estimated balances at 31/03/2023.

**Table 2**

Revenue Earmarked Reserves	Opening balance 31/03/2022 £000	Estimated Net Contributions to/(from) £000	Estimated balance 31/03/2023 £000
General Reserve	1,000	-	1,000
Transitional Reserve	2,559	( 887)	1,672
Local Business Rates Retention Reserve	5,031	( 2,816)	2,215
Response & Recovery Reserve	659	( 445)	214
Other Earmarked Reserves	2,556	( 642)	1,914
<b>Total Reserves</b>	<b>11,806</b>	<b>( 4,791)</b>	<b>7,015</b>

## 6. Financial Assurance Statement

The Council must set a balanced budget each year. As the Council's designated Finance Officer, I have a legal duty to report to Full Council in February 2023 on the robustness of the Council's budget and the adequacy of reserves.

I have considered the major items of expenditure and income and their sensitivity to change, together with the budget proposals and assessed the impact on the Council's future forecasts and level of reserves. It is my opinion that the estimates have been prepared and reviewed utilising the most up to date and accurate information available

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and that all assumptions made are reasonable in the current uncertain economic climate.

I can confirm the recommendations contained in this report will provide the Council with a robust financial position in 2023/24.

I am of the view that the Council is pursuing a reasonable financial strategy in the context of the challenging financial position. However there is still a significant level of uncertainty from the major risks, e.g. the current economic climate, the ongoing impact of the empty homes project, Rossendale Leisure Trust and the level of future government funding from 2024/25 onwards. Also the uncertainty as to when a Business Rates reset will be implemented. Combined with this is the projected scale of savings required by the Council to ensure a balanced budget in future years which means I cannot comment on the robustness of the estimates beyond 2023/24.

7. Therefore, in conclusion for 2023/24, being the current year ahead, I am able to give positive assurance to Members as to:

- The adequacy of General and earmarked reserves to address the risks against which they are held and
- The robustness of the budget for 2023/24.

**Karen Spencer**  
**Chief Finance Officer**  
**February 2023**

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Appendix 3

Rossendale Borough  
Council

**Revenue & Capital Budget Book 2023/24**

**To be presented to Full Council on 28th February 2023**

# Summary of Revenue Budget 2023/24

## General Fund Summary

Service	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	In Year Virements £000	2022/23 Revised Baseline £000	Changes within 2022/23						2023/24 Original Budget £000	
					Inflation	Pay Award	Employee Increments	Other Inflation	Savings	Inter-service Virements		Volume/ Technical Changes
					£000	£000	£000	£000	£000	£000		£000
<b>Communities Directorate</b>												
Customer Services	1,279	1,289	0	1,289	18	(7)	225	(22)	0	56	1,560	
Operational Functions	1,876	2,224	0	2,193	88	35	67	(57)	0	(188)	2,138	
Communities	991	1,055	0	1,055	35	(14)	(9)	0	(3)	35	1,099	
Environmental Health / PPU unit	368	381	0	381	22	14	1	0	3	7	428	
Licensing & Enforcement	53	60	0	60	7	(6)	1	(2)	0	3	63	
Housing	460	1,070	0	474	19	47	0	0	0	(60)	481	
	5,027	6,078	0	5,451	188	70	286	(81)	0	(146)	5,768	
<b>Economic Development Directorate</b>												
Planning Services	310	328	0	328	27	4	1	(5)	0	(4)	351	
Building Control Services	31	37	0	37	7	9	0	0	0	(37)	17	
Housing and Regeneration Service	360	456	0	366	21	135	(1)	(52)	0	(171)	297	
Property Services	3	177	0	107	5	(4)	172	(8)	0	(69)	204	
	704	999	0	839	60	144	173	(65)	0	(281)	869	
<b>Corporate Services</b>												
Legal Services	180	184	0	184	8	(1)	0	0	0	(1)	190	
Democratic Services	555	564	0	564	13	(6)	42	0	5	2	620	
Local Land Charges	(18)	(1)	0	(1)	2	(12)	0	0	0	(4)	(15)	
Corporate Management	471	470	0	470	18	(6)	1	(20)	(5)	(3)	454	
Financial Services	585	631	0	541	25	9	141	0	0	51	767	
People & Policy	686	713	0	713	31	(9)	1	0	0	(6)	730	
Non-Distributed Costs	132	132	0	132	0	0	19	(65)	0	45	131	
Capital Financing and Interest	668	736	0	736	0	0	0	0	0	6	742	
	3,260	3,429	0	3,339	97	(25)	203	(85)	0	90	3,619	
<b>Total General Fund</b>	<b>8,991</b>	<b>10,506</b>	<b>0</b>	<b>9,629</b>	<b>344</b>	<b>188</b>	<b>662</b>	<b>(231)</b>	<b>0</b>	<b>(336)</b>	<b>10,256</b>	
<b>Funded by</b>												
Revenue Support Grant	0	0									85	
NNDR (Business rates baseline share)	2,180	2,180									2,261	
New Homes Bonus	132	132									1	
Funding Guarantee	98	98									290	
Services Grant	150	150									85	
Use of Reserves	56	1,292									756	
Collection Fund Surplus - Council Tax	0	0									40	
Collection Fund Surplus - Business Rates	0	0									0	
Contribution (to)/from Business Rates Reserves	390	390									500	
<b>Council Tax Requirement</b>	<b>5,985</b>	<b>6,264</b>									<b>6,238</b>	
Number of Band D Equivalent Properties	20,580	20,580									20,828	
<b>Council Tax at Band D (excluding Whitworth)</b>	<b>£290.80</b>	<b>£290.80</b>							<b>2.99%</b>		<b>£299.49</b>	



# Revenue Budget 2023/24

## Communities Directorate

Service	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	In Year Virements £000	2022/23 Revised Baseline £000	Changes within 2022/23						2023/24 Original Budget £000	
					Inflation	Pay Award	Employee Increments	Other Inflation	Savings	Inter-service Virements		Volume/ Technical Changes
					£000	£000	£000	£000	£000	£000		£000
<b>Customer Services</b>												
Benefits Administration	(249)	(249)	0	(249)	0	0	14	0	0	106	(130)	
Benefits Granted	(24)	(24)	0	(24)	0	0	0	0	0	0	(24)	
Central Printing	4	4	0	4	0	0	2	0	0	0	5	
Concessionary Travel	0	0	0	0	0	0	0	0	0	0	0	
Customer Services Management	79	79	0	79	4	(0)	0	0	0	(1)	82	
E-Government (ICT Support)	772	777	0	777	7	(3)	69	24	0	(1)	873	
Leisure Services	(55)	(55)	0	(55)	0	0	0	(46)	0	0	(101)	
One Stop Shop / Switchboard (Capita)	6	6	0	6	0	0	1	0	0	0	6	
Pest Control	0	0	0	0	0	0	0	0	0	0	0	
Revenues Collection	(379)	(379)	0	(379)	0	0	0	0	0	0	(379)	
Revs & Bens Partnership	988	988	0	988	0	0	140	0	0	(37)	1,091	
Service Assurance Team	137	142	0	142	7	(3)	0	0	0	(11)	134	
	1,279	1,289	0	1,289	18	(7)	225	(22)	0	56	1,560	
<b>Operational Functions</b>												
Operations & Fleet Management	349	361	0	361	18	17	(1)	0	0	(20)	374	
Refuse & Recycling	1,190	1,514	0	1,483	58	13	59	(57)	0	(53)	1,503	
Street Sweeping	339	350	0	350	11	5	9	0	0	(115)	261	
Markets	(1)	0	0	0	0	0	0	0	0	0	0	
	1,876	2,224	0	2,193	88	35	67	(57)	0	(188)	2,138	
<b>Communities</b>												
Cemeteries	73	101	0	101	0	0	1	0	0	0	102	
Dog Warden	24	24	0	24	0	0	0	0	(3)	(5)	16	
Parks	73	73	0	73	0	0	5	0	0	0	78	
Parks & Open Spaces	818	854	0	854	35	(14)	(15)	0	0	32	891	
Playing Fields (Sports Facilities)	3	3	0	3	0	0	0	0	0	8	11	
	991	1,055	0	1,055	35	(14)	(9)	0	(3)	35	1,099	
<b>Environmental Health</b>	368	381	0	381	22	14	1	0	3	7	428	
<b>Licensing and Enforcement</b>	53	60	0	60	7	(6)	1	(2)	0	3	63	
<b>Housing</b>												
Empty Homes	300	900	0	303	1	(3)	0	0	(50)	(1)	250	
Homelessness	105	109	0	109	6	(1)	0	0	0	1	116	
Housing Strategy	59	60	0	60	5	48	0	0	50	(51)	113	
Private Sector renewals	(4)	1	0	1	6	3	0	0	0	(8)	2	
	460	1,070	0	474	19	47	0	0	0	(60)	481	
<b>Communities Directorate Total</b>	<b>5,027</b>	<b>6,078</b>	<b>0</b>	<b>5,451</b>	<b>188</b>	<b>70</b>	<b>286</b>	<b>(81)</b>	<b>0</b>	<b>(146)</b>	<b>5,768</b>	

# Revenue Budget 2022/23

## Economic Development Directorate

Service	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	In Year Virements £000	2022/23 Revised Baseline £000	Changes within 2022/23						2023/24 Original Budget £000	
					Inflation	Pay Award	Employee Increments	Other Inflation	Savings	Inter-service Virements		Volume/ Technical Changes
					£000	£000	£000	£000	£000	£000		£000
<b>Planning</b>												
Development Control	157	170	0	170	20	16	1	(5)	0	(3)	198	
Forward Planning	154	159	0	159	7	(12)	0	0	0	(1)	153	
	310	328	0	328	27	4	1	(5)	0	(4)	351	
<b>Building Control</b>												
Fee Earning	(4)	1	0	1	6	11	0	0	0	(37)	(19)	
Statutory Function	33	34	0	34	1	(2)	0	0	0	(0)	33	
Street Signs	3	3	0	3	0	0	0	0	0	1	3	
	31	37	0	37	7	9	0	0	0	(37)	17	
<b>Regeneration</b>												
Area Forums	15	15	0	15	0	0	0	0	0	0	15	
Economic Regeneration	180	272	0	182	16	145	(1)	(20)	0	(176)	147	
Museum	20	20	0	20	0	0	0	0	0	0	20	
Other Grants	0	0	0	0	0	0	0	0	0	0	0	
Regeneration Management	145	149	0	149	5	(10)	0	(32)	0	4	116	
	360	456	0	366	21	135	(1)	(52)	0	(171)	297	
<b>Property Services</b>												
Allotments	7	7	0	7	0	0	0	0	(3)	0	4	
Bus Shelters / Station	108	131	0	131	0	0	(8)	0	0	7	129	
Business Centre	154	154	0	154	0	0	81	0	0	0	235	
Car Parks	72	72	0	72	0	0	1	0	0	0	73	
Cemeteries - General	(232)	(232)	0	(232)	0	0	0	(8)	0	0	(239)	
Corporate Estates	(528)	(451)	0	(521)	5	(4)	14	0	0	(75)	(581)	
Council Offices	(38)	(44)	0	(44)	0	0	19	0	(0)	(0)	(25)	
Courier	4	4	0	4	0	0	0	0	0	0	4	
Depots	63	84	0	84	0	0	15	0	0	0	99	
Facilities Management	87	91	0	91	0	0	1	0	0	0	91	
Land Drainage	17	17	0	17	0	0	0	0	0	0	17	
Markets	47	47	0	47	0	0	2	0	(0)	0	49	
Museums	9	9	0	9	0	0	0	0	0	0	9	
Public Baths	35	35	0	35	0	0	3	0	0	0	38	
Public Clocks & Memorials	8	8	0	8	0	0	0	0	0	0	8	
Public Conveniences	17	22	0	22	0	0	1	0	0	0	23	
Public Halls	26	46	0	46	0	0	14	0	0	0	61	
Sports Facilities	43	45	0	45	0	0	3	0	0	0	49	
Sports Grounds	72	97	0	97	0	0	25	0	3	0	125	
Xmas Lights	33	34	0	34	0	0	0	0	0	0	34	
	3	177	0	107	5	(4)	172	(8)	0	(69)	204	
<b>Economic Development Directorate Total</b>	<b>704</b>	<b>999</b>	<b>0</b>	<b>839</b>	<b>60</b>	<b>144</b>	<b>173</b>	<b>(65)</b>	<b>0</b>	<b>(281)</b>	<b>869</b>	

# Revenue Budget 2022/23

## Corporate Directorate

Service	2022/23 Original Estimate £000	2022/23 Revised Estimate £000	In Year Virements £000	2022/23 Revised Baseline £000	Changes within 2022/23						2023/24 Original Budget £000	
					Inflation	Pay Award	Employee Increments	Other Inflation	Savings	Inter-service Virements		Volume/ Technical Changes
					£000	£000	£000	£000	£000	£000		£000
<b>Legal Services</b>	180	184	0	184	8	(1)	0	0	0	(1)	190	
<b>Local Land Charges</b>	(18)	(1)	0	(1)	2	(12)	0	0	0	(4)	(15)	
<b>Democratic Services</b>												
Democratic Support	143	148	0	148	7	(3)	1	0	0	(2)	151	
Direct Member Costs (including allowances)	206	206	0	206	0	0	10	0	0	0	216	
Elections	75	76	0	76	2	(1)	26	0	0	(3)	101	
Elections IER	0	0	0	0	0	0	0	0	0	0	0	
Electoral Registration	73	74	0	74	2	(1)	4	0	0	7	86	
Mayoralty & Civic Events	56	58	0	58	2	(1)	1	0	5	(1)	64	
Town Twinning	3	3	0	3	0	0	0	0	0	0	3	
	555	564	0	564	13	(6)	42	0	5	2	620	
<b>Corporate Management</b>												
Community Safety - General	0	0	0	0	0	0	0	0	0	0	0	
Corporate Contingency	65	65	0	65	0	0	0	(20)	(5)	0	40	
Executive Office	372	371	0	371	18	(6)	1	0	0	(3)	380	
Executive Support/Corporate Subscriptions	34	34	0	34	0	0	0	0	0	0	34	
	471	470	0	470	18	(6)	1	(20)	(5)	(3)	454	
<b>Finance</b>												
Accountancy	336	287	0	287	19	(4)	1	0	0	52	356	
Exchequer	103	108	0	108	6	12	0	0	0	(1)	126	
Insurance & Risk / Internal Audit	65	65	0	65	0	0	0	0	0	0	65	
Treasury Management	81	171	0	81	0	0	139	0	0	0	220	
	585	631	0	541	25	9	141	0	0	51	767	
<b>People &amp; Policy</b>												
Corporate Support	225	238	0	238	12	(4)	0	0	0	(1)	244	
People & Policy	457	471	0	471	19	(5)	1	0	0	(4)	482	
Publicity & Tourism	4	4	0	4	0	0	0	0	0	0	4	
	686	713	0	713	31	(9)	1	0	0	(6)	730	
<b>Non-Distributed Costs</b>												
Other Non Distributed costs	19	19	0	19	0	0	1	0	0	0	21	
Pension Costs	113	113	0	113	0	0	18	(65)	0	45	110	
	132	132	0	132	0	0	19	(65)	0	45	131	
<b>Capital Financing</b>												
Interest & Misc expenses	119	186	0	186	0	0	0	0	0	(44)	143	
Capital Financing	548	549	0	549	0	0	0	0	0	50	599	
Reversal of Capital Charges	0	0	0	0	0	0	0	0	0	0	0	
	668	736	0	736	0	0	0	0	0	6	742	
<b>Corporate Directorate Total</b>	3,260	3,429	0	3,339	97	(25)	203	(85)	0	90	3,619	

<b>Schemes in Progress</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>Total 2022/23 - 2026/27 inc slippage £'000</b>
<b>Schemes</b>						
Vehicles / Equipment	1,353	329	655	465	361	3,163
Wheeled & Litter Bins	64	70	50	50	50	284
Playgrounds	10	10	10	-	-	30
Cemeteries	28	10	10	10	10	68
Pathways	71	20	20	-	-	111
CPO / Enforced Sales	5	-	-	-	-	5
Empty Homes Scheme	500	500	500	-	-	1,500
General Building Renovations & Maintenance	134	100	100	100	100	534
Whitworth Pool - Boilers	-	-	-	76	-	76
Carbon Reduction Fund	496	250	250	-	-	996
Digital Access	79	-	-	-	-	79
Various Digital Solutions	25	-	-	-	-	25
Stubbylee and Whitaker Parking	22	30	-	-	-	52
Henrietta Street Depot Improvements	132	-	-	-	-	132
Printer Replacement	30	-	-	-	-	30
Christmas Lighting Catenary	33	-	-	-	-	33
Stubbylee Skate Park	80	-	-	-	-	80
Victoria Park Improvements	45	40	-	-	-	85
Hareholme Viaduct	100	-	-	-	-	100
Car Parks General 22-26 MTFs	50	30	30	30	-	140
Rawtenstall Market Electrical Works	101	-	-	-	-	101
Edgeside Pump Track	34	-	-	-	-	34
Leisure Facilities upgrades	120	-	-	-	-	120
Legacy Liabilities	100	100	-	-	-	200
	<b>3,612</b>	<b>1,489</b>	<b>1,625</b>	<b>731</b>	<b>521</b>	<b>7,978</b>
<b>Schemes funded wholly/partly by External Finance or Government Grants</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>Total 2022/23 - 2026/27 inc slippage £'000</b>
Sports Playing Fields	-	-	192	-	-	192
DFG'S - Mandatory Grants	3,211	1,000	1,000	1,000	1,000	7,211
Plot 1 Futures Park	80	-	-	-	-	80
Plot 5 Futures Park	132	-	-	-	-	132
Futures Park Infrastructure	341	-	-	-	-	341
Whitaker Park Museum Refurb	246	-	-	-	-	246
Town Square Public Realm	56	-	-	-	-	56
LERG Lancs Ec Rec Grant - Rawtenstall Bus Station	82	-	-	-	-	82
Bacup Historic England	431	285	-	-	-	716
Haslingden 2040 NLHF	1,300	725	-	-	-	2,025
EV Charge Point Installation	5	-	-	-	-	5
Supported Accommodation	100	280	-	-	-	380
UKSP	45	285	866	-	-	1,196
Edenfield Play Area & Rec Ground	45	-	-	-	-	45
Weir Play Area	150	-	-	-	-	150
Moller Ring Play Area	160	-	-	-	-	160
	<b>6,384</b>	<b>2,575</b>	<b>2,058</b>	<b>1,000</b>	<b>1,000</b>	<b>13,017</b>
<b>Total of Schemes in Progress</b>	<b>9,996</b>	<b>4,064</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>20,995</b>

<b>New Schemes or Schemes awaiting external funder approval</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>Total 2022/23 - 2026/27 £'000</b>
LUF - Council Contribution	-	1,800	-	-	-	1,800
Citizens Access	-	14	-	-	-	14
Whitaker Park Improvements	25	85	-	-	-	110
Marl Pits Air Handling Unit	110	-	-	-	-	110
<b>Total New Schemes</b>	<b>135</b>	<b>1,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,034</b>
<b>Grand Total</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>
<b>Description</b>						
LUF	Council Contribution in anticipation of a successful outcome					
Citizen Access	Citizen Access will enable customers to access their council tax account online, They will be able to make changes, submit information online and view real time information about their account					
Whitaker Park Improvements	Renewal of the land drainage system at Whitaker Park					
Marl Pits Air Handling Unit	Replacement of the air handling unit at Marl Pits Swimming Pool, due to the existing unit being obsolete and beyond repair					

## MTFS Forecast 2023/24

### Rossendale Borough Council Capital Financing Statement

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'0002	2026/27 £'00022	Total Estimate 2022/23 - 2026/27 £000
<b>Estimated Expenditure</b>						
Schemes in Progress	9,996	4,064	3,683	1,731	1,521	20,995
New Schemes	135	1,899	0	0	0	2,034
<b>Total Estimated Capital Payments</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>
<b>Estimated Resources</b>						
Direct Revenue Finance	0	0	0	0	0	0
Disabled Facilities Grant	3,211	1,000	1,000	1,000	1,000	7,211
Other External Finance (see below)	2,525	1,297	1,058	0	0	4,880
Prudential Borrowing	3,413	3,466	1,625	655	521	9,680
Earmarked Reserves	0	0	0	0	0	0
Capital Receipts	982	200	0	76	0	1,258
<b>Total Resources</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>
<b>Total surplus(-)/shortfall in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Cumulative total surplus(-)/shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### ANALYSIS OF OTHER EXTERNAL FINANCE

	Funder	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000
Sports Playing Fields	S106	-	-	192	-	-
Futures Park Infrastructure	Lancashire Enterprise Partnership	157	-	-	-	-
Whittaker Park Museum Refurb	NLHF	215	-	-	-	-
LERG Lancs Ec Rec Grant - Rawtenstall Bus Sta	Lancashire County Council	74	-	-	-	-
Bacup Historic England	Historic England	413	273	-	-	-
Haslingden 2040 NLHF	NLHF	1,181	659	-	-	-
UK Shared Prosperity	UKSP	45	85	866	-	-
Moller Ring	Various	160	-	-	-	-
Wier Play Area	Various	143	-	-	-	-
Edenfield Pump Track	Various	37	-	-	-	-
Supported Accomodation	S106	100	280	-	-	-
<b>Total External Funding :</b>		<b>2,525</b>	<b>1,297</b>	<b>1,058</b>	<b>-</b>	<b>-</b>
DFG's		3,211	1,000	1,000	1,000	1,000
		5,736	2,297	2,058	1,000	1,000



<b>Subject:</b>	Capital Strategy 2022/23 - 2026/27 and Capital Programme 2023/24	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	8 <sup>th</sup> February 2023
<b>Report of:</b>	Chief Finance Officer	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	<b>Attached:</b>	No
<b>Biodiversity Impact Assessment</b>	Required: No	<b>Attached:</b>	No
<b>Contact Officer:</b>	Karen Spencer	<b>Telephone:</b>	01706 252409
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## RECOMMENDATIONS

**Cabinet recommends that Council approve:**

- 1.1. The capital programme for 2023/24 and associated capital expenditure of £5.963m.
- 1.2. The Capital Strategy 2022/23 – 2026/27 attached at Appendix B

## 2. PURPOSE OF REPORT

To propose a capital expenditure programme for 2023/24 and the medium term, including new capital projects approved during 2022/23 subject to further due diligence and legal contracts. The report also explores a Capital Strategy for five years.

## 3. BACKGROUND

- 3.1 Capital expenditure refers to larger projects, typically over £10k in value, and those where the benefit will last for more than one year, such as vehicles and buildings.
- 3.2 The council has a five-year capital spending programme. The programme includes capital expenditure scheduled for the council's operational assets. The council ensures all capital expenditure is directly linked to the council's priorities, affordable and delivered through key corporate projects. Any spend on the council's operational assets is scheduled in line with the council's Major Asset Plan. Expenditure in respect of grants or financial assistance is included if the nature of expenditure, when incurred by the council, is classed as capital expenditure.
- 3.3 The capital programme is updated continually for agreed changes and reported to Cabinet on a quarterly basis and to Council as part of any financial forecast updates. A prudent approach is taken when preparing the programme to ensure that financing resources are only estimated for when there is relative certainty that they will be received.
- 3.4 In accordance with CIPFA's Prudential Code the council's Chief Finance Officer is required to have full regard for affordability, sustainability and prudence when making recommendations about the council's future capital programme. Such consideration includes the level of long-term revenue commitments. The Council considers the affordability of capital investment and the impact on revenue forecasts when formulating its capital spending plans.



#### 4. AN AFFORDABLE CAPITAL PROGRAMME 2023/24

- 4.1 In order to meet the council's strategic plans and operational requirements the council have drawn up an affordable capital programme for five years.
- 4.2 The full detail capital programme is attached at Appendix A and totals £23.029m. The planned spend over the life of the programme is continuously reviewed and any scheme profiling changes are reflected in quarterly monitoring reports. The table, below, sets out the latest capital programme summary. This has been updated for agreed changes up to the end of December 2022 and the proposed new additions on page 6:

**Table 1**

Capital Expenditure	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total Expenditure £'000
Operations & Communities	2,219	594	937	525	421	4,696
Corporate Services & Buildings	992	524	130	206	100	1,952
Housing	3,711	1,500	1,500	1,000	1,000	8,711
Regeneration	2,713	3,095	866	-	-	6,674
Climate change	496	250	250	-	-	996
<b>Total</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>

- 4.3 The council carries out stock condition surveys to establish a rolling programme of improvement and refurbishment of its operational properties. The programme takes account of the need for efficiency and environmental impact issues. The council's properties include office accommodation, the depot and venues such as the markets and open space facilities.
- 4.4 The council has a small investment property portfolio managed to generate income to support the revenue budget and maximise opportunities for regeneration.
- 4.5 The council currently has three major on-going capital projects, these are the Bacup Historic England Project, Haslingden 2040 NLHF scheme and the Carbon Reduction Fund, with the UK Shared Prosperity (UKSP) Fund capital schemes commencing February/March 2023.
- 4.6 The council has developed a comprehensive replacement plan for the operational vehicle fleet over the life of the Medium Term Financial Strategy (MTFS). There has been delays in the procurement of some vehicles in 2022/23, due to supply chain issues, these have been re-scheduled into 2023/24.
- 4.7 There are a number of smaller projects on-going including the Rawtenstall Bus Station Lancashire Economic Recovery Grant scheme, the Futures Park infrastructure scheme and various parks schemes.
- 4.8 During 2022/23 there have been four additions to the programme these are:-
- Supported Housing
  - UK Shared Prosperity Fund
  - Weir Play Area
  - Moller Ring Play Area
- 4.9 The Council is still awaiting the outcome of its bid to the Levelling Up Fund (LUF), an announcement is expected late January. If the bid is successful the new projects will be added to the programme during 2023/24. In anticipation of a successful bid the Council's own funding contribution to the scheme has been added to the capital programme in 2023/24.

4.10 In addition to the LUF scheme it is proposed to include several new schemes for 2023/24, which are detailed in page 6.

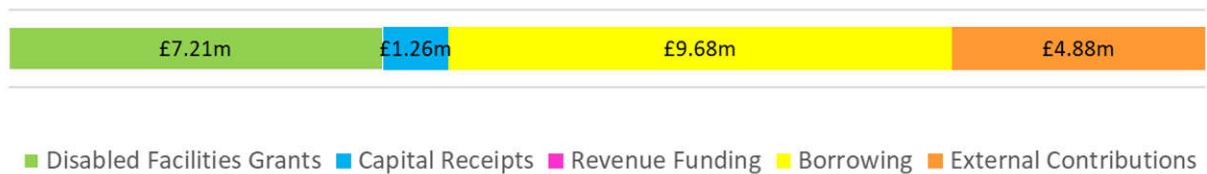
**5. FINANCING THE CAPITAL PROGRAMME**

5.1 Capital resources come from three sources:

- Capital receipts from sales of land or other assets
- Capital grants or contributions from outside agencies, organisations or community groups or from property developers through s106 agreements
- Revenue Contributions to Capital Outlay (RCCO) from either the council’s own budgets, or from property developers through s106 agreements.

The council has estimated the following financing sources will be available to fund the capital investment programme:

**Table 2**



**6. FUTURE PLANS**

6.1 The council has an ambitious agenda for improving Rossendale. Projects requiring capital funding must be financial sustainable. Other potential future schemes could include:

- Projects included within a successful Levelling Up fund bid, which include proposals for the redevelopment of Bacup town centre, Rawtenstall Market, The Bridge and the Gyrotory.
- Future Health and Leisure Facility improvements.
- Improvement projects recommended within the Play Strategy.
- Rossendale Valley Growth Corridor aimed at opening up new employment sites along the A56/M66 corridor.

6.2 Each of these proposals is either at feasibility stage or earlier. If the above projects are approved by Members they will require capital funding. If this is funded using the council’s own resources or prudential borrowing it will impact on the councils revenue budget and the capital programme would need to be reviewed and adjusted.

**7. RISK**

All the issues raised and the recommendations in this report involve risk as set out below.

7.1 The council needs to ensure that it is able to generate adequate sources of capital funding to support its capital commitments over the medium term and that it does not over stretch itself in terms of borrowing exposure. This risk is mitigated by the on-going monitoring of the capital programme and the agreement of any additions to the programme only following member approval, which will include considerations of the implications for the council’s capital and revenue position.

7.2 In the current economic climate there is some uncertainty surrounding the council’s ability to generate resources from the disposal of its surplus assets. Regular reporting will continue to be made to members to explain any additional resources achieved and account for their allocation to the programme as and when they become available.

- 7.3 The potential for unforeseen events or liability. For example, emergency works such as those to culverts, properties and other council assets.
- 7.4 The level of inflation is having a major impact on affordability of the capital programme. During 2022/23, on average vehicle replacement costs were c20% over and above the estimates included in the capital programme. The estimates have been refreshed to take this into account, however if inflation continues to rise we could see the same issue in 2023/24. Rising inflation is also having an impact on the construction industry - pushing up costs and increasing tender prices. The Council is already experiencing the impact of this on the Bacup HAZ and Haslingden NLHF projects. This could also be an issue for the UKSP and LUF projects, as whilst inflation was built into the bids it was not at the levels we are currently experiencing for building materials. The Government has stated that any shortfall on these projects must be covered by the Council. In addition, as interest rates rise, so does the cost of borrowing which presents a longer-term risk.

**8. FINANCE**

The financial implications are contained within the body of the report.

**9. LEGAL**

None.

**10. POLICY AND EQUALITIES IMPLICATIONS**

The capital programme forms part of the council's 2023/24 MTFS proposals and has been included as part of the MTFS equality considerations and consultation process.

**11. CONCLUSIONS**

- 11.1 The proposed capital programme for 2022/23 and up to 2026/27 represents an affordable plan, as indicated by the prudential borrowing performance indicators the Capital Strategy (Appendix B).
- 11.2 The deficit between capital resources and requirements over the future years looks set to continue. With severe pressures on the council's revenue resources throughout the MTFS it is likely that the council will need to take out further external borrowing, as reflected in the capital programme financing estimates. This will lead to interest costs which will need to be included within the business case for each investment. When approving new schemes it is important that consideration is given to the impact they will have on the Councils revenue budget through the Minimum Revenue Provision (MRP) charge.

<b>Background Papers</b>	
Document	Place of Inspection
Revenue Budget 2023/24 and the MTFS update being reported to Cabinet in Feb 2023	Financial Services working papers

Schemes in Progress	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	2022/23 - 2026/27 inc slippage £'000
<b>Schemes</b>						
Vehicles / Equipment	1,353	329	655	465	361	3,163
Wheeled & Litter Bins	64	70	50	50	50	284
Playgrounds	10	10	10	-	-	30
Cemeteries	28	10	10	10	10	68
Pathways	71	20	20	-	-	111
CPO / Enforced Sales	5	-	-	-	-	5
Empty Homes Scheme	500	500	500	-	-	1,500
General Building Renovations & Maintenance	134	100	100	100	100	534
Whitworth Pool - Boilers	-	-	-	76	-	76
Carbon Reduction Fund	496	250	250	-	-	996
Digital Access	79	-	-	-	-	79
Various Digital Solutions	25	-	-	-	-	25
Stubbylee and Whitaker Parking	22	30	-	-	-	52
Henrietta Street Depot Improvements	132	-	-	-	-	132
Printer Replacement	30	-	-	-	-	30
Christmas Lighting Catenary	33	-	-	-	-	33
Stubbylee Skate Park	80	-	-	-	-	80
Victoria Park Improvements	45	40	-	-	-	85
Hareholme Viaduct	100	-	-	-	-	100
Car Parks General 22-26 MTFS	50	30	30	30	-	140
Rawtenstall Market Electrical Works	101	-	-	-	-	101
Edgeside Pump Track	34	-	-	-	-	34
Leisure Facilities upgrades	120	-	-	-	-	120
Legacy Liabilities	100	100	-	-	-	200
	<b>3,612</b>	<b>1,489</b>	<b>1,625</b>	<b>731</b>	<b>521</b>	<b>7,978</b>
<b>Schemes funded wholly/partly by External Finance or Government Grants</b>						<b>Total</b>
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2022/23 - 2026/27 inc slippage £'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Sports Playing Fields	-	-	192	-	-	192
DFG'S - Mandatory Grants	3,211	1,000	1,000	1,000	1,000	7,211
Plot 1 Futures Park	80	-	-	-	-	80
Plot 5 Futures Park	132	-	-	-	-	132
Futures Park Infrastructure	341	-	-	-	-	341
Whitaker Park Museum Refurb	246	-	-	-	-	246
Town Square Public Realm	56	-	-	-	-	56
LERG Lancs Ec Rec Grant - Rawtenstall Bus Station	82	-	-	-	-	82
Bacup Historic England	431	285	-	-	-	716
Haslingden 2040 NLHF	1,300	725	-	-	-	2,025
EV Charge Point Installation	5	-	-	-	-	5
Supported Accommodation	100	280	-	-	-	380
UKSP	45	285	866	-	-	1,196
Edenfield Play Area & Rec Ground	45	-	-	-	-	45
Weir Play Area	150	-	-	-	-	150
Moller Ring Play Area	160	-	-	-	-	160
	<b>6,384</b>	<b>2,575</b>	<b>2,058</b>	<b>1,000</b>	<b>1,000</b>	<b>13,017</b>
<b>Total of Schemes in Progress</b>	<b>9,996</b>	<b>4,064</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>20,995</b>

<b>New Schemes or Schemes awaiting external funder approval</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>Total 2022/23 - 2026/27 £'000</b>
LUF - Council Contribution	-	1,800	-	-	-	1,800
Citizens Access	-	14	-	-	-	14
Whitaker Park Improvements	25	85	-	-	-	110
Marl Pits Air Handling Unit	110	-	-	-	-	110
<b>Total New Schemes</b>	<b>135</b>	<b>1,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,034</b>
<b>Grand Total</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>
<b>Description</b>						
LUF	Council Contribution in anticipation of a successful outcome					
Citizen Access	Citizen Access will enable customers to access their council tax account online, They will be able to make changes, submit information online and view resal time information about their account					
Whitaker Park Improvements	Renewal of the land drainage system at Whitaker Park					
Marl Pits Air Handling Unit	Replacement of the air handling unit at Marl Pits Swimming Pool, due to the existing unit being obsolete and beyond repair					

## MTFS Forecast 2023/24

### Rossendale Borough Council Capital Financing Statement

	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'00002</b>	<b>2026/27 £'00022</b>	<b>Total Estimate 2022/23 - 2026/27 £000</b>
<b>Estimated Expenditure</b>						
Schemes in Progress	9,996	4,064	3,683	1,731	1,521	20,995
New Schemes	135	1,899	0	0	0	2,034
<b>Total Estimated Capital Payments</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>
<b>Estimated Resources</b>						
Direct Revenue Finance	0	0	0	0	0	0
Disabled Facilities Grant	3,211	1,000	1,000	1,000	1,000	7,211
Other External Finance (see below)	2,525	1,297	1,058	0	0	4,880
Prudential Borrowing	3,413	3,466	1,625	655	521	9,680
Earmarked Reserves	0	0	0	0	0	0
Capital Receipts	982	200	0	76	0	1,258
<b>Total Resources</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>
<b>Total surplus(-)/shortfall in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Cumulative total surplus(-)/shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### ANALYSIS OF OTHER EXTERNAL FINANCE

	<b>Funder</b>	<b>Estimate 2022/23 £'000</b>	<b>Estimate 2023/24 £'000</b>	<b>Estimate 2024/25 £'000</b>	<b>Estimate 2025/26 £'000</b>	<b>Estimate 2026/27 £'000</b>
Sports Playing Fields	S106	-	-	192	-	-
Futures Park Infrastructure	Lancashire Enterprise Partnership	157	-	-	-	-
Whittaker Park Museum Refurb	NLHF	215	-	-	-	-
LERG Lancs Ec Rec Grant - Rawtenstall Bus Static	Lancashire County Council	74	-	-	-	-
Bacup Historic England	Historic England	413	273	-	-	-
Haslingden 2040 NLHF	NLHF	1,181	659	-	-	-
UK Shared Prosperity	UKSP	45	85	866	-	-
Moller Ring	Various	160	-	-	-	-
Wier Play Area	Various	143	-	-	-	-
Edenfield Pump Track	Various	37	-	-	-	-
Supported Accomodation	S106	100	280	-	-	-
<b>Total External Funding :</b>		<b>2,525</b>	<b>1,297</b>	<b>1,058</b>	<b>-</b>	<b>-</b>

# The 2023/24 Capital Strategy

# Capital Strategy Report 2023/24

## 1. Introduction

The capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The development of the Corporate Capital Strategy is an iterative process insofar as it will be updated as new issues arise, for example, during the development and updating of the Council's Corporate Priorities or as new issues that have an impact on the Council emerge. At the present time, the Strategy is updated on an annual basis.

A sound capital programme must be driven by the Corporate Priorities and capital decisions must balance the long-term gains with the initial capital costs and the ongoing revenue implications in terms of running costs and potential income generation opportunities. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future, therefore they are subject to both a national regulatory framework and to local policy framework. The Prudential Code recognises that in making its capital investment decisions the council must have explicit regard to option appraisal, asset management planning, strategic planning for the council and achievability of the capital programme.

## 2. Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example typically assets costing below £10,000 are not capitalised and are charged to revenue in year.

In 2023/24, the Council is planning capital expenditure of £5.963m summarised in Table 1.

**Table 1 - Prudential Indicator: Estimates of Capital Expenditure**

Capital Expenditure	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total Expenditure £'000
Operations & Communities	2,219	594	937	525	421	4,696
Corporate Services & Buildings	992	524	130	206	100	1,952
Housing	3,711	1,500	1,500	1,000	1,000	8,711
Regeneration	2,713	3,095	866	-	-	6,674
Climate change	496	250	250	-	-	996
<b>Total</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>

**Note** – The previous Capital Strategy included provision for the treatment of 'IFRS 16 leases' (change in the accounting treatment for leases). The implementation of IFRS 16 has been deferred until 1 April 2024.

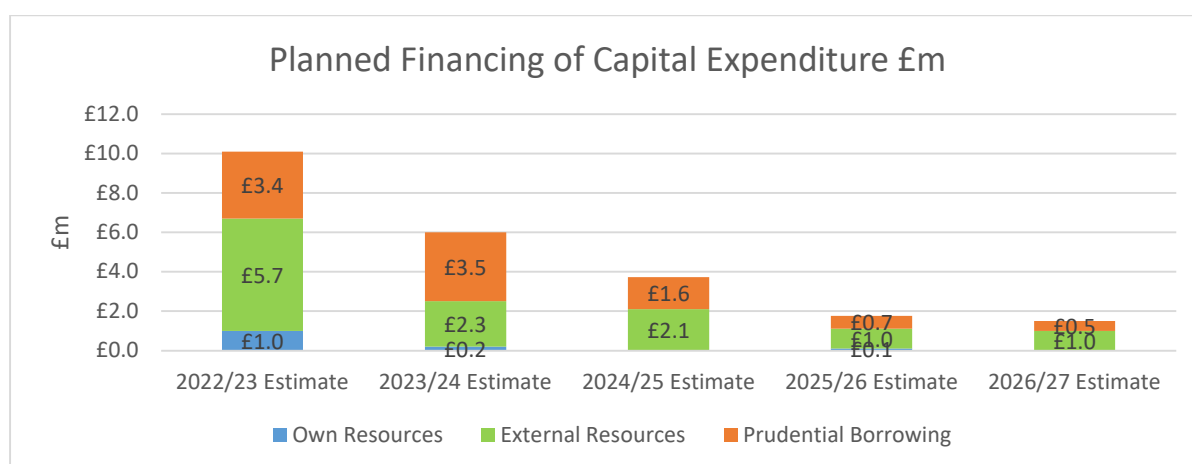
<b>Responsible Section/Team</b>	Finance	<b>Version/Status</b>	2023/24 v1
<b>Responsible Author</b>	Chief Finance Officer	<b>Report submitted to</b>	Full Council
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**Governance:** A strategic review of the Capital Programme including a review of the Council’s investment assets and operational assets is carried out annually. The reviews take into consideration works identified from stock condition surveys and investments/capital expenditure resulting from the Council’s Corporate Priorities. Bids are formulated based on the outcome of reviews and recommend projects for inclusion in the Council’s capital programme. Bids are reviewed by Finance who calculate the financing cost (which can be nil if the project is fully externally financed). Cabinet Members and Corporate Management Team appraise all bids based on a comparison of service priorities against financing costs. The final capital programme is then presented along with the Cabinet budget proposals in January and to Council in February each year.

- Full details of the Council’s capital programme are shown in Appendix A of the Capital Programme report to Council each February.

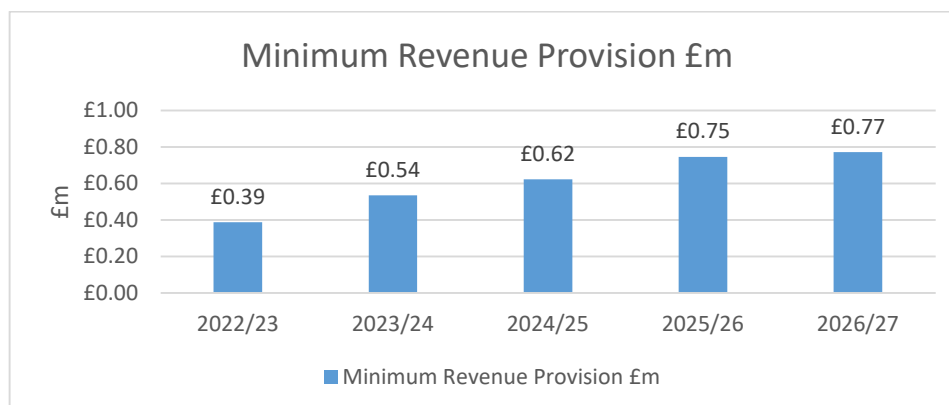
All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing or leasing). The planned financing of the expenditure in Table 1 is as follows:

**Table 2: Capital financing**



Prudential Borrowing is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP repayments are as follows.

**Table 3: Replacement of Debt Finance**



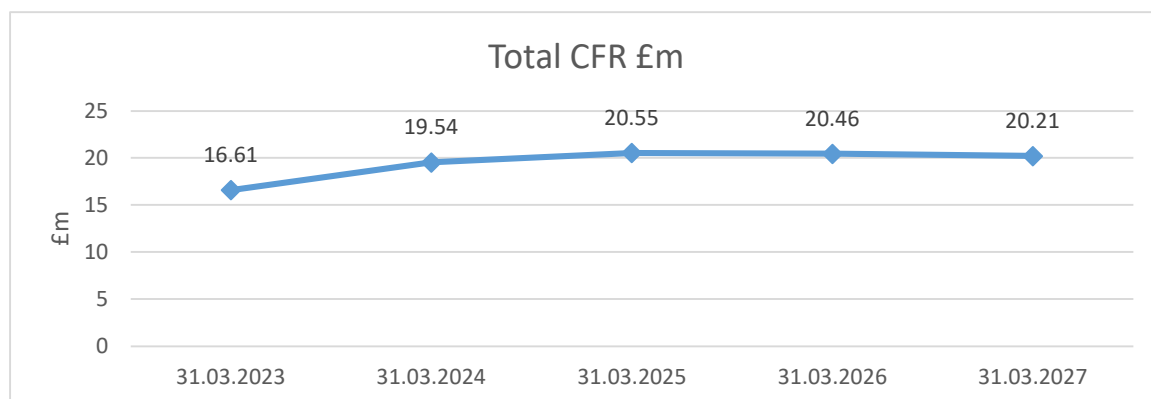
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- The Council’s Minimum Revenue Provision statement is available in the Treasury Strategy

The Council’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts. The CFR is expected to increase by £2.93m during 2023/24. Based on the above figures for expenditure and financing, the Council’s estimated CFR is as follows:

**Table 4 - Prudential Indicator: Estimates of Capital Financing Requirement**



**Asset management:** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy. Also wherever possible the Council investigates opportunities to dispose of property assets for development, and explores other opportunities to maximise the return on the investment property portfolio income or increase financial receipts. As well as future investments, Members must also consider the costs of holding onto some assets compared with their contribution towards the Corporate Priorities. Holding costs include revenue running costs and general maintenance, but often capital maintenance costs are overlooked and these can mount up over time if not addressed. The last comprehensive stock condition survey was undertaken in 2013 and since then the Council has only had the resources to deal with the highest priority capital maintenance works in a rolling programme of around £100k per annum. That said, the Facilities Management Team is confident that all the Council’s assets are being adequately maintained. The Property Service team are currently carrying out a review of all the Council’s assets on a ward by ward basis, this is to enable the Council to better understand the scope of its property and land assets portfolio i.e. location, suitability, condition and value.

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council’s ability to raise capital receipts from land sales is dependent upon the current property market and its appetite to dispose of non-operational assets. The opening value of capital receipts from sale of assets is forecast to be £200k. The Council currently has several sites available for sale.

Housing capital receipts in the future are only expected from the sale of CPO properties and these are dependent upon, and directly related to, any CPO costs.

Regular reporting will continue to be made to Members to explain any additional resources achieved and account for their allocation to the programme as and when they become available. The Council estimates it will receive £3.748m of capital receipts in the coming financial years as follows:

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**Table 5: Capital Receipts**

	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	Total Estimate £'000
Asset Sales	48	200	3,500	0	0	3,748

Note. The £3.5m estimated in 2024/25 is not yet included in the capital programme calculations, as it is assumed this will be set aside for future leisure investment. Details of planned asset disposals are included within the capital programme.

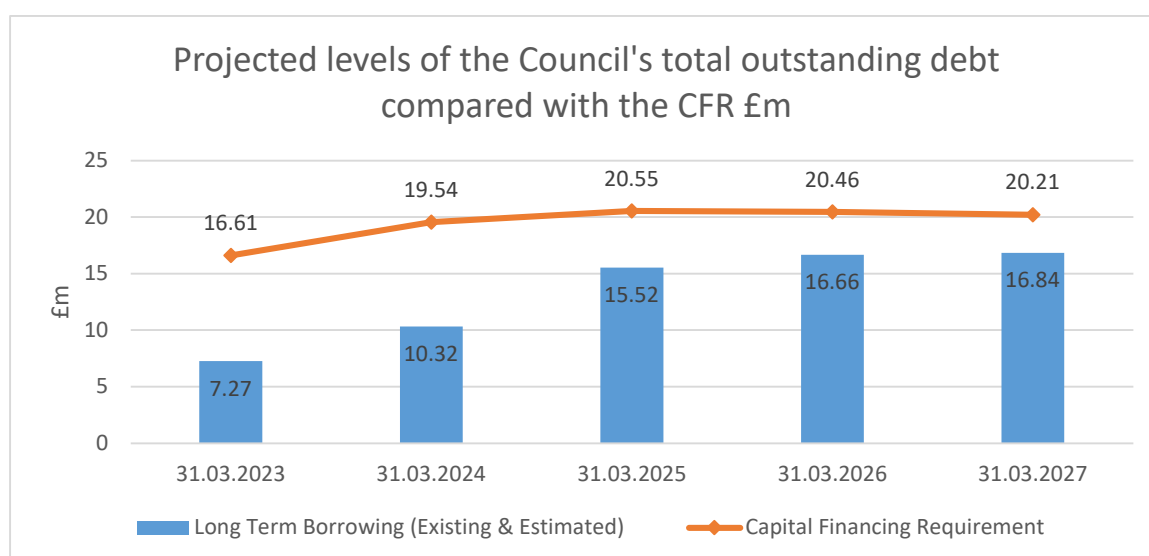
### 3. Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

**Borrowing strategy:** The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future.

Projected levels of the Council’s total outstanding debt are shown below, compared with the capital financing requirement.

**Table 6: Prudential Indicator Gross Debt and the Capital Financing Requirement**

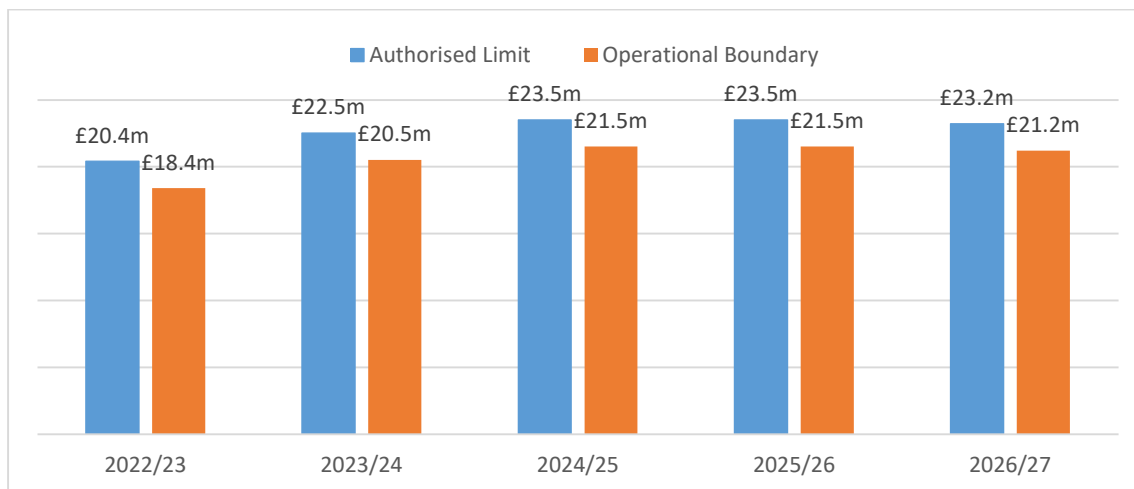


Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

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**Table 7 - Prudential Indicators: Authorised limit and Operational Boundary for External Debt**

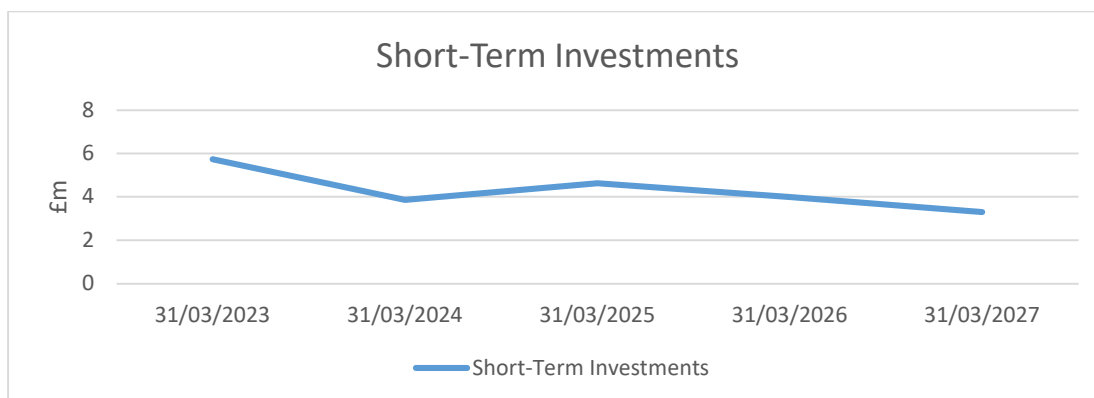


Further details on borrowing are in the Treasury Management Strategy

**Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield. That is to focus on minimising risk rather than maximising returns. Cash is invested securely, for example with the government or selected high-quality banks, to minimise the risk of loss. The Council does not make investments for period over 365 days.

**Table 8: Treasury Management Investments (cash balances)**



The estimated level of cash balances held at 31/03/23 is still slightly higher than normal due to the amount of Government NNDR funds still held due to Covid.

Further details on treasury investments are in the Treasury Management Strategy.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer who must act in line with the treasury management

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strategy approved by Council. Treasury Management Activity is included within the quarterly monitoring reports which are presented to the Cabinet. The Audit and Accounts Committee is responsible for scrutinising treasury management decisions.

#### 4. Investments for Service Purposes

These investments, including loans, are made for their contribution toward service delivery objectives. For example, the Council has provided loans to Rossendale Leisure Trust for equipment purchase and to the Whitaker to enable the delivery of the recent capital works. These loans are made to benefit the local community. In light of the public service objective, the Council is willing to take more risk in making service investments than it is with treasury investments, however it still aims for such investments to contribute to its corporate priorities.

**Governance:** Decisions on service investments are made by either Cabinet or the Council, in line with the Council's constitution. Most loans are capital expenditure and purchases will therefore be approved as part of the capital programme.

#### 5. Investment Properties

With central government financial support for local public services declining, the Council invests in commercial property within Rossendale, mainly for the aim of regeneration of the Borough including job retention and creation, whilst seeking to achieve financial gain in order to produce a balanced overall financial budget and to minimise the charges to Council Tax payers. At 31/03/22 the Council's investment properties were valued at c£550k providing a net return after all costs of 4.55%.

The principal risk exposures include increased vacancies and potential fall in capital values. These risks are managed by the Property Services team monitoring and actively seeking to lease vacant premises and effective monitoring of performance of the investment portfolio. The Council's level of commercial investments are modest and considered relatively small in proportion to the size of the authority, however to ensure commercial investments remain in proportion they are subject to an overall maximum investment limit of £8m. The level of the commercial investment returns is not material to the Council's overall budget, however should expected yields not materialise the contingency would be to use earmarked reserves in the short term and review the assets future.

**Governance:** Decisions relating to capital expenditure for all purposes, including for the acquisition of property assets, are made in accordance with the Financial Regulations of the Council, thus requiring the approval of Full Council/Cabinet as appropriate. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

#### 6. Liabilities

In addition to the debt in Table 6 above, the Council has set aside c£4.1m (as at 31st March 2022) in a Business Rates Appeal Provision to cover risks arising from the costs of Business Rates appeals as a

<b>Responsible Section/Team</b>	Finance	<b>Version/Status</b>	2023/24 v1
<b>Responsible Author</b>	Chief Finance Officer	<b>Report submitted to</b>	Full Council
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consequence of the transference of such risks under the localisation of business rates arrangements introduced in 2013.

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

**Governance:** Decisions on incurring new discretionary liabilities are taken in consultation with the Section 151 Officer.

**Revenue Budget Implications** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream

	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Financing Costs	130	23	154	254	279	266
Proportion of net revenue stream	1.58%	0.22%	1.51%	2.41%	2.59%	2.42%

Further details on the revenue implications of capital expenditure are included within the Capital Programme.

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years may extend for up to 50 years into the future. The Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable.

## 7. Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 20 years' of Local Government experience. The Council pays for accountancy staff to study towards relevant professional accountancy qualifications and the staff involved in treasury management attend treasury seminars and workshops provided by CIPFA and other external service providers. Training is provided to Councillors as part of the financial management training delivered by the Section 151 Officer and more detailed treasury management training to Councillors on the Audit & Accounts Committee by treasury management advisors Link Asset Management Limited. Where appropriate the Council appoints external advisors and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

<b>Responsible Section/Team</b>	Finance	<b>Version/Status</b>	2023/24 v1
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<b>Subject:</b>	Treasury Management Strategy & Treasury Management Practises	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	8 <sup>th</sup> February 2023
<b>Report of:</b>	Chief Finance Officer	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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## RECOMMENDATIONS

Cabinet recommends that Council approves:-

- 1.1. **The Treasury Management Strategy Statement and the Treasury Management Policy and Practises.**
- 1.2. **To delegate any further minor amendments to the Chief Finance Officer in consultation with the Lead Member for Resources.**

## 2. PURPOSE OF REPORT

The purpose of the report is to obtain Cabinet approval of the updated Treasury Management Strategy Statement (TMS) and Treasury Management Policy and Practises (TMP).

## 3. BACKGROUND

- 3.1 This is an annual update of the Treasury Management Strategy Statement (Appendix 1) and the Treasury Management Policy and Practices (Appendix 2), based upon the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management and Prudential Codes 2021.
- 3.2 Treasury management is concerned with how organisations manage their cash resources and its scope covers borrowing, investment and hedging instruments and techniques. Risk is inherent in all treasury management activities and it is necessary to balance risk and return. In the public services it is generally considered that the priority is to protect capital rather than maximize return.
- 3.3 The Treasury Management Strategy for 2023/24 at Appendix 1 is written in conjunction with both the revenue budget for 2023/24 and the Capital Strategy and Capital Programme 2023/24 to 2026/27 which are also being placed before members for consideration, specifically in respect of the TMSS at Appendix 1:
  - Capital Strategy at 1.2.1
  - Capital Expenditure at 2.1 and 5.1.1
  - The Capital Financing Requirement (CFR) at 2.2
  - Minimum Revenue Provision (MRP) and Voluntary Revenue Provision (VRP) at 2.5
  - Interest expenditure and income at 5.1.2
  - Credit Worthiness Policy at 4.2

3.4 The interest rates quoted at paragraphs 3.3 and 5.2 of the strategy reflect the average of samples gathered by Link Asset Services as at the 20<sup>th</sup> December 2022 from city and non-city forecasters, including HM Treasury. The forecasts are an estimate based on today's financial climate. Whilst forecasters are comparatively confident about their estimates for the coming financial year, those for longer term are far less reliable.

3.5 The Treasury Management Strategy Statement covers:

- treasury controls and reporting mechanisms required to limit the treasury risk and activities of the Council
- the current and expected cash and reserve balances (2.4)
- the borrowing requirement and borrowing limits (3.1)
- prospects for interest rates (3.3)
- policy on borrowing in advance of need (3.5)
- the investment strategy and expected rates of return (4.4)
- Prudential Indicators and the MRP strategy (5.1)
- treasury management scheme of delegation (5.6) and the relevant roles and responsibilities of delegated officers (5.7)

3.6 As part of the council's budget-setting work the estimates of future interest rates, capital resources and expenditure and capital financing costs (through the Minimum Revenue Provision) have been included in arriving at a balanced budget for 2023/24.

3.7 The Treasury Management Policy and Practices at Appendix 2 provide further operational detail on the plans within the Treasury Management Strategy Statement. For 2023/24 there have been only very minor amendments to the Treasury Management Policy and Practises to cover the works with related parties and subsidiaries and to keep it in line with updates in the TMSS above.

3.8 The Treasury Management Practises cover :

- risk management arrangements and techniques
- performance measurement
- decision making and operational controls within the day to day administration of treasury and cash flow management
- measures to prevent money laundering
- training requirements for staff included within the delegation arrangements in the Treasury Management Strategy Statement
- further details on the use of external service providers

3.9 At times of low interest rates from banks, one alternative use of resources open to the council is the pre-payment of revenue creditors in order to achieve early payment discounts. These transactions are not treated as investments, therefore do not fall under the TMS or TMPs in the appendices attached. However, the same considerations of risk and reward should be considered prior to entering into any such agreement. The Chief Finance Officer must be sure of the nature and obligation of the future transactions, their expected value and the credit worthiness of the supplier/counterparty involved.

#### **4. RISK**

4.1 The key risks associated with the strategy include:

- An unexpected increase in bank base rates.
- Agreeing the accounting treatment with external auditors.
- An unexpected reduction in cash balances. Each individual opportunity would be assessed on its own merits and reported to members at the next available

opportunity.

4.2 All the issues raised and the recommendations in this report involve risk considerations as set out below:

- Failure to comply with legal statute, Codes of Practice and regulations of the council.
- Financial risks and credit risks exposure as a result of treasury management decisions. The TMS lays the ground rules for balancing the desire to maximize interest earning capacity with the potential risks of investments in the financial sector, especially in the current economic climate.

## 5. FINANCE

Financial matters are dealt within the report.

## 6. LEGAL

There are no material implications.

## 7. POLICY AND EQUALITIES IMPLICATIONS

7.1 Consultation has taken place with the council's treasury management advisors - Link Asset Services.

7.2 Officers have ensured that the documents attached meet the requirements of the current CIPFA revised Treasury Management Code of Practice and revised Prudential Code 2021 by adopting the proforma documents provided by Link Asset Services with only minor adaptations for local considerations.

## 8. CONCLUSIONS

8.1 Following consideration at Full Council, Members are asked to approve the adoption of the updated Treasury Management Strategy Statement and Treasury Management Policy and Practises, which will ensure continued compliance with the Code and continue to manage the council's exposure to financial risk.

8.2 In light of the current economic climate and resultant changing cash flow requirements, Members are asked to delegate any minor amendments required within year to the Chief Finance Officer in consultation with the Lead Member for Resources.

### Background Papers

Document	Place of Inspection
Template TMSS and TMPs provided by Link Asset Services	Financial Services and Link website (client area)
Previously adopted 2022/23 TMS & TMP	Website: Full Council February 2022



# **Treasury Management Strategy Statement**

Minimum Revenue Provision Policy Statement  
and Annual Investment Strategy

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2023/24

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## Key Considerations

### **2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework**

CIPFA published the revised Codes on 20th December 2021 and has stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Authority, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

### **The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -**

#### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

#### **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

#### **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

### **The revised Treasury Management Code will require an authority to implement the following: -**

- 1. Adopt a new liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
- 2. Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
- 3. Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;
- Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each authority;
- 5. Reporting to members is to be done quarterly.** Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting

process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring;

6. **Environmental, social and governance (ESG)** issues to be addressed within an authority's treasury management policies and practices (TMP1).

**The main requirements of the Prudential Code relating to service and commercial investments are: -**

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services;
2. An authority must not borrow to invest for the primary purpose of commercial return;
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose;
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream;
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

**An authority's Capital Strategy or Annual Investment Strategy should include: -**

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;
2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);
3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);
5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);

6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return;

As this TMSS and AIS deals solely with treasury management investments, the categories of service delivery and commercial investments should be addressed as part of the Capital Strategy report.

However, as investments in commercial property have implications for cash balances managed by the treasury team, it will be for each authority to determine whether to add a high level summary of the impact that commercial investments have, or may have, if it is planned to liquidate such investments within the three year time horizon of this report, (or a longer time horizon if that is felt appropriate).

## 1.1 Background

The Authority 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 Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it 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, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

*“The management of the local authority's borrowing, investments and cash flows, including 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.”*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

## 1.2 Reporting Requirements

### 1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribution to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

## 1.2.2 Treasury Management Reporting

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

- a. **Prudential and treasury indicators and treasury strategy** (this report)
  - The first, and most important report is forward looking and 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 Annual Investment Strategy, (the parameters on how investments are to be managed)

This report is required to be adequately reviewed and scrutinised by Cabinet before being recommended for approval by Council.

- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit & Accounts Committee.

**Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Cabinet. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

## 1.3 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

### Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

### Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need

- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

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

#### **1.4 Training**

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Authorities should consider how to assess whether treasury management staff and council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and council members.
- Require treasury management officers and council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the authority).
- Have regular communication with officers and council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Training is being arranged for members during 2023 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Chief Finance Officer. Similarly, a formal record of the treasury



management/capital finance training received by members will also be maintained by Member Services.

### **1.5 Treasury Management Consultants**

The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority 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.

## 2. THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2026/27

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

### 2.1 Capital Expenditure and Financing

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

**Table 1**

Capital Expenditure	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total Expenditure £'000
Operations & Communities	2,219	594	937	525	421	4,696
Corporate Services & Buildings	992	524	130	206	100	1,952
Housing	3,711	1,500	1,500	1,000	1,000	8,711
Regeneration	2,713	3,095	866	-	-	6,674
Climate change	496	250	250	-	-	996
<b>Total</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as leasing arrangements that already include borrowing instruments.

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.

**Table 2**

Financing of Capital Expenditure	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total Expenditure £'000
Capital Receipts	982	200	-	76	-	1,258
Capital Grants	5,736	2,297	2,058	1,000	1,000	12,091
Capital Reserves	-	-	-	-	-	0
Earmarked Reserves	-	-	-	-	-	0
<b>Total in-year resources</b>	<b>6,718</b>	<b>2,497</b>	<b>2,058</b>	<b>1,076</b>	<b>1,000</b>	<b>13,349</b>
<b>Net Financing need for year</b>	<b>3,413</b>	<b>3,466</b>	<b>1,625</b>	<b>655</b>	<b>521</b>	<b>9,680</b>

### 2.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority'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 Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, 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 indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the lease provider and so the Council is not

required to separately borrow for these schemes. Rossendale Borough Council doesn't currently hold any such schemes within the CFR.

The Council is asked to approve the CFR projections below:

**Table 3**

<b>Capital Financing Requirement (CFR)</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
Opening CFR	13,585	16,611	19,542	20,545	20,455
Movement in CFR	3,026	2,931	1,003	(90)	(250)
Closing CFR	16,611	19,542	20,545	20,455	20,205
<b>Movement in CFR is represented by</b>					
Net Financing need for year	3,413	3,466	1,625	655	521
Less MRP repayments	387	535	622	745	771
Movement in CFR	3,026	2,931	1,003	(90)	(250)

The movement in CFR in 2023/24 is £2,934k, which includes the following projects:

- The UK Shared Prosperity projects
- Levelling Up Fund Projects
- Vehicle Replacement Programme

Planned External Borrowing for capital expenditure purposes:

**Table 4**

<b>External Borrowing Requirement.</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
Service Spend	2,385	1,168	1,125	655	521
Housing	400	220	500	-	-
Regeneration	628	2,078	-	-	-
Closing CFR	3,413	3,466	1,625	655	521

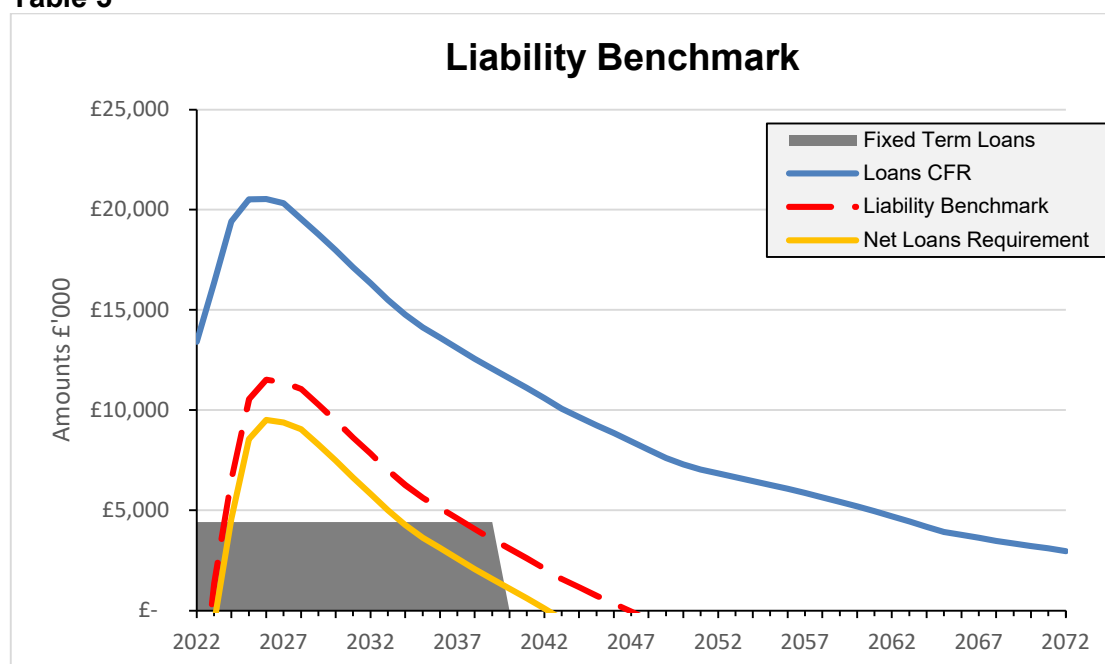
## 2.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

**Table 5**



## 2.4 Core Funds and Expected Investment Balances

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

**Table 6**

Year End Resources	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000
General Fund Balance	1,000	1,000	1,000	1,000	1,000	1,000
Earmarked Reserves	10,806	8,476	6,143	4,463	3,523	3,439
Capital Receipts	401	48	200	-	-	-
Government Grants Unapplied	2,619	1,000	1,000	250	100	100
Additional Resources to fund the MTFs	-	( 1,461)	( 698)	( 857)	( 1,514)	( 1,564)
<b>Total Reserves</b>	<b>14,826</b>	<b>9,063</b>	<b>7,645</b>	<b>4,856</b>	<b>3,109</b>	<b>2,975</b>
(Under)/Over Borrowing (see 3.1)	( 6,030)	( 6,030)	( 6,011)	( 3,739)	( 3,436)	( 3,135)
Expected Resources	8,796	3,033	1,634	1,117	( 327)	( 160)
Cash Balances	12,602	5,741	3,860	4,617	3,990	3,300
Working Capital*	3,806	2,708	2,226	3,500	4,317	3,460

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

## 2.5 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval in advance of each financial year.

The Authority is recommended to approve the following MRP Statement:

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

- **Asset life method (annuity)** – MRP will be based on the estimated life of the assets;

Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after the asset becomes operational

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment;

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan;

**MRP Overpayments** - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

Cumulative VRP overpayments made to date are £657k (made in 2018/19).

### 3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

#### 3.1 Current Portfolio Position

The overall treasury management portfolio as at 31/03/2022 and for the position as at 31/12/2022 are shown below for both borrowing and investments.

**Table 7**

<b>Treasury Portfolio</b>	<b>31/03/2022 Actual £000</b>	<b>31/12/2022 Current Portfolio £000</b>
<b>External Borrowing:</b>		
Public Works Loan Board Loan 1	2,392	2,300
Public Works Loan Board Loan 2	1,750	1,700
<b>Total External Borrowing</b>	<b>4,142</b>	<b>4,000</b>
<b>Treasury Investments:</b>		
Nat West	6,170	2,319
Handelsbanken	5,750	-
Lloyds	5,100	-
LCC Call Account	-	7,000
DMO	-	5,000
<b>Total Treasury Investments</b>	<b>17,020</b>	<b>14,319</b>
<b>Net Borrowing / (Lending)</b>	<b>( 12,878)</b>	<b>( 10,319)</b>

The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

**Table 8**

<b>Borrowing Position</b>	<b>2021/22 Actual £000</b>	<b>2022/23 Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>	<b>2026/27 Estimate £000</b>
Debt at 1st April	4,426	4,142	7,271	10,316	11,382	11,413
Debt Repayments	( 284)	( 284)	( 421)	( 559)	( 624)	( 624)
New Debt	-	3,413	3,466	1,625	655	521
<b>Debt at 31st March</b>	<b>4,142</b>	<b>7,271</b>	<b>10,316</b>	<b>11,382</b>	<b>11,413</b>	<b>11,310</b>
PWLB Loan 1	2,576	2,392	2,208	2,024	1,840	1,656
PWLB Loan 2	1,850	1,750	1,650	1,550	1,450	1,350
Estimated New Debt	-	3,413	6,742	12,229	13,819	14,314
<b>Capital financing Requirement (CFR)</b>	<b>13,410</b>	<b>13,585</b>	<b>16,611</b>	<b>19,542</b>	<b>20,545</b>	<b>20,455</b>
Under / (over) Borrowing	8,984	6,030	6,011	3,739	3,436	3,135

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority 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 2023/24 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 or speculative purposes.

The Chief Finance Officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

### 3.2 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 and the ability to fund under-borrowing by other cash resources.

**Table 9**

Operational Boundary	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
External Debt	16,100	18,400	20,500	21,500	21,500	21,200

**The Authorised Limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal 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.

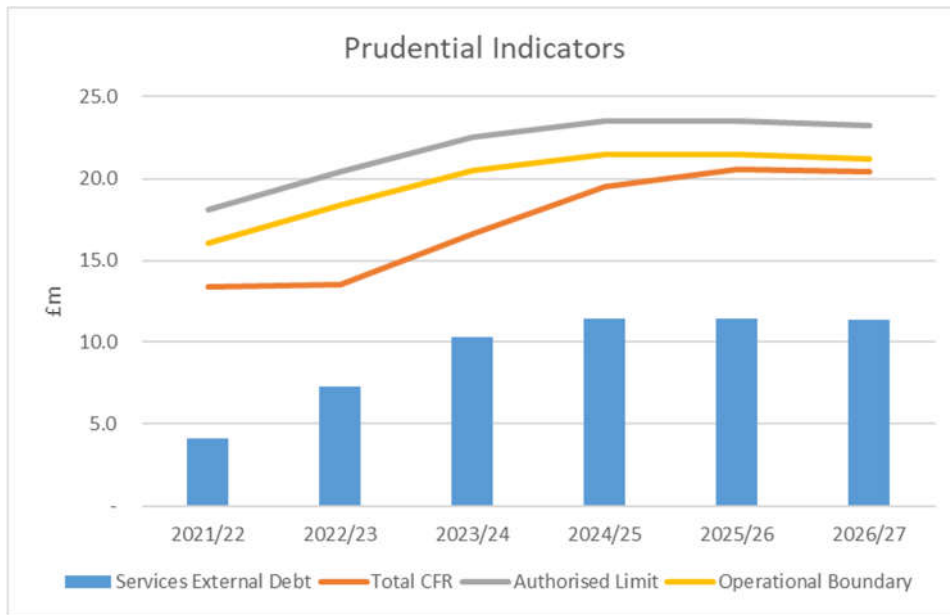
- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit:

**Table 10**

Authorised Limit	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
External Debt	18,100	20,400	22,500	23,500	23,500	23,200

In graphical terms the relationship between the total CFR, the current external borrowing and the suggested authorised limits and operational boundaries can be shown below. The prudent level of future potential borrowing is clearly visible as the gap between the forecast CFR and the current and future estimated borrowing levels.

**Table 11**



### 3.3 Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 19.12.22. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

*Additional notes by Link on this forecast table: -*

Our central forecast for interest rates was updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 3.5% currently but is expected to reach a peak of 4.5% in H1 2023.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and



Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

### **PWLB RATES**

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

### **The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is to the downside.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

### **Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
- **The Government** acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly and pull gilt yields up higher than currently forecast.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields consequently.

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

### **3.4 Borrowing Strategy**

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Chief Finance 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 borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the Cabinet at the next available opportunity.

### **3.5 Policy on Borrowing in Advance of Need**

The Authority 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 Authority can ensure the security of such funds.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 100% of the expected increase in borrowing need (CFR) over the three-year planning period; and
- The Authority would not look to borrow more than 18 months in advance of need.

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

### 3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Cabinet at the earliest meeting following its action.

### 3.7 Approved Sources of Long and Short-term Borrowing

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB and any successor body	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Overdraft		●
Internal (capital receipts & revenue balances)	●	●
Finance Leases	●	●

# 4 ANNUAL INVESTMENT STRATEGY

## 4.1 Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration 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.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.4 under the categories of 'specified' and 'non-specified' investments.

**Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

**Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

#### **Changes in risk management policy from last year.**

The above criteria are unchanged from last year.

### **4.2 Creditworthiness Policy**

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that: -

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

The Chief Finance Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Full Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Authority will only use banks which:
  - i. are UK banks; and/or
  - ii. are non-UK and domiciled in a country which has a minimum sovereign Long-Term rating of AAA

and have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):

- i. Short Term – F1
  - ii. Long Term – A
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided they continue to be part nationalised or meet the ratings in Banks 1 above.
  - Banks 3 – The Authority's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
  - Bank subsidiary and treasury operation -. The Authority will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
  - Money Market Funds (MMFs) using only those with AAA long term rating backed up with lowest volatility rating Money Market Funds (MMFs)
  - UK Government (including gilts, Treasury Bills and the DMADF)
  - Local authorities, parish councils etc
  - Housing associations
  - Rossendale Leisure Trust
  - Other related parties (where a charge can be placed on land or equity to preserve the Councils right to its resources)

**Use of additional information other than credit ratings.** Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

**Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Authority's counterparty list are as follows (these will cover both specified and non-specified investments): -

**Table 12**

Investment Type / Minimum Credit Rating (Note 1)	Banks Unsecured (Note 2)	Banks Secured (Note 3)	Government (Note 4)
UK Government	n/a	n/a	£ Unlimited 5 years
UK Treasury Bills	n/a	n/a	£1m in Total for 6 months
UK Local Authorities	n/a	n/a	£8m each for periods of up to 1 year £8m each for overnight/call deposits
Investment Rated A-	£1m each for 6 months	£2m each for 1 year	n/a
Money Market Funds (Note 5)	£2m per Fund up to 6 months		
Registered Providers (Note 6)	£1m in total for 1 Year		
Any other organisation (Note 7)	£1.5m for maximum of 10 years		

Notes to Table 12

**1. Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**2. Banks unsecured:** Includes accounts, deposits, certificates of deposit and unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**3. Banks secured:** Includes covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.

**4. Government:** Includes loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts as a contingency in the event of a crisis.

**5. Pooled Funds:** These Funds are shares in diversified investment vehicles which invest in any of the investment types above (Notes 2 to 4), plus equity shares and property. These funds provide wide diversification, together with the services of a professional Fund Manager. The Money Market Funds offer same-day liquidity and very low volatility and are used as an alternative to instant access bank accounts. There is no sector limit applying to Money Market Funds although the Council will take care to diversify its liquid investments over a variety of providers to minimise risk.

**6. Registered providers:** These are longer term loans or bonds that are secured or guaranteed on the assets of Registered Providers of Social Housing. These bodies are highly regulated by the Homes and Communities Agency and are likely to receive government support if needed.

**7. Other organisation:** This is subject to an external credit assessment, specific advice from the Council's treasury management adviser and full Council approval.

**Operational bank accounts:** The Council's own bank account which is used for all of the Council's operational activities will have a minimum credit rating of BBB- and assets greater than £25 billion. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity. The balances in the Council's own bank account will be upto a maximum of £5m, or 50% of the resources available at the time of investing, whichever is the larger.

The proposed criteria for specified and non-specified investments are shown in Appendix 5.4 for approval.

### **Creditworthiness**

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK).

### **CDS prices**

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

### **4.3 Limits**

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

### **4.4 Investment Strategy**

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

#### **Investment returns expectations.**

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

**Table 13**

<b>Average earnings in each year</b>	<b>Link</b>	<b>RBC View</b>
2022/23 (remainder)	4.00%	3.50%
2023/24	4.40%	3.75%
2024/25	3.30%	2.75%
2025/26	2.60%	2.10%



2026/27	2.50%	2.00%
Years 6 to 10	2.80%	2.80%
Years 10+	2.80%	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Authority will seek to utilise its SIBA instant access and notice accounts, Money Market Funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

**Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Authority'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.

The Authority is asked to approve the following treasury indicator and limit: -

**Table 14**

<b>Upper limit for principal sums invested for longer than 365 days</b>			
<b>£m</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Principal sums invested for longer than 365 days	£1.5m	£1.5m	£1.5m

#### **4.5 Investment Performance / Risk Benchmarking**

This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / SONIA:

- Security – the exposure to credit risk is monitored by measuring the average credit rating of its investment portfolio with a target rating of A-.
- Liquidity – the Authority will manage its cashflow so as not to go overdrawn.
- Yield – the benchmark for returns on investments is the Sterling Overnight Index Average (SONIA). Actual investment returns are monitored against budget

#### **4.6 End of Year Investment Report**

At the end of the financial year, the Authority will report on its investment activity as part of its Financial Monitoring Process.

## **5 APPENDICES**

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management (option 1)
5. Treasury management practice 1 – credit and counterparty risk management (option 2)
6. Approved countries for investments
7. Treasury management scheme of delegation
8. The treasury management role of the section 151 officer

## 5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2023/24 – 2025/26

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

### 5.1.1 Capital Expenditure

**Table 15**

Capital Expenditure	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total Expenditure £'000
Operations & Communities	2,219	594	937	525	421	4,696
Corporate Services & Buildings	992	524	130	206	100	1,952
Housing	3,711	1,500	1,500	1,000	1,000	8,711
Regeneration	2,713	3,095	866	-	-	6,674
Climate change	496	250	250	-	-	996
<b>Total</b>	<b>10,131</b>	<b>5,963</b>	<b>3,683</b>	<b>1,731</b>	<b>1,521</b>	<b>23,029</b>

### 5.1.2 Affordability Prudential Indicators

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

#### 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.

**Table 16**

Ratio of financing costs to net revenue stream	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Interest Payable - Services	138	133	274	394	429	416
Interest Receivable	(8)	(110)	(120)	(140)	(150)	(150)
<b>Net cost of capital</b>	<b>130</b>	<b>23</b>	<b>154</b>	<b>254</b>	<b>279</b>	<b>266</b>
Net Revenue Stream	8,220	10,506	10,227	10,548	10,760	10,992
<b>Ratio of financing costs to net revenue stream</b>	<b>1.58%</b>	<b>0.22%</b>	<b>1.51%</b>	<b>2.41%</b>	<b>2.59%</b>	<b>2.42%</b>

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

### 5.1.3 Maturity Structure of Borrowing

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.

The Council is asked to approve the following treasury indicators and limits: -

**Table 17**

<b>Maturity structure of fixed interest rate borrowing 2023/24</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	40%
12 months to 2 years	0%	50%
2 years to 5 years	0%	50%

5 years to 10 years	0%	50%
10 years and above	0%	100%
<b>Maturity structure of variable interest rate borrowing 2023/24</b>		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	10%
10 years and above	0%	10%

#### 5.1.4. Control of Interest Rate Exposure

Please see paragraphs 3.3, 3.4 and 4.4.

#### 5.2 INTEREST RATE FORECASTS 2022-2025

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

PWLB forecasts are based on PWLB certainty rates.

### 5.3 ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	<b>UK</b>	<b>Eurozone</b>	<b>US</b>
<b>Bank Rate</b>	3.5%	2.0%	4.25%-4.50%
<b>GDP</b>	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
<b>Inflation</b>	10.7%y/y (Nov)	10.1%y/y (Nov)	7.1%y/y (Nov)
<b>Unemployment Rate</b>	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

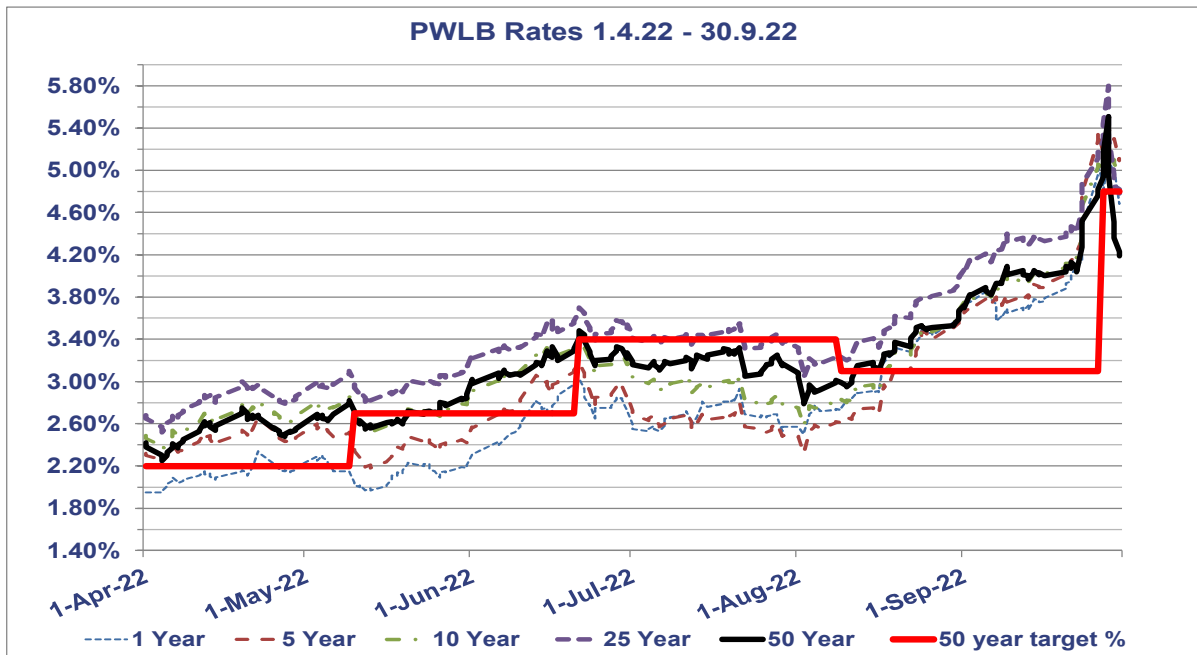
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17<sup>th</sup> November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected

eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.22. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28<sup>th</sup> September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.35%	5.80%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
<b>Average</b>	2.81%	2.92%	3.13%	3.44%	3.17%
<b>Spread</b>	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

### CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

## 5.4 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 24/02/2010 and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

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

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

The investment policy proposed for the Authority is:

**Strategy guidelines** – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

**Specified investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Authority has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.



- A body that is considered of a high credit quality (such as a bank or building society). This category covers bodies with a minimum Short-Term rating of A (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the Code, the Authority has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. **These criteria are set out in 4.2 above.**

**Non-specified investments** – are any other type of investment (i.e., not defined as specified above). **These are set out in 4.2 above**

NOTE 1. This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Chief Finance Officer, and if required new counterparties which meet the criteria will be added to the list.

## **5.5 APPROVED COUNTRIES FOR INVESTMENTS**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

### ***Based on lowest available rating***

#### **AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

#### **AA+**

- Canada
- Finland
- U.S.A.

#### **AA**

- Abu Dhabi (UAE)
- France

#### **AA-**

- Belgium
- Qatar
- **U.K.**

In practice Officers tend to use UK banks

## **5.6 TREASURY MANAGEMENT SCHEME OF DELEGATION**

### **(i) Full Council**

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

### **(ii) Cabinet**

- 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.
- consideration of individual non-specified investment decisions during the financial year.

### **(iii) Audit & Accounts Committee**

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

## 5.7 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.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following : -
  - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
  - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

### **The Deputy S151 Officer (being the Head of Financial Services)**

In the absence of the S151 Officer, the Deputy S151 Officer will take over the responsibilities noted above.

The Finance Officer (Exchequer Services)

- Transfer of funds between the Council's approved call and notice accounts.

Authorised Signatories

The following posts have been designated as those authorised to act as bank signatories for the Council:

- Chief Finance Officer (S151 Officer)
- Head of Financial Services (Deputy S151 Officer)
- Finance Officer (Exchequer)
- Accountant
- Accounts Technician.

# **Treasury Management Policy and Practices**

**2023/24**

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<b>Date Amended now</b>	Feb 2023	<b>Meeting date</b>	Feb 2023
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# The Treasury Management Policy Statement

## The treasury management policy statement

This council defines its treasury management activities as:

1. The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. This council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

## Clauses to be formally adopted

1. This Council will create and maintain, as the cornerstones for effective treasury management:
  - a Treasury Management Policy Statement (TMSS), stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable Treasury Management Practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
  - investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the CIPFA Treasury Management Code (the Code), subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

2. This Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs and IMPs.
3. This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Chief Finance Officer, and for the

<b>Responsible Section/Team</b>	Finance	<b>Version/Status</b>	2023/24 v1
<b>Responsible Author</b>	Chief Finance Officer	<b>Report submitted to</b>	Full Council
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<b>Due for Review</b>	Feb 2024	<b>Page</b>	3



execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs

4. This organisation nominates Chief Finance Officer to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

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# TMP 1 RISK MANAGEMENT

The responsible officer (in the case of Rossendale Borough Council, The Chief Finance Officer) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

## 1. Credit and Counterparty Risk Management

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

This organisation regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods And Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

The organisation's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

### 1.1. Policy on the use of credit risk analysis techniques

- 1.1.1. The Council will use credit criteria in order to select creditworthy counterparties for placing investments with.
- 1.1.2. Credit ratings will be used as supplied from all three rating agencies - Fitch, Moodys and Standard & Poors
- 1.1.3. Treasury Management Consultants will provide regular updates of changes to all ratings relevant to the council.
- 1.1.4. The responsible officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits. This organisation will use the Sector creditworthiness service based on using colours determined by minimum combinations of ratings to derive maturity limits as follows: -
  - Yellow 5 years
  - Purple 2 years

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

In addition, a credit default swap overlay is used as a further safeguard to give early warning of potential creditworthiness problems which may only belatedly lead to actual changes in credit ratings.

As this methodology is complex, readers are referred to the document produced by Link Asset Services “Treasury Solutions Credit Policy Guide December 2015” for a full explanation.

1.1.5. Credit ratings for individual counterparties can change at any time. The Chief Finance Officer is responsible for applying approved credit rating criteria for selecting approved counterparties. Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.

1.1.6. This organisation will not rely solely on credit ratings in order to select and monitor the creditworthiness of counterparties. In addition to credit ratings it will therefore use other sources of information including: -

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

1.1.7. Maximum maturity periods and amounts to be placed in different types of investment instrument are shown below. At present the maximum investment period for Specified Investments is less than 365 days.

1.1.8. Diversification: this organisation will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following: -

Investment Type / Minimum Credit Rating (Note 1)	Banks Unsecured (Note 2)	Banks Secured (Note 3)	Government (Note 4)
UK Government	n/a	n/a	£ Unlimited 5 years
UK Treasury Bills	n/a	n/a	£1m in Total for 6 months
UK Local Authorities	n/a	n/a	£8m each for periods of up to 1 year £8m each for overnight/call deposits
Investment Rated A-	£1m each for 6 months	£2m each for 1 year	n/a
Money Market Funds (Note 5)	£2m per Fund up to 6 months		
Registered Providers (Note 6)	£1m in total for 1 Year		
Any other organisation (Note 7)	£1.5m for maximum of 10 years		

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Notes

1. *Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.*
2. *Banks unsecured: Includes accounts, deposits, certificates of deposit and unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.*
3. *Banks secured: Includes covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.*
4. *Government: Includes loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts as a contingency in the event of a crisis.*
5. *Pooled Funds: These Funds are shares in diversified investment vehicles which invest in any of the investment types above (Notes 2 to 4), plus equity shares and property. These funds provide wide diversification, together with the services of a professional Fund Manager. The Money Market Funds offer same-day liquidity and very low volatility and are used as an alternative to instant access bank accounts. There is no sector limit applying to Money Market Funds although the Council will take care to diversify its liquid investments over a variety of providers to minimise risk.*
6. *Registered providers: These are longer term loans or bonds that are secured or guaranteed on the assets of Registered Providers of Social Housing. These bodies are highly regulated by the Homes and Communities Agency and are likely to receive government support if needed.*
7. *Other organisation: This is subject to an external credit assessment, specific advice from the Council's treasury management adviser and full Council approval.*
  - *Operational bank accounts: The Council's own bank account which is used for all of the Council's operational activities will have a minimum credit rating of BBB- and assets greater than £25 billion. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity. The balances in the Council's own bank account will be upto a maximum of £5m, or 50% of the resources available at the time of investing, whichever is the larger.*

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- Country limits – normally, a minimum sovereign rating of AAA is required for an institution to be placed on our approved lending list. However, UK banks will be considered regardless of the UK’s sovereign rating at the time of investment.

1.1.9. Investments will not be made with counterparties that do not have a credit rating in their own right, other than in the case of Non-specified Investments where the counterparty is one of the Council’s related parties and where a charge can be placed on land or equity in order to preserve the Council’s rights to its resources.

1.1.10. The definition of ‘high credit quality’ in order to determine what are specified investments as opposed to non specified investments which do not have high credit ratings is set out at the end of TMP1 in schedule 1.

1.1.11. Should the Council ever begin to use **external fund manager(s)** they will adhere to the counterparty credit criteria and maximum individual limits set by the Council; however, it is understood that fund manager(s) may use a subset of the counterparty list so derived.

## 1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation’s business/service objectives will be thereby compromised.

This organisation will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. This organisation will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

### 1.2.1. Amounts of approved minimum cash balances and short-term investments

The Finance Officers shall seek to minimise the balance held in the Council’s main bank accounts at the close of each working day. The use of alternative call accounts and short-term notice accounts (under 90 days) shall be used in order to achieve this aim.

### 1.2.2. Details of:

#### a. Standby facilities

At the end of each financial day the balance in the Council’s current account is automatically transferred to/from the Special Business Investment Account (SIBA) to maximise the interest available on the Council’s operational bank accounts. In practice the current account and the SIBA account are now operated as one account. Individual daily debit balances on the current account are not treated as an overdraft.

The Council also maintain one or more on-call, and notice accounts up to 90 days with other banks. These accounts are used for reserve cash balances which may be required without notice. Such instant access is possible, but would lead to some loss of interest commensurate with the notice period waived.

#### b. Bank overdraft arrangements

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Previous overdraft facilities have now ceased due to the sweeping action described above and following the bank imposing an arrangement fee for overdrafts on the SIBA account.

c. Short-term borrowing facilities

The Council accesses temporary loans through approved brokers on the London money market. The approved operational borrowing limit for short term debt in 2022/23 is £14.7m.

d. Insurance/guarantee facilities

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

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### 1.3 Interest Rate Risk Management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

This organisation will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

#### 1.3.1 Policies concerning the use of instruments for interest rate management.

a. forward dealing

Consideration will be given to dealing from forward periods dependant upon market conditions.

b. callable deposits (England and Wales only)

The Council may use callable deposits as part as of its Annual Investment Strategy (AIS), which now forms part of the Annual Treasury Management Strategy Statement. The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

### 1.4 Exchange Rate Risk Management

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### 1.5 Refinancing Risk Management

The risk that maturing borrowings, capital projects or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

This organisation will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

The Council will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

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### **1.5.1. Debt/Other Capital Financing, Maturity Profiling, Policies and Practices**

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and /or the balance of volatility of the debt portfolio.

Rescheduling will be reported to the Cabinet at the meeting immediately following its action.

### **1.5.2. Projected Capital Investment Requirements**

The Finance Manager will prepare a three year plan for capital expenditure for the Council. The capital plan will be used to prepare a three year revenue budget for all forms of financing charges. In addition, the responsible officer will draw up a capital strategy report which will give a longer term view.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

### **1.5.3 Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing**

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this three year period.

The Council will use the definitions provided in the Prudential Code for borrowing, capital expenditure, capital financing requirement, debt, financing costs, investments, net borrowing, net revenue stream, other long term liabilities.

## **1.6 Legal and Regulatory Risk Management**

The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

This organisation will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the organisation, particularly with regard to duty of care and fees charged.

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This organisation recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

### 1.6.1. References to Relevant Statutes and Regulations

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council, and as amended during the period of the Treasury Management Strategy Statement (TMSS). These include but are not limited to:

- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- S.I. 2004 no. 3055 The Local Authorities (Capital Finance and Accounting) (Amendment) (England) (No. 2) Regulations 2004
- S.I. 2006 no. 521 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- S.I. 2008 no. 414 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Localism Act 2011
- S.I. 2012 no. 265 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012
- S.I. 2012 No. 711 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012
- S.I. 2012 No. 1324 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012
- S.I. 2012 No. 2269 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 4) Regulations 2012
- S.I. 2013 no. 476 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2013
- S.I. 2015 no. 234 Accounts and Audit Regulations 2015

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## Guidance and codes of practice

- CLG Revised Guidance on Investments 1.4.2010
- CLG guidance on minimum revenue provision – Feb 2012
- CIPFA's Treasury Management Codes of Practice and Guidance Notes 2021,
- CIPFA Prudential Code for Capital Finance in Local Authorities 2021
- CIPFA Prudential Code for Capital Finance in Local Authorities – guidance notes for practitioners 2013
- CIPFA Local Authority Capital Accounting - a reference manual for practitioners 2014 Edition
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- LAAP/CIPFA Bulletins
- IFRS - Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
- PWLB circulars on Lending Policy
- The Non-Investment Products Code (NIPS) - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
- Financial Conduct Authority's Code of Market Conduct
- The Council's Standing Orders relating to Contracts
- The Council's Financial Regulations
- The Council's Scheme of Delegated Functions

### 1.6.2 Procedures for Evidencing the Council's Powers/Authorities to Counterparties

The Council's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the following the scheme of delegation of treasury management activities contained in Treasury Management Strategy which states

- which officers carry out these duties
- which officers are the authorised signatories

#### Required Information on Counterparties

Lending shall only be made to counterparties on the Approved Lending list. This list has been compiled using advice from the Council's treasury advisers based upon credit ratings supplied by Fitch, Moodys and Standard & Poors. Lending can also be made to one of the Council's related parties or subsidiaries.

### 1.6.3 Statement on the Council's Political Risks and Management of Same

The Chief Finance Officer shall take appropriate action with the Council, the Chief Executive Officer and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council, change of Government etc.

### 1.6.4 Monitoring Officer

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It is the duty of the monitoring officer to ensure that the treasury management activities of the Council are lawful.

### **1.6.5. Chief Financial Officer**

The Chief Financial Officer is the S151 Officer. The duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if he has concerns as to the financial prudence of its actions or its expected financial position.

## **1.7 Fraud, Error and Corruption, and Contingency Management**

The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

This Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:-

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

### **1.7.1. Details of Systems and Procedures to be Followed, Including Internet Services**

#### **Authority**

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are negotiated by the responsible officer or authorised persons.
- Loan procedures are defined in the Financial Regulations section of the Council's Constitution.

#### **Procedures**

- The electronic banking procedures include internet access to the Council's bank accounts for both downloading statements and entering one-off same-day transactions. The electronic authorisation of transactions through chip and pin cards and passwords follows the same pattern of required signatories as paper transactions do (i.e. one signature up to £5,000 and two signatures for transactions over £5,000).
- Autopay online is the system used by the Council for the transfer of payment and collection files to the BACs processing centre. BACs collection and payment files

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- are generated by the payroll, creditors, benefits and revenues software systems and transferred through a secure internet portal by the authorised signatories. Files must be generated, approved and sent by two different people.
- Full details of operational procedures are maintained by the Finance Officer (Exchequer Services).

### **Investment and borrowing transactions**

- A detailed register of all loans and investments is maintained by the Finance Officer (Exchequer Services). A written acknowledgement of each deal is sent promptly to the lending or borrowing institution where transactions are done directly with the organisation.
- Written confirmation is received and checked against the dealer's records for the transaction.
- Any discrepancies are immediately reported to the Chief Finance Officer for resolution.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the Chief Finance Officer for resolution.

### **Regularity and security**

- Lending is only made to institutions on the Approved List of Counterparties.
- All loans raised, and repayments made, go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- Brokers have a list of named officials authorised to agree deals.
- There is a separation of duties in the section between dealers and the checking and authorisation of all deals.
- The Council's bank holds a list of Council officials who are authorised signatories for treasury management transactions.
- Payments can only be authorised in a formal letter by an authorised signatory, the list of signatories having previously been agreed with the current provider of our banking services.
- The NatWest Bankline system can only be accessed by a password and online payments require chip and pin authorisation from one or more of the bank signatories (two for payments over £5,000).
- There is adequate insurance cover for employees involved in loans management and accounting.

### **Checks**

- The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- A debt charge/investment income listing is produced every month when a review is undertaken against the budget for interest earnings and debt costs.

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## Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Finance Officer (Exchequer Services). This is used to check the amount paid to lenders.
- Average weighted capital loans fund interest rates and debt management expenses are calculated monthly using information from the financial ledger.
- These interest and expense rates are then used to calculate the principal, interest and debt management expense charges to the General Fund.

### 1.7.2. Emergency and Contingency Planning Arrangements Disaster Recovery Plan.

The Council's main Business Continuity Plan includes a detailed section covering the essential financial systems and procedures, including banking, payments and revenue collection. All members of the treasury management team are familiar with this plan and new members will be briefed on it. The plan is reviewed and updated at regular intervals with both paper and electronic copies being available.

All computer files are backed up on the server to enable files to be accessed from remote sites.

### 1.7.3. Insurance Cover Details

#### Fidelity Insurance

The Council has 'Fidelity' insurance cover with Zurich Municipal which covers the loss of cash by fraud or dishonesty of employees. This cover is limited to £5m for any one event with an excess of £5k for any one event.

#### Professional Indemnity Insurance

The Council also has an 'Officials Indemnity' insurance policy with Zurich Municipal which covers loss to the Council from the actions and advice of its officers which are negligent and without due care. This cover is limited to £5m for any one event with an excess of £5k for any one event.

## 1.8 Market Risk Management

The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

This organisation will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

### 1.8.1. Details of Approved Procedures and Limits for Controlling Exposure to Investments Whose Capital Value May Fluctuate (Gilts, CDs, Etc.)

These are controlled through setting limits on investment instruments where the principal value can fluctuate. The limits are determined and set through the Annual Investment Strategy (which now forms part of the Annual Treasury Management Strategy Statement).

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# TMP 2 PERFORMANCE MEASUREMENT

## 2.1 Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions:

- a. monthly reviews carried out by the Chief Finance Officer and Head of Financial Services, reported as part of the regular financial monitoring reports to Cabinet.
- b. weekly review reports from our treasury management consultants detailing current markets, forecasts and model portfolio returns.
- c. annual review of performance and strategy with our treasury management consultants.
- d. comparative reviews with neighbouring authorities.

### 2.1.2 Reviews with our treasury management consultants

The Chief Finance Officer meets with our consultants every 12 months to review the performance of the investment and debt portfolios. Ad-hoc reviews are conducted by arrangement as outlined at 2.3.4.

### 2.1.3 Annual Review after the end of the financial year

In addition to the regular financial monitoring reports to Cabinet, the end of March out-turn report includes an annual treasury management report which reviews the performance of the debt and investment portfolios. This report contains the following:

- a. total debt and investments at the beginning and close of the financial year and average interest rates
- b. borrowing strategy for the year compared to actual strategy
- c. investment strategy for the year compared to actual strategy
- d. explanations for variance between original strategies and actual
- e. debt rescheduling done in the year
- f. actual borrowing and investment rates available through the year
- g. comparison of return on investments to the investment benchmark
- h. compliance with Prudential and Treasury Indicators

### 2.1.4 Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data can be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- Neighbouring Lancashire authorities
- Link Asset Services model portfolio

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## **2.2 Benchmarks and Calculation Methodology:**

### **2.2.1 Debt management**

- Average rate on all external debt
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

### **2.2.2 Investment**

The performance of investment earnings will be measured against the following benchmarks: -

- a. Link Asset Services model portfolio
  - *Weighted average rate of return*
  - *Weighted average maturity*

Performance may also be measured against other local authority funds with similar benchmarks and parameters managed by other fund managers.

## **2.3 Policy concerning methods for testing Value for Money in Treasury Management**

### **2.3.1 Frequency and processes for tendering**

Tenders are normally awarded on a five-year basis. The process for awarding contracts will be in line with the Council's Contract Standing Orders.

### **2.3.2 Banking services**

The Council's banking arrangements are to be subject to competitive tender unless it is considered that there will be changes in the volume of transactions in the foreseeable future which renders a shorter period appropriate.

### **2.3.3 Money-broking services**

The Council may use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

### **2.3.4 Consultants'/advisers' services**

This Council's policy is not to appoint full-time professional treasury management consultants (Link Asset Services advise on an ad hoc basis, alongside automated updates).

### **2.3.5 Policy on External Managers (Other than relating to Superannuation Funds)**

The Council's policy is not to appoint external investment fund managers.

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# TMP 3 DECISION-MAKING AND ANALYSIS

## 3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:

### 3.1.1 Records to be kept

The following records will be retained:-

- Daily and monthly cash balance forecasts
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Contract notes received from fund manager(s)
- Fund manager(s) valuation statements (if applicable)

### 3.1.2 Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring (if applicable)
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actual against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).

### 3.1.3 Issues to be addressed

#### 3.1.3.1. In respect of every treasury management decision made the Council will:

- a) Above all, be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

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**3.1.3.2 In respect of borrowing and other funding decisions, the Council will:**

- a) consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets
- b) evaluate the economic and market factors that might influence the manner and timing of any decision to fund
- c) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships
- d) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.

**3.1.3.3 In respect of investment decisions, the Council will:**

- a) consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital;
- c) in the case of investments outside the banking sector the Council will consider the appropriate level of asset security, such as Land Registry charges, local Land Charges, or holding asset deeds.

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# TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

## 4.1 Approved Activities of the Treasury Management Operation

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- the use of external fund managers (other than Pension Fund)
- leasing.

## 4.2 Approved Instruments for Investments

Refer to the Treasury Management Strategy.

## 4.3 Approved Techniques

- Forward dealing
- LOBOs – lenders option, borrower's option borrowing instrument
- The use of structured products such as callable deposits

## 4.4 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003 and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Local temporary	●	●
Local Bonds	●	
Overdraft		●
Internal (capital receipts & revenue balances)	●	●
Leasing	●	●
Deferred Purchase	●	●

## Other Methods of Financing

- Government and EC Capital Grants
- Lottery monies
- PFI/PPP

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Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The responsible officer has delegated powers in accordance with Financial Regulations, Standing Orders, the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

#### **4.5 Investment Limits**

The Treasury Management Strategy Statement sets out the limits and the guidelines for use of each type of investment instrument.

#### **4.6 Borrowing Limits**

See the Treasury Management Strategy Statement and Prudential and Treasury Indicators.

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# TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

## 5.1 Allocation of responsibilities

### (i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual treasury management strategy
- approval of capital strategy and capital programme
- approval of annual revenue budget

### (ii) Cabinet

- recommendation of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and recommendations
- 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.
- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

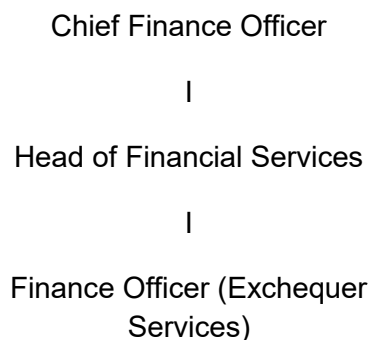
## 5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties must be undertaken by separate officers: -

Dealing	Negotiation and approval of deal. Receipt and checking of brokers confirmation note against loans diary. Reconciliation of cash control account. Bank reconciliation
Accounting Entry	Production of transfer note. Processing of accounting entry
Authorisation/Payment of Deal	Entry onto system. Approval and payment.

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### 5.3 Treasury Management Organisation Chart



### 5.4 Statement of the treasury management duties/responsibilities of each treasury post

#### 5.4.1. The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council is the Chief Finance Officer (This post is also the S151 officer.) This officer will carry out the following duties: -

- a) recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- b) submitting regular treasury management policy reports
- c) submitting budgets and budget variations
- d) receiving and reviewing management information reports
- e) reviewing the performance of the treasury management function
- f) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g) ensuring the adequacy of internal audit, and liaising with external audit
- h) recommending the appointment of external service providers.
- i) The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The responsible officer may delegate his power to borrow and invest to members of his staff, principally the Finance Manager, to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the bank signatories as approved in the Treasury Management Strategy Appendix 5.6.
- k) The responsible officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations
- m) It is also the responsibility of the responsible officer to ensure that the Council complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

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#### **5.4.2. Head of Financial Services (Deputy S151 officer)**

The responsibilities of this post will be: -

- a) duties as delegated by the responsible officer in accordance with 5.4.1 (j)
- b) execution of transactions in accordance with good governance arrangements and adequate segregation – (second signatory)
- c) oversight and review of forecast cash balances to inform treasury management decision making.

#### **5.4.3. Finance Officer (Exchequer Services)**

The responsibilities of this post will be: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) supervising treasury management staff
- e) monitoring performance on a day-to-day basis
- f) submitting management information reports to the responsible officer
- g) identifying and recommending opportunities for improved practices

#### **5.4.4. The Head of the Paid Service – the Chief Executive**

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to full Council and Cabinet on treasury policy, activity and performance.

#### **5.4.5. The Monitoring Officer**

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

#### **5.4.6. Internal Audit**

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

### **5.5 Absence Cover Arrangements**

The Head of Financial Services is also the deputy S151 Officer. The Head of Financial Services will also ensure that cover is available for the Finance Officer (Exchequer Services) and other treasury management officers as necessary.

If and when this organisation intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements

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and management information arrangements and the implications properly considered and evaluated.

## **5.6 Dealing Limits**

The following posts are authorised to deal:

- The Chief Finance Officer: limited to investments and loans of £5m per transaction. Amounts in excess of this limit should be by Scheme of Delegation.

## **5.7 Policy on Brokers' Services**

It is this Council's policy to rotate business between brokers.

## **5.8 Policy on Taping of Conversations**

It is not this Council's policy to tape brokers conversations.

## **5.9 Direct Dealing Practices**

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. At present, most deals are arranged by this method. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

## **5.10 Settlement Transmission Procedures**

A formal letter signed by an agreed bank signatory setting out each transaction must be sent to the local authority's bankers where preliminary instructions have been given by telephone. For payments a transfer will be made through BACs or CHAPs to be completed by the appropriate bank deadlines in place that day.

## **5.11 Documentation Requirements**

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

## **5.12 Arrangements Concerning the Management of Third-Party Funds.**

The Council does not currently manage any third-party funds. Trust funds are now held and administered by the Community Foundation for Lancashire.

## **5.13 Council Cheque and Bank Signatories**

A list of the posts delegated with cheque and bank signatory authority are included within the appendices to the Treasury Management Strategy Statement.

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# TMP 6 Reporting Requirements and Management Information Arrangements

## 6.1 Annual programme of reporting

- a) Annual reporting requirements before the start of the year: -
  - a. review of the organisation's approved clauses, treasury management policy statement and practices
  - b. strategy report on proposed treasury management activities for the year comprising of the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement
  - c. capital strategy to give a longer term view of the capital programme and treasury management implications thereof beyond the three year time horizon for detailed planning
- b) Regular review by Cabinet within the Financial Monitoring Reports incorporating Mid-Year Review
- c) Annual review report after the end of the year within the out-turn Financial Monitoring Report.

## 6.2 Annual Treasury Management Strategy Statement (TMSS)

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Cabinet and then to the full Council for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy Statement is concerned with the following elements:
  - a) Prudential and Treasury Indicators
  - b) current Treasury portfolio position
  - c) borrowing requirement
  - d) prospects for interest rates
  - e) borrowing strategy
  - f) policy on borrowing in advance of need
  - g) debt rescheduling
  - h) investment strategy
  - i) creditworthiness policy
  - j) policy on the use of external service providers
  - k) any extraordinary treasury issue
  - l) the MRP/VRP strategy
4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as published

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interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

### 6.3 The Annual Investment Strategy

Included within the Treasury Management Strategy Statement is the report on the Annual Investment Strategy which sets out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) The definition of high credit quality to determine what are specified investments as distinct from non specified investments
- c) Which specified and non specified instruments the Council will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- f) Which credit rating agencies the Council will use
- g) How the Council will deal with changes in ratings, rating watches and rating outlooks
- h) Limits for individual counterparties and group limits
- i) Country limits
- j) Levels of cash balances
- k) Interest rate outlook
- l) Budget for investment earnings
- m) Policy on the use of external service providers

### 6.4 The Annual Minimum Revenue Provision Policy Statement

This statement will be submitted as one element of the Annual Treasury Management Strategy Statement and will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing.

### 6.5 Policy on Prudential and Treasury Indicators

1. The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
2. The responsible officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Council

### 6.6 Regular and midyear review

The Council will review its treasury management activities and strategy on at least a six monthly basis, though in practice as part of regular financial monitoring to Cabinet. This review will consider the following:

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

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## 6.7 Management Information Reports, including a year-end performance report

Management information reports will be prepared for each Cabinet meeting, the final report going to the first available Cabinet after the year-end. These reports will contain the following information: -

- a) a summary of transactions executed (may want to add brokers used and fees paid) and their revenue (current effects);
- b) measurements of performance including effect on loan charges/investment income;
- c) degree of compliance with original strategy and practices and explanation of variances.
- d) any non compliance with Prudential limits or other treasury management limits.

## 6.8 Publication of Treasury Management Reports

Treasury Management information reports will be prepared for each Cabinet meeting and these are available as part of the agenda documents on the Council's website at [www.rossendale.gov.uk](http://www.rossendale.gov.uk) .

The Annual Treasury Management Strategy Statement and the Treasury Management Practices are reviewed at the Full Council meeting each February and are again available as part of the agenda documents on the Council's website at [www.rossendale.gov.uk](http://www.rossendale.gov.uk) .

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# TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

## 7.1 Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

## 7.2 Sample Budgets / Accounts / Prudential and Treasury Indicators

The Chief Finance Officer will prepare at least a three year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Chief Finance Officer will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques.

## 7.3 List of Information Requirements of External Auditors.

- Reconciliation of loans outstanding in the financial ledger to Treasury Management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports from the ledgers
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision
- External fund manager(s) valuations including investment income schedules and movement in capital values (if applicable)

## 7.4 Monthly Budget Monitoring Report

Monthly Budget Monitoring reports are produced for the Chief Finance Officer with quarterly reports to Cabinet. The report is intended to highlight any variances between budgets and spend in order that the Council can assess its financial position. Details of treasury management activities are included within the Cabinet report.

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## **TMP 8 Cash and Cash Flow Management**

### **8.1 Arrangements for Preparing/Submitting Cash Flow Statements**

Cash flow projections are prepared annually and updated monthly and daily. The annual and monthly cash flow projections are prepared according to known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

The responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 - Liquidity risk management, and for the purpose of identifying future borrowing needs.

### **8.2 Bank Statements Procedures**

The Council receives daily bank statements via a daily download of data from its bank. All amounts on the statement are checked to source data from Payroll, Creditors etc.

A formal bank reconciliation is undertaken on a monthly basis by the Finance Team.

### **8.3 Payment Scheduling and Agreed Terms of Trade With Creditors**

Our policy is to pay all creditors as per the agreed terms of trading.

### **8.4 Arrangements for Monitoring Debtors / Creditors Levels**

The Finance Manager is responsible for monitoring the levels of debtors and creditors.

### **8.5 Procedures for Banking of Funds**

All money received by an officer on behalf of the Council will, without unreasonable delay, be passed to the Exchequer Team to deposit in the Council's banking accounts. Cash and cheques banked the previous day will be taken into account in the daily cash flow.

### **8.6 Practices Concerning Prepayments to Obtain Benefits**

The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the Chief Finance Officer.

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# TMP 9 Money Laundering

## 9.1 Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

## 9.2 The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

## 9.3 The Money Laundering Regulations 2007, 2012 and 2015

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FSA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In December 2007 the UK Government published the Money Laundering Regulations 2007, which replaced the Money Laundering Regulations 2003.

## 9.4 Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA, but are not legally obliged to apply the provisions of the Money Laundering Regulations 2007, 2012 and 2015. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly this Council will do the following: -

- a) evaluate the prospect of laundered monies being handled by them

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- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. This person is Chief Finance Officer
- f) in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is The Head of Legal and Democratic Services and it shall be a requirement that all services and departments implement this corporate policy and procedures.

### **9.5 Procedures for Establishing Identity / Authenticity Of Lenders**

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

The Council does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FSA website on [www.fca.gov.uk](http://www.fca.gov.uk).

When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

### **9.6 Methodologies for Identifying Deposit Takers**

In the course of its treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on [www.fca.gov.uk](http://www.fca.gov.uk).

All transactions will be carried out by BACS or CHAPs for making deposits or repaying loans.

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# TMP 10 Training and Qualifications

The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals: -

- a) Treasury management staff employed by the Council
- b) Members charged with governance of the treasury management function

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Personal Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Chief Finance Officer to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who from time to time cover for absences from the treasury management team.

## 10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

## 10.2 Records of Training Received by Treasury Staff

The People and Policy department will maintain records on all staff and the training they receive.

## 10.3 Record of Secondment of Senior Management

Records will be kept of senior management who are seconded into the treasury management section in order to gain firsthand experience of treasury management operations.

## 10.4 Statement of Professional Practice (SOPP)

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. All staff involved in treasury management activities must also comply with the SOPP.

## 10.6 Member training records

Records will be kept of all training in treasury management provided to members.

## 10.7 Members charged with governance

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

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# TMP 11 Use of External Service Providers

## 11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers

This Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

### 11.1.1 Banking Services

- a) Name of supplier of service is the NatWest Bank.
- b) Regulatory status – banking institution authorised to undertake banking activities by the FSA
- c) The branch address is:  
28 Bank Street  
Rawtenstall  
Rossendale  
Lancashire  
BB4 8TS  
Tel :- 0151 802 9354 (Business Banking) or  
0845 302 1511 (Branch Banking)
- d) Contract commenced 1992
- e) Cost of service is variable depending on a schedule of tariffs set annually applied to volumes of transactions
- f) Payments are due monthly and quarterly

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### 11.1.2 Money-Broking Services

The Council may use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers.

### 11.1.3 Consultants'/Advisers' Services

#### Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

The performance of consultants will be reviewed annually by the Chief Finance Officer to check whether performance has met expectations.

- a) Name of supplier of service is Link Treasury Solutions. Their address is 65 Gresham Street, London, EC2V 7NQ
- b) Regulatory status: investment adviser authorised by the FCA
- c) Cost of service in 2020/21 was £7,500.
- d) Payments are due bi-annually in April and October

### 11.1.4 Procedures and Frequency for Tendering Services

As per the Council's contract procedure rules.

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# TMP 12 Corporate Governance

## 12.1.1 List of documents to be made available for public inspection

- a. The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection: -

Treasury Management Strategy Statement

including the Annual Investment Strategy

Treasury Management Policy Statement

Minimum Revenue Provision Policy Statement

Treasury Management monitoring reports produced as part of the Council's regular financial monitoring reports to Cabinet.

Annual Statement of Accounts

Annual Revenue Budget and MTFS

Capital Strategy and 5 Year Capital Programme

Minutes of Council / Cabinet / committee meetings

Third party expenditure via quarterly corporate spend analysis published on the website to comply with the coalition government's transparency agenda.

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# IMP Investment Management Practices for Investments that are not part of Treasury Management activity

This Council recognises that investments taken for non-treasury management purposes require careful investment management. Such investments include loans supporting service outcomes, investments in subsidiaries, or investment property portfolios.

The Council's annual treasury management strategy, Capital Strategy, Investment Strategy and similar documents will cover all the organisation's investments, and will set out, where relevant, specific policies and arrangements for non-treasury investments.

This schedule will include a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and contingent liabilities and the authority's risk exposure. It will be recognised that the risk appetite for these activities may differ from that for treasury management and this is contained within the Council's approved Capital Strategy.

CIPFA recommends separate Investment Management Practices (IMPs) for non-treasury activities and acknowledges reference to TMPs 1, 2, 5, 6, and 10 for the management of **Risk, Performance, Governance, Reporting** and **Training**, respectively.

## **Information suggested for non-treasury investments:**

### **1.1 Risk management**

The cross-sectoral guidance recognises the categories of investments as follows:

- For treasury management purposes
- For service delivery purposes
- For commercial purposes, including non-financial assets held primarily for financial return, such as commercial properties.

Organisations are required to establish investment management practices for their non-treasury management investments, similar to their treasury management practices. The IMP recommends a schedule for each such investment portfolio, setting out the investment objectives, investment criteria, risk management arrangements, decision-making and reporting arrangements, performance measurement and management, and arrangements for training and qualifications.

The basic principle is that the TM Code covers all investments, and the organisation should ensure that it has due diligence, investment management and risk management arrangements in place and monitored actively for its service and commercial investment portfolios, as well as for its treasury management investments.

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<b>Subject:</b>	Quarter 3 Performance Management Report (October, November & December) 2022/23	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	8 <sup>th</sup> February 2023
<b>Report of:</b>	Head of People & Policy	<b>Lead Member:</b>	Environment and Corporate Services
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	<b>Attached:</b>	No
<b>Biodiversity Impact Assessment:</b>	Required: No	<b>Attached:</b>	No
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## 1. RECOMMENDATION

- 1.1. That Cabinet considers the performance of the Council detailed in this report and considers any actions from the Overview and Scrutiny Committee.

## 2. EXECUTIVE SUMMARY

- The Quarter 3 (Q3) Performance Management Report is reporting for months October, November and December 2022/23.
- The report includes updates for the Council's outlined 58 Service Actions, 10 Corporate Projects, 43 Key Performance Indicators (KPI's) and 11 Corporate Risks.
- Overall, the Council's performance is strong but the growing financial pressures are creating cost pressures which the Council must monitor closely as the year progresses.
- The report concludes:
  - 2 Service Actions rated 'red' on the RAG status.
  - 0 Corporate Projects rated 'red' on the RAG status.
  - 8 KPI's rated 'red' on the RAG status.
  - 2 Corporate Risks rated 'red' on the RAG status.
- The report highlights that during Q3 the Council received 12 compliments, 37 complaints and 0 Local Government Ombudsman Enquiries.

## 3. BACKGROUND

- 3.1 The purpose of this report is to provide Cabinet with a summary of the Council's performance within Q3.
- 3.2 The report enables the Council to track its performance, especially in respect of the delivery of Service Actions and Corporate Projects which contribute towards the Council's priorities outlined within the Corporate Plan. The format and objectives of the Performance Management Report were revised at the start of this year to reflect the Council's priorities and Corporate Projects for 2022/23. The Q3 Performance Management Report is attached as Appendix 1.

#### **4. OVERALL SUMMARY OF PERFORMANCE**

##### **A Thriving Local Economy**

- 4.1 The Bacup 2040 project continues to progress, and the former Snooker Hall is a priority restoration building to re-establish the street scene in Bacup. The works to the memorial garden and Cenotaph on Burnley Road will be delivered by Horticon.
- 4.2 Building owners in the Haslingden 2040 project have submitted the first phase of planning applications and other building owners have been engaged for a further phase, planned for submission in Q3. Inflation of construction prices has impacted on the project and costs are being reviewed to meet the project's outcomes. The community events and Business Association meetings are continuing to build support. High Deardengate will be the focus for public realm improvements to increase pedestrianisation and reduce traffic.
- 4.3 The two retail units at Rawtenstall bus station are near completion, with renovation works due to complete by end of Q4. Both tenants have received Lancashire Economic Recovery Grant funding, and both should receive their leases during Q4. In Waterfoot, the Waterfoot Business Association is being supported and the first meeting is scheduled to take place within Q4. A Waterfoot Strategic Project Board has been developed during Q3 to support the Waterfoot 2040 Action Plan. The infrastructure improvements work planned for Futures Park has progressed within Q3 and a S278 agreement with Lancashire County Council is due to be signed within Q4. The Whitaker successfully achieved a National Portfolio Organisation status which will come into effect in April 2023. Work continues at the Whitaker to develop events and a volunteer programme.
- 4.4 Activity to promote employability and skills has progressed well. Rossendale Works delivered employability sessions and events for residents seeking work. The Rossendale Youth Works project was completed in October 2022 with all defined targets exceeded (including 46 people moving into sustained employment and 72 work placements). During Q3, the Council succeeded in its bid for £2.66m UK Shared Prosperity Funding and this includes funding to contribute to the development of the 'The Bridge' (a proposed centre for skills based in Rawtenstall's Old Town Hall). Further funding for The Bridge is also a key part of the bid for Levelling Up Funding.
- 4.5 Partnership work with East Lancashire Railway has continued in Q3 to develop a marketing strategy encouraging rail users to explore Rossendale. The outcome for the strategic business case for the City Valley Rail Link from Rawtenstall to Manchester is due in Q4. To build support for the rail route, positive social media publications have continued within Q3. Communication with Lancashire County Council is maintained to ensure gullies are cleared, highway defects are raised and Rossendale highway maintenance priorities are continuously reviewed.

##### **A High Quality Environment**

- 4.6 Monthly Key Performance Indicators are presented to the Operations Improvement Board and these demonstrate that considerably more rubbish is being removed from Rossendale's streets. During Q3, 40 Round Litter Bins were delivered and will be installed in areas requiring higher capacity. The number of missed commercial bin collections was under target for Q3, this was due to access difficulties primarily and bins not being presented correctly. This is being monitored more closely by the Operations Improvement Board.
- 4.7 The new on-street enforcement contract commenced during Q2 and has proven effective in reducing littering and dog fouling. During Q3, 117 Fixed Penalty Notices were issued. Operation Trident continues to improve the speed with which we remove fly-tipping and the prosecution of offenders. During Q3, 8 Fixed Penalty Notices were issued for fly-tipping and 10 successful prosecutions went through the Courts. A strong social media presence is maintained to share successful enforcements and prosecutions, and press releases are issued in every case. A larger press piece publicising Operation Trident more generally is being released in Q4.
- 4.8 The second annual Climate Change update was presented to Full Council in October 2022. Work has continued to assess energy efficiency schemes in Council buildings. This includes the installation of new LED lighting in Futures Park. All Operations fleet vehicles are now fuelled by Hydro Vegetable Oil, this has reduced carbon emissions by approximately 90%. The Climate Change Supplementary Planning Document was adopted in December 2022 and will reduce carbon emissions from new developments. The Council is continuing to build community support through the Rossendale Climate Network Facebook group, with 111 current members. The Council continues to reduce the use of single-use plastics within the Council Offices and at Council events.
- 4.9 To support Community groups, the Council has provided 5,000 spring bulbs for planting. The Victoria Park Masterplan has been produced and will see improvements to the parks seating areas and skate park within 2023/24. During Q3, 1,100 trees were planted, more trees are due to be planted within Q4 at a range of other locations.
- 4.10 The Recycling Pilot is now complete, during Q3 the data gathered was reviewed and will be fed back to the Operations Board meetings, initial findings are very positive with recycled material increasing from the pilot areas. To support the Recycling Pilot, a publicity campaign has taken place on all social media platforms and the Rossendale Free Press. Discussions with Lancashire County Council continue in regards to separate food waste collections and the potential of a waste transfer station within Rossendale. The disposal of waste is the responsibility of Lancashire County Council, however if they change arrangements it could have a negative financial impact on Rossendale.

### **Healthy and Proud Communities**

- 4.11 Comments from Council officers and the Corporate Management Team have been made and fed back to the consultant regarding the draft Housing Strategy. The edited draft version will be sent to the new Head of Housing and Regeneration and the Interim Director of Economic Development for consultation with Members. The consultant will be providing

further comments and observations from the process to improve the strategy before it is finalised. During Q3, 11 Disabled Facility Grants have been completed and a further 39 applications have been approved.

- 4.12 Multiple Housing Developments are underway, although the developments may not be completed during the 2022/23 financial year, they will contribute towards the number of new homes within the borough. Work has continued on the Affordable Housing Supplementary Planning Document, with the consultation due to take place during 2023/34.
- 4.13 At the December 2022 Council meeting, a new vision for the borough's Leisure and Wellbeing facilities was agreed. Further work is now taking place to make this vision a reality.

### **Effective and Efficient Council**

- 4.14 Officers and Members have continued to receive regular training. Customer Service Training has been developed using the Council's e-learning platform within Q3 and will be rolled out to new starters in 2023/24. The new Council website was developed and agreed during December 2022, a full mock-up will be presented for final sign off during Q4. Work will then take place to populate the new website with a launch in the second half of 2023. A revised customer message has been tested and will be implemented early in Q4. The Council continues to improve its scrutiny function and customised training has been in development during Q3. The Overview and Scrutiny panel continue to consider all new strategies at an early stage, an example in Q3 was the Housing Strategy.
- 4.15 The asset review of the Eden Ward was presented to Ward Members. The review exercise for Cribden Ward and report of findings were finalised and drafted during Q3. A review of assets in Facit Ward and Shawforth Ward will take place in Q4.
- 4.16 The Customer Digital Strategy is continuing, the Security and Information Event Management Project is now complete.
- 4.17 During Q3, we continued to engage staff through surveys and engagement sessions. Seven Health and Wellbeing Champions have volunteered to progress health and welfare throughout the Council. Managers and supervisors received awareness training on the refreshed Drugs and Alcohol Policy. Managers also received Absence Management Training and External Cyber Security Training.
- 4.18 Although the Council is managing the financial pressures to the best of its ability, the post Covid-19 impact on collection rates, inflationary pressures associated with energy prices and the anticipated higher than projected annual pay settlement continues to place the Council's revenue budget under pressure. The Council are awaiting the outcome of our bid for the Levelling Up Fund. We have been successful in obtaining £2.6m from the UK Shared Prosperity Fund and projects will be introduced and developed during Q4.

### **Overview of Service Actions, Projects and KPI's**

4.19 This report sets out the performance against the Corporate Plan and service delivery measures. Performance is assessed based on the delivery of Service Actions and Corporate Projects against the measures set out in the Corporate Plan 2021-25 along with KPI's for services. The Service Actions and Corporate Projects are referred to in more detail in the Q3 Performance Management Report, pages 2-24.

Overall performance is as follows:

	Green	Amber	Red	Unknown
Corporate Projects	5	5	-	-
Service Actions	45	11	2	-
KPI	27	4	8	4*
Risks	3	6	2	-
*Annually Reported				

4.20 Summary of KPI's are as follows:

	Green	Amber	Red	Unknown
A Thriving Local Economy	5	-	1	4
A High Quality Environment	4	1	4	-
Healthy and Proud Communities	4	-	2	-
Effective and Efficient Council	14	3	1	-

4.21 62.8% (27) of KPI's are performing on or above target, green RAG status, at the end of Q3. Those KPI's below target have action plans outlined with measures that will be put into place to improve performance. 18.6% (8) of KPI's have finished in the red RAG status at the end of Q3.

4.22 The KPI's in 'red' status and improvement measures are as follows:

Priority A	Performance Indicator	Target	Q2 2022/23	Q3 2022/23	Status
10	Percentage of 'Minor' planning applications determined within 8 weeks.	90%	78%	20%	RED

It was anticipated that speed of determining applications would decline temporarily as a cap on the number of applications each Planning Officer was dealing with was introduced in 2022 as Planning Officers were becoming overloaded. This meant that new applications were placed on hold and only allocated to a Planning Officer for progression once an officer had capacity. This has been publicised as a temporary measure and once the new members of staff who started in January 2023 are trained and are able to deal with a full caseload, the backlog should be alleviated and the temporary cap removed, thereby allowing speed of performance to return to normal levels.



<b>Priority B</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
5	Percentage of the total tonnage of household waste which has been recycled and composted.	38%	32.8%	33.99%	<b>RED</b>

We are still awaiting for final data from Lancashire County Council and it to be verified by Waste Data Flow, although it is clear that we are performing significantly below the target. It should be noted that the target was ambitious and requires review in methodology of collection (i.e. change of frequency of collection or smaller bin sizes). Work on a targeted recycling trail has been completed, it was a labour intensive process that only resulted in a small improvement.

<b>Priority B</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
7	Number of collections missed per 1,000 collections of commercial waste.	5	9.73	6.98	<b>RED</b>

Further analysis of the data has shown that the majority of the missed bins were related to inconsiderate parking, which is beyond the Council's control and we are pleased to note that there was a significant improvement from the previous quarter (9.73 to 6.98).

<b>Priority B</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
8	Subscribers to the garden waste service – per annum, reported in Q3.	7700	7240	7259	<b>RED</b>

The number of subscribers could be down for two reasons, the cost of living crisis (we had a lower than expected sign ups from May onwards) and fact that the two previous year's figures could have been inflated due to Covid-19 as more people were homeworking/not working and had more time to spend in their gardens.

<b>Priority B</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
9	Number of commercial waste customers – per annum, cumulative figure.	485	434	440	<b>RED</b>

A trial has taken place to have a dedicated commercial waste officer in the hope that increased income would cover expenditure. This has not proved to be the case and we are now assessing other options.

<b>Priority C</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
4	Number of households in Temporary Homeless Accommodation.	12	17	15	<b>RED</b>

There are a number of factors that have impacted the number of households in temporary accommodation. There is a lack of availability in the private rented and social rented sectors as well properties in the private rented sector being out of the reach of the majority of households that we work with due to the rents being above the Local Housing Allowance rates. The lack of permanent housing options has resulted in households remaining in temporary accommodation for much longer periods than before Covid-19. There has also been an increase in private rented landlords pursuing possession through the Courts. The delays in the Dark Lane development have compounded this; since the properties have started to be let the numbers in temporary accommodation has started to reduce.

<b>Priority C</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
5	Number of licensed premises inspected annually – per annum, cumulative figure.	75	35	51	<b>RED</b>

The number of licensed premises inspected has reduced due to inspections taking place on a reactive evidence based basis, rather than proactive. This is a result of Covid-19 and increased pressures on resources and realigned work priorities.

<b>Priority D</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>	<b>Status</b>
16	Number of days lost due to sickness absence per full time equivalent employee – per annum, cumulative.	8 days	4.3 days	7.68 days	<b>RED</b>

The 7.68 days per full time equivalent includes; long-term sickness absence at 4.52 days per full time equivalent (7.44 Q3 2021) and short term sickness at 3.16 days per full time equivalent (3.96 Q3 2021). The main sickness absence reasons from Quarter 1 to Quarter 3 are 208 days 'other musculo-skeletal' and 192 days 'stress, depression, anxiety and fatigue'

There is still a steady loss of days due to Covid-19 at 85 days compared to 72 days for the same period last year.

Unsurprisingly the most significant increase of sickness absence during Quarter 3 was due to infections, colds and flu, this has risen from 8 days from the end of Quarter 2 to 79 days to the end of Quarter 3. The figure is on a parallel with the same Quarter last year (65 days)

which we can assume is the result of the winter months and a large majority of our Operations team working outside.

Through the application of the Absence Management Policy the number of employees absent due long-term sickness has reduced from 6 to 4 employees during Q3.

4.23 **Use of RIPA** – As recommended by the Investigatory Powers Commissioner’s Office, the Council is required to monitor and report on the use of authorisations under the Regulation of Investigatory Powers Act (RIPA). There have been no authorisations sought in Q3.

4.24 KPI’s are referred to in the Q3 Performance Management Report, pages 25-27.

### **Compliments and Complaints**

#### **4.25 Compliments**

	<b>Q3 2021/22</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>
Number of compliments	21	28	12
Highest nature of compliments	95% (20) Staff member/Team	79% (22) Staff member/Team	92% (11) Staff member/Team
Highest Service Area with compliments	Economic Development - 6 Operations - 6	Operations - 18	Operations - 8

The number of compliments has decreased by 16 in Q3 when compared with Q2, and is also lower when compared to Q3 last year. Q3 continues to see the top nature of compliment as ‘Staff member/Team.’ Over Q3 compliments were received across a wide range of service areas including: Corporate Support, Legal & Democratic, Operations and People and Policy.

#### **4.26 Complaints**

	<b>Q3 2021/22</b>	<b>Q2 2022/23</b>	<b>Q3 2022/23</b>
<b>Number of complaints</b>	20	34	37
<b>Highest nature of complaints</b>	25% (5) – Staff member/Team	35% (12) – Bins/bin collection	24% (9) – Action/ response/ communication
<b>Highest Service Area of complaints</b>	Operations – 10	Operations – 15	Operations – 11

The number of complaints received in Q3 has increased by 3 when compared with Q2, and is also higher when compared to Q3 last year.

#### **4.27 Local Government Ombudsman (LGO) Enquiries**

In Q3 there were no enquiries received from the LGO. One Planning and Development enquiry which was carried over from Q2 was closed in Q3 with the decision 'Not Upheld: No Fault.'

Compliments and complaints are referred to in the Q3 Performance Management Report, pages 28-29.

## 5. RISK

5.1 The Council has reviewed and continues to monitor the Council's Corporate Risks.

The Corporate Risks as categorised at the end of Q3 are as follows:

	Quarter 3 2022/23
<b>Low</b>	3
<b>Medium</b>	6
<b>High</b>	2

5.2 The Corporate Risks rated as 'red' are as follows:

Corporate Risk 1	Likelihood	Impact	Overall risk	Status
Sustainability of the Medium Term Financial Strategy (MTFS)	<b>A</b>	<b>1</b>	<b>A1</b>	<b>RED</b>

The February 2022 MTFS indicates that the MTFS funding gap will continue to increase over the current lifecycle unless further savings/income generation schemes are identified. The impact from the employers pay offer, the current economic crisis as well as the increased uncertainty around future central government funding following the formation of the new Government, is placing significant additional pressure on the MTFS.

Officers are seeking to maximise efficiencies and make savings wherever possible, however following the years of austerity the Council has already suffered, opportunities for making savings without affecting service delivery are minimal. The Council is also striving to maximise income opportunities through its ongoing property reviews and subsequent marketing of sites and rent reviews.

The Empty Homes scheme continues to have an adverse impact on the MTFS. Officers are monitoring the scheme closely and managing the claims where possible. The 2023/24 provisional financial settlement offers Councils the option to increase Council Tax by up to 3% (with an additional 2% for Councils with social care responsibility) from 2023/24 without requiring a referendum, Members will consider this option as part of the budget process.

Corporate Risk 13	Likelihood	Impact	Overall risk	Status
Impact of COVID-19 on the Financial Sustainability of Council Owned Leisure Assets	<b>A</b>	<b>2</b>	<b>A2</b>	<b>RED</b>

The financial sustainability of the Leisure Trust remains a key risk to the Council. At the December 2022 Council meeting, it was agreed that an independent study would be commissioned to fully assess the risk to the Council and suggest mitigating actions.

5.3 The risks will continue to be monitored by Corporate Management Team on a regular basis and are referred to in the Q3 Performance Management Report, pages 31-41.

**6. FINANCE**

6.1 Financial implications and risks arising are identified within the report.

**7. LEGAL**

7.1 There are no immediate legal considerations attached to the recommendations in this report.

**8. POLICY AND EQUALITIES IMPLICATIONS**

8.1 Effective performance management is very important to the Council, and the Council is committed to improving on an on-going basis how it operates and how it can improve the services it offers and delivers. In completing this report, consultation has been undertaken with the Corporate Management Team and Lead Member for Environment and Corporate Services.

**9. REASON FOR DECISION**

9.1 For Cabinet to consider any actions, projects, performance indicators or risks escalated by the Overview and Scrutiny Committee for further action.

<b>Background Papers</b>	
Q3 Performance Management Report	Appendix 1

Rossendale Borough Council (the Council) has four priority themes which represent the main aims of the Council. Against each of these priorities we have set out a range of actions, measures and targets for achievement. This report demonstrates how well we are doing in delivering our priorities by; demonstrating the progress made in completing the actions and targets in our Corporate Strategy, together with providing key performance management information about the Council's performance. The report contains the following sections:

- **Service Actions and Corporate Projects;**
- **Key Performance Indicators;**
- **Compliments and Complaints;**
- **Corporate Risks.**

### Data Quality

The Council is committed to improving services for local people; we recognise that strong performance management and robust data quality processes are an important part of helping us achieve this. Data Quality is about making sure that the data and information we use to compile this report is accurate, reliable and provided in a timely manner. The Council has introduced a Performance Management Framework to ensure that all performance information continues to be collected and used effectively to drive improvements in our services.

### Performance Indicators

Each year the Council sets targets for achievement against a range of performance indicators and uses a Red, Amber, Green (RAG) rating status to monitor the targets.

Performance RAG Rating Status Indicators	
Indicator	Status
<b>GREEN</b>	On track, no substantial issues or risks which require action from the Council.
<b>AMBER</b>	Some issues or risks which require action from the Council to keep the project on track.
<b>RED</b>	Serious issues or risks needing urgent action.
<b>ANNUAL/NOT KNOWN</b>	The status cannot be calculated.

## Quarter 3 (Q3) 2022-2023 Service Actions and Corporate Projects

<b>Priority A</b>	<b>A Thriving Local Economy</b>	
<b>A1</b>	<b>Transform Bacup town centre by delivering a mix of new residential, new employment opportunities and improving the physical environment and heritage buildings.</b>	
<b>Corporate Project – 1</b>	<b>Bacup 2040</b>	<b>Overall Project RAG Status</b>
	<p>High Street Heritage Action Zone project outputs, which includes improving 10 properties and a new public realm scheme for Burnley Road.</p> <p>Responsible Officer – Mhorag Saxon</p>	<p>Work has successfully began on the first buildings scheduled for year three and the remaining buildings are due to begin in Q4. The former Snooker Hall is the first building on site for year three. The building has no specific listing or designations however, it does have significant social history in Bacup’s heritage. A grant from Historic England Grant will fund works to form a structurally sound front elevation of the building and replace shop fronts to re-establish the original street scene.</p> <p>The Project Board has appointed Horticon to deliver the public realm improvements to Hempstead memorial gardens and the Cenotaph on Burnley Road. New shrub species and bordering trees will be introduced to the current memorial garden to enhance the space and the Cenotaph will be cleaned and repaired. Work to develop the decorative bench has begun and will be funded by the Bacup Consortium Trust. This will link to artwork on the former toilet block developed by local residents and led by Bacup National History Society and Museum.</p> <p>A Christmas craft event was also held (supported by local businesses) to support the Bacup Christmas Markets.</p>
	<p>Revised Market Square proposal agreed and external funding bid submitted.</p> <p>Responsible Officer – Megan Eastwood</p>	<p>A proposal to redevelop Market Square has been submitted as part of the Levelling Up Fund bid, with the outcome expected in January 2023.</p>
<b>A2</b>	<b>Significantly improve Haslingden by reshaping the town centre by creating new public space and redeveloping Deardengate.</b>	
<b>Corporate Project – 2</b>	<b>Haslingden 2040</b>	<b>Overall Project RAG Status</b>
	<p>Converting up to 6 buildings and</p>	<p>Building owners in the project area have submitted the first phase of planning</p>

	shopfronts.  Responsible Officer – Mhorag Saxon	<p>applications and redevelopment work is due to begin Q1, 2023/24. The programme has been delayed due to increased construction prices and work is ongoing to mitigate the inflated prices and ensure the proposed work will meet the outcomes of the National Lottery Heritage Fund. Further engagement with the remaining building owners will take place after the Council’s success in securing the grant funding, with works focused on reinstating lost architectural features and the use of traditional methods and materials.</p> <p>A number of community events have been delivered by the team including; Mr &amp; Mrs Pemberton of the Extraordinary Victorians, a Halloween trail and a traditional Christmas card making workshop. Monthly Haslingden Business Association meetings are held with membership continuing to grow.</p>
	Use pedestrianisation and improve the public realm to enable more outdoor events.  Responsible Officer – Mhorag Saxon	<p>The public realm element of the project is progressing, with the revised plan focus of the Lottery funded element of the scheme on the pedestrian-only Square to the north of Higher Deardengate. The works to Higher Deardengate will make this area of the town centre more pedestrian-friendly, diverting traffic onto other routes. The majority of on-street parking will be retained and car users will be encouraged to use other carparks located in the immediate vicinity. The number 11 bus route through the town centre will not be impacted, despite Higher Deardengate becoming “one way” for traffic, as the bus-route will be altered to travel down neighbouring John Street.</p> <p>A viewing platform and time-lapse photo stand will be installed at the top of Higher Deardengate to take pictures for the dedicated Instagram page, creating a collage showing the changes to Higher Deardengate throughout the project’s delivery. Local schools and community groups will be encouraged to use the urban planting areas to learn more about biodiversity and new skills through gardening sessions.</p>
<b>A3</b>	<b>Further improve the retail and leisure time offer in Rawtenstall town centre.</b>	
<b>Corporate Project – 3</b>	<b>Rawtenstall 2040</b>	<b>Overall Project RAG Status</b>
	Let the Spinning Point retail units (complete licence agreements to allow pre-let to move to occupied units).  Responsible Officer – Leah Armitage	The 2 tenants occupying the bus station’s retail units are scheduled to finish their renovation works prior to the new financial year. Unit 4 (Posh Living) has installed a mezzanine and completed works including electrics, air conditioning, decorating and joinery. The tenant has started to add stock to their shop unit and is due to open in Q4. Unit 1-2 (Pizzaman’s) is progressing the extensive work required to create a



		<p>vibrant pizzeria. The works were delayed due to the late arrival of materials - however it is hoped that the works will be completed during Q4.</p> <p>Both tenants received Lancashire Economic Recovery Grant (LERG) funding, with the Council contributing an additional 10%. Heads of Terms have been issued, and both tenants should be receive their leases during Q4.</p>
	<p>Improve Rawtenstall town centre car parks.</p> <p>Responsible Officer – Megan Eastwood</p>	<p>Early options have been developed for a Car Parking Action Plan for Rawtenstall Town Centre and they are currently under review.</p>
<b>A4</b>	<b>Reinvigorate the local business environment in Waterfoot</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 1</b>	<p>Engage with local businesses to define key issues, develop vision and suggest specific actions.</p> <p>Responsible Officer – Leah Armitage</p>	<p>The development of the Waterfoot Business Association aims to mirror those of Bacup and Haslingden by targeting town-centre businesses and those on the periphery. The Waterfoot Business Association will be supported by the Economic Development team, but the expectation is that the Association will appoint a Chair and Vice Chair, with terms of reference and become a constituted group in its own right. The first meeting is scheduled to take place in Q4, together with the development of an action plan for the Association.</p> <p>A Waterfoot Strategic Project Board is being developed to provide direction to the works that will be funded through the UK Shared Prosperity Fund. The Chair and Vice Chair for this board have been identified.</p>
<b>Service Action – 2</b>	<p>Agree Waterfoot Action Plan 2040.</p> <p>Responsible Officer – Leah Armitage</p>	<p>The Waterfoot 2040 Vision will be developed through consultation with local residents, community organisations, businesses and partners operating within Waterfoot. The consultation will facilitate the understanding of current issues within Waterfoot requiring intervention, to both overcome challenges and make better use of Waterfoot’s positive features and potential.</p> <p>Waterfoot will receive funding through the UK Shared Prosperity Fund. The capital expenditure allocated for Waterfoot will not begin until the 2024/25 financial year. However, discussions on the Waterfoot 2040 Action Plan are underway. Other routes of funding/match funding for Waterfoot, specifically Trickett’s Arcade, are also being</p>

		explored.
<b>A5</b>	<b>Attract new investment into the borough through the promotion of Futures Park Employment &amp; Leisure Village</b>	
<b>Corporate Project – 4</b>	<b>Futures Park Employment and Leisure Village</b>	<b>Overall Project RAG Status</b>
	Complete the infrastructure improvement works.  Responsible Officer – Megan Eastwood	Positive progress has now been made with Lancashire County Council in relation to the S278 agreement and it is anticipated that this will be signed in Q4. It has been flagged that there have been fatalities at this junction and several recent near misses. Lancashire County Council have been asked to raise this with the Transport Overview and Scrutiny meeting and this has already been raised at senior officer level with the County’s Chief Executive.
<b>A6</b>	<b>Strengthen our offer for visitors to raise the profile of the borough’s attractions and develop an improved accommodation offer</b>	
<b>Corporate Project – 5</b>	<b>The Whitaker</b>	<b>Overall Project RAG Status</b>
	Access external funding to support events.  Responsible Officer – Mhorag Saxon	The National Lottery Heritage Fund Whitaker Experience project was due end in December 2022. The Whitaker Community Interest Company and the Council have requested a 3-month extension due to the impact of Covid-19, delaying the delivery of some events and activities, particularly volunteering opportunities. The requested extension has now been approved (in January 2023).  The Whitaker Community Interest Company also submitted an application to the Arts Council England for National Portfolio Organisation status. The application was successful and will begin in April 2023.
	Complete year 3 of the Whitaker National Lottery project.  Responsible Officer – Mhorag Saxon	All Capital works for the project are now completed. During Q3, the project focused on building a legacy and celebrating achievements. The volunteer programme provides experience for volunteers and allows the Whitaker to operate as a “free of charge” venue for the museum and its collections. The Whitaker hosts ticketed film nights and is expanding its remit to include more bookings of the function space for corporate events, weddings and other celebrations.
	Better joining up of marketing with East Lancashire Railway.  Responsible Officer – Mhorag Saxon	The East Lancashire Railway Trust continues to work with the Council, Bury Council, Rochdale Borough Council and Marketing Lancashire to deliver a marketing strategy to encourage railway users to explore the areas the train passes through along its route. The proposals for Rossendale’s strategy have begun within the town centre

		using walking boards. More walks are planned and will be added to the boards and walking directory over time. The main aim of the walking boards is to promote key locations that are in walking-distance of the railway station.
<b>A7</b>	<b>Lobby for an improvement in the condition of the borough's highways.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 3</b>	Ensure blocked gullies are addressed prior to Winter.  Responsible Officer – Pat Killeen	Lancashire County Council are responsible for the clearing of gullies. They have a set schedule to follow however, the Council can request greater clearing when needed during the winter months. The Council has increased the frequency of street sweeping which has maintained and increased the amount of clear gullies.
<b>Service Action – 4</b>	Review Lancashire County Council annual highways maintenance programme to ensure it is focused on Rossendale priorities.  Responsible Officer – David Moore	Council officers will continue to maintain contact with Lancashire County Council to review their priorities for highways maintenance.
<b>Service Action – 5</b>	Log and report significant highways defects to drive a quicker response time.  Responsible Officer – Diane Dungworth	Due to the limited calls received to report significant highway defects, the number of calls are no longer recorded. When the Council receives a highway defect report the call is transferred directly to Lancashire County Council Highways to deal with the enquiry.
<b>A8</b>	<b>Progress work on the City Valley Link rail link from Greater Manchester to Rawtenstall.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 6</b>	Complete the strategic outline business case.  Responsible Officer – Neil Shaw	The strategic business case was submitted in Q2. This has identified a technically viable heavy rail route into Manchester via Bury and Heywood. The Council is due to receive an outcome for the bid to the Restoring Your Railways fund during Q4.
<b>Service Action – 7</b>	Maintain support on key stakeholders and undertake public support campaign.  Responsible Officer – Neil Shaw	The proposal has received positive media attention in Q3.

<b>A9</b>	<b>Work with schools, colleges and businesses to match future business opportunities with the right skill provision, to boost the number of apprenticeships and ensure more local people can benefit from local job opportunities.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 8</b>	<p>Work with the Rossendale employability and skills forum, which includes holding a jobs fair and careers event.</p> <p>Responsible Officer – Leah Armitage</p>	<p>Rossendale Works has continued to deliver employability sessions and events for residents seeking work. The Rossendale Works 1.1 and 1.4 projects have continued to be successful, exceeding targets. Following the success of the job fair held in September 2022, the Rossendale Works team spent Q3 preparing for the next jobs fair that will be held in Q4.</p> <p>The Rossendale Youth Works project finished on 31<sup>st</sup> October 2022. During the year-long extension, the project enrolled 101 eligible DWP customers onto the project, of which 72 were moved into a work placement, and 46 moved into sustained employment. A further 27 individuals completed the project without seeking employment, but have individual action plans to aid their transition back to the DWP. All targets set out at the beginning of the project were exceeded.</p>
<b>Service Action – 9</b>	<p>Explore feasibility of an employability and skills hub.</p> <p>Responsible Officer – Megan Eastwood</p>	<p>During Q3, the Council received the news that the application for the UK Shared Prosperity funding had been successful and this includes a sum to contribute towards developing “The Bridge” – a skills centre in the Old Town Hall in Rawtenstall. Dialogue has taken place with Nelson and Colne College and Lancaster University to explore the opportunity of establishing a base within the former Town Hall. Q4 will see the development of detail around those discussions.</p>
<b>A10</b>	<b>Create a new Rossendale Investment Plan</b>	
		<b>Overall RAG Status</b>
<b>Service Action - 10</b>	<p>Create a long-term Investment Plan and seek external funding opportunities to deliver parts of the plan.</p> <p>Responsible Officer – David Moore</p>	<p>This work has not been progressed during Q1, Q2 and Q3 due to capacity issues and changes in personnel. The team have focused on the Levelling Up Fund and Shared Prosperity Fund bids. Work on the Investment Plan will be revisited in Q4.</p>

<b>Priority B</b>	<b>A High Quality Environment</b>	
<b>B1</b>	<b>Ensure all year round we have a clean and attractive borough, with a particular focus on our streets and green spaces.</b>	
<b>Corporate Project – 6</b>	<b>Waste, Cleansing and Recycling Improvement Plan</b>	<b>Overall Project RAG Status</b>
	Ensure new street cleansing routes/schedules are leading to improved town centres and residential areas.  Responsible Officer – Pat Killeen	The introduction of the new street sweeping routes has seen a significant increase in waste collected from town centres and residential areas. To improve the service the sweeping routes are monitored regularly and shared with Elected Members.
	Introduce additional litter bins and ensure litter bins are emptied appropriately, avoiding overflowing.  Responsible Officer – Keith Jenkins	£20,000 capital funding has been identified for a litter bin programme in 2022/23 and a further £20,000 in 2023/24. This equates to approx. 120 litter bins if installed by the Town Centre Caretakers, part of the funding will be spent to remove post mounted bins and replacement parts for damaged bins.  40 Broxap's 180 Litre Maelor Trafflex Round Litter Bins were delivered during Q3 and will be installed in the identified areas requiring the need for higher capacity. An installation programme took place within Q3 focusing on Member requests and the replacement of damaged bins.
	Undertake 'town pride' communications campaign to promote the attractiveness of our town centres.  Responsible Officer – Pat Killeen	As part of the Levelling Up Fund, we will be looking to have dedicated Town Centre Managers to promote the town centres and liaise with businesses and local groups to improve the area's attractiveness. This work will take place following a decision being received regarding our Levelling Up Fund bid. At the time of writing (January 2023), the Council has been notified that the £17.9m bid to the Levelling Up Fund submitted in August has not been successful, although detailed feedback is still awaited
	Introduce clear service standards and monitoring for Operations, covering side waste, lane end collections, missed bins and customer contact.  Responsible Officer – Keith Jenkins	Monthly Key Performance Indicators are reported to the Chief Executive, Director of Communities and Lead Member to monitor Operations' performance. All staff have received customer services training and are aware to sign post the public to the correct organisations/departments.  Due to changes with the Head of Environment role the services standards including

		side waste and lane end collections will be published in 2023/24.
	Improvement works to Rawtenstall and Haslingden Cemeteries are undertaken.  Responsible Officer – Dave McChesney	Initial topographical and arboricultural surveys have been completed and initial designs for the plot are being worked on.
<b>B2</b>	<b>Ensure pro-active use of education and our enforcement powers to ensure that the borough is welcoming and creates a positive view of our town centres.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 11</b>	Continued targeting of those littering and dog fouling through a joint approach of education, publicity and enforcement.  Responsible Officer – Phil Morton	Following a procurement exercise, the new 3 year on-street enforcement contract, relating to littering and dog fouling, commenced during Q2. This has proven highly effective in reducing the amount of littering and dog fouling on Rossendale’s streets, 117 fixed penalty notices were issued during Q3 with a 69% payment rate. The new contract places more emphasis on added social value as well as enforcement, and a series of educational and community based initiatives will be introduced.
<b>Service Action – 12</b>	Enforcement communications campaign is undertaken.  Responsible Officer – Phil Morton	Successful enforcement investigations and prosecutions are publicised through all media outlets. During Q3, 10 successful prosecutions went through the Courts and substantial penalties were given to offenders. These are being released through the press on an individual basis for maximum impact.  52 publicity pieces have been released online and in-print to outline the ongoing work continuing to tackle environmental crime. A full press feature to highlight success so far is being developed in partnership with VivaPR to progress this.
<b>Service Action – 13</b>	Explore feasibility of an officer in Planning for derelict and difficult sites.  Responsible Officer – David Moore	A meeting was scheduled with Historic England to agree a package of funding and terms of contract in December 2022 and further discussions are scheduled for Q4.
<b>B3</b>	<b>Support strong local voluntary groups like Rossendale Civic Pride, Bacup Pride and Whitworth In Bloom to bring brightness and imagination to our public open spaces.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 14</b>	Continue to work closely with groups, including the provision of plants, support for funding bids and Rawtenstall in	The Council has provided 5000 spring bulbs to Community Groups for planting. Work has continued alongside Civic Pride Rossendale on the path linking East Lancashire Railway and New Hall Hey Business Park to improve the access of the well-used

	Bloom. Responsible Officer – David McChesney	route. Further work will be undertaken as part of our UK Shared Prosperity Fund programme.
<b>B4</b>	<b>Reduce our carbon footprint through enhancements to walking, cycling, public transport, buildings, influencing residents' behaviour change and promoting renewal energy.</b>	
<b>Corporate Project – 7</b>	<b>Climate Change Strategy and Implementation</b>	<b>Overall Project RAG Status</b>
	Engaging with residents, schools and businesses across Rossendale, including partnering with three local climate change partners  Responsible Officer – Phil Morton	<p>During Q3, the second annual Climate Change update was produced and presented to Full Council in October 2022. The details within the update included;</p> <ul style="list-style-type: none"> <li>- The establishment of the Climate Change Network and development of Partnership working.</li> <li>- The reduction of Council carbon emissions through the conversion of all Operation's vehicles to Hydro Vegetable Oil and Mayoral and Pool cars to electric.</li> <li>- Successful organisation of the Climate Change Conference and established Business and Community Grant Scheme.</li> <li>- Continued progression of the Rossendale Forest project with over 8,000 trees planted in first year and 200 volunteers signed up to support Rossendale Forest planting events.</li> <li>- Supporting the development of a Climate Change Supplementary Planning Document, currently out for consultation.</li> </ul> <p>Further work has taken place to review the energy efficiency of Council buildings. Futures Park is now fitted with LED lighting to reduce costs and carbon footprint. Development of a bid for an On-street Residential Charge-point Scheme continues with hopes to provide funding to increase the Electric Vehicle charging network to those areas with no off road parking/charging facility.</p>
	Introduce a virtual network to bring together all those actively tackling climate change in Rossendale.  Responsible Officer – Phil Morton	Rossendale Climate Network, an established Facebook group, is used to promote, encourage and inform members of the public of local actions and share information across the area and beyond. Membership has been growing steadily with a total of 111 current members

	Introduce Supplementary Planning Guidance covering environmental sustainability of new developments.  Responsible Officer – Anne Storah	The Climate Change Supplementary Planning Document was formally adopted by Cabinet on 7 <sup>th</sup> December 2022.
	Convert all Operational Vehicles to Hydrogenated Vegetable Oil to reduce vehicle emissions by around 90%.  Responsible Officer – James Gunning	All fleet vehicles have been converted to Hydro Vegetable Oil and have been in operation since March 2022. This year the Council has reduced its carbon emissions by 90%, from 600 cubic tonnes to 60 cubic tonnes.
	Implement the Plastic Free Rossendale Strategy.  Responsible Officer – Joseph Walker	An Event Notice, banning the procurement or use of single use plastic for Council services and events, now forms the Events Guidance. Work continues with communities around the borough to encourage ‘Plastic Free Communities’. Plastic Free Haslingden and Helmshore have been created and shared to the Climate Change Network Facebook Page to encourage other parts of the borough to follow suit.  The amount of single use plastics across the Council has been reduced through reviewing stationary use. Taxi licensing plates have been changed to allow the plates to be used for greater time periods. Changes to waste collection in Futures Park has reduced the number of single use plastic bin liners, and encourages re-cycling.
<b>B5</b>	<b>Create a new Rossendale Forest.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 15</b>	Plant 6,000 new trees in 2022/23.  Responsible Officer – David McChesney	During Q3, 1,100 trees have been planted in Cowpe. A further 1,650 trees are due to be planted over 4 privately owned sites within Q4.
<b>Service Action – 16</b>	Work with schools, community groups and Ribble Rivers Trust to access funding to purchase trees for planting in the Autumn.  Responsible Officer – David McChesney	Ribble Rivers Trust have delayed several Rossendale planting projects until winter 2023/24 due to capacity issues, therefore achievable targets for 2022/23 have changed to approximately 3,000 trees.  The balance of the 16,000 target will be achieved in winter of 2023/24.



<b>B6</b>		
<b>Recycle 50% of the borough's household waste.</b>		<b>Overall RAG Status</b>
<b>Service Action – 17</b>	Pilot a new recycling approach Responsible Officer – Patrick Killeen	The Recycling Pilot is now complete. The data from this pilot has been gathered, reviewed and will be fed back through Operations Improvement Board Meetings. Early signs from the pilot area suggest an increase in recycling being collected.
<b>Service Action – 18</b>	Communications campaign to promote recycling. Responsible Officer – Patrick Killeen	In conjunction with VivaPR, the communications campaign was launched on all social media platforms and published within the Rossendale Free Press to support the recycling pilot.
<b>Service Action – 19</b>	Examine future bin sizes and emptying schedules. Responsible Officer – Keith Jenkins	Within Q3, no further work regarding the review of waste/recycling collections has taken place as further information is awaited from Central Government. The Council intends to seek a suitable company to assess the current waste/recycling collection rounds with tipping locations, to ensure maximum efficiency with the resources available. This could cost £25,000–£40,000 depending on the scope.  The Government's Our Waste, Our Resources: A Strategy For England, will have a significant impact on the likelihood of separate food waste collections from 2023/24. The Government will provide funding to support and implement any changes required. During Q3, the Council has been in contact with Lancashire County Council (disposal) authority to discuss the feasibility and potential barriers of a potential food waste collection.
<b>B7</b>		
<b>Improve our parks which local people are proud to visit and which appear loved</b>		<b>Overall RAG Status</b>
<b>Service Action – 20</b>	Victoria Park and Whitaker Park masterplans completed. Responsible Officer – David McChesney	The Victoria Park Masterplan has been produced. Improvements to the parks seating and skate park will be the priority improvements for 2023/24. The Whitaker Masterplan is being developed in consultation with local groups.

<p><b>Service Action - 21</b></p>	<p>Capital Improvements to Victoria Park and Whitaker Park including footpaths are undertaken.</p> <p>Responsible Officer – David McChesney/Communities Manager</p>	<p>Capital funding has been allocated for both parks and work is underway at Victoria Park. Capital funding has been allocated for drainage improvements in Whitaker Park next year and this work needs to be completed before the pathways are improved.</p>
<p><b>B8 Tackle persistent fly-tipping and littering hotspots.</b></p>		
		<p><b>Overall RAG Status</b></p>
<p><b>Service Action – 22</b></p>	<p>Increase enforcement activity against both commercial and domestic fly-tipping offenders. More effective communication between the Operations team and Public Protection Unit to help collate evidence.</p> <p>Responsible Officers – Phil Morton</p>	<p>During Q3, Operation Trident continues to show excellent results with 48 active fly-tipping investigations/interviews under caution and 27 reports of abandoned vehicles resulting in removal notices being served.</p> <p>The Council continues to use covert cameras in locations to detect environmental crimes and the Lancashire Police can now issue Fixed Penalty Notices to enforce above legislation and reduce environmental impact of off road use. 8 Fixed Penalty Notices for fly-tipping/duty of care have been issued during Q3, totalling over £2,000.</p> <p>10 successful prosecutions have been heard through the Magistrates Court dealing with a range of offences. These resulted in a total of £4,300 being awarded in fines, costs and compensation.</p> <p>An established Council WhatsApp group continues to improve communication between front line operations staff and enforcement staff. This has increased response times to provide valuable evidence for Town Centre Caretakers and assist in speedier investigation and removal of waste.</p> <p>A further operation to establish how all businesses in Rossendale dispose of their waste is under way focusing on the areas of Edenfield and Helmshore.</p>
<p><b>Service Action – 23</b></p>	<p>Quicker removal of fly-tipped waste with set service standards and robust monitoring arrangements.</p> <p>Responsible Officer – Patrick Killeen</p>	<p>The time taken to remove fly-tipping is monitored through monthly Key Performance Indicators. To support this, regular meetings between Operations and the Public Protection Unit take place to progress evidence gathering and prosecutions. The new Town Centre Caretaker posts have improved response times for removal and also increased pro-active removal.</p>

<p><b>Service Action – 24</b></p>	<p>Use of social media outlets to publicise and promote issues, problems and successes.</p> <p>Responsible Officer – Phil Morton</p>	<p>During Q3, 10 successful prosecutions went through the Courts and substantial penalties were given to offenders. These are being released through the press on an individual basis for maximum impact.</p> <p>A total of 52 press articles both in print and online have been published highlighting the work of the Public Protection Unit to tackle environmental crime. A feature press release is currently being developed by VivaPR to demonstrate ongoing success and further challenges.</p>
<p><b>Service Action – 25</b></p>	<p>Monthly targeted clean up days.</p> <p>Responsible Officer – Pat Killeen/Phil Morton</p>	<p>These were successful in previous quarters. It has been agreed that smaller clean ups will happen monthly with larger community clean ups taking place quarterly.</p>

<b>Priority C</b>	<b>Healthy and Proud Communities</b>	
<b>C1</b>	<b>Increase the number of good quality new homes and associated infrastructure built through both direct provision and by working with Registered Social Landlords and private sector developers.</b>	
<b>Corporate Project – 8</b>	<b>Housing Strategy</b>	<b>Overall Project RAG Status</b>
	Produce a Housing Strategy action plan.  Responsible Officer – Megan Eastwood	Comments on the draft Housing Strategy have been received from officers and the Portfolio Holder and the latest draft will be finalised in Q4.  The new draft strategy will be provided to the Head of Housing and Regeneration and Interim Director of Economic Development for adoption. The consultant will then be invited to provide feedback as a critical friend in the direction and contents of the strategy before being finalised.
	Enable 185 new homes to be built, of which 25 are affordable through granting planning permission and working with developers.  Responsible Officer – David Moore	Large scale housing developments are under construction at the former Reeds Holme works for 97 dwellings by Taylor Wimpey, at Dark Lane for 95 dwellings (all affordable) by Together Housing, 80 dwellings by Hollins Homes at Loveclough, 117 dwellings at Spring Mill, Whitworth and 30 dwellings by Hurstwoods at Johnny Barn Close. These developments may not be fully completed within 2022/23, but they will make a significant contribution to the total supply of new homes. Smaller schemes are due to commence within the new financial year.  The total number of new homes built is recorded at the end of the financial year due to the evidence gathering required. As such, figures will be published after the year end showing all dwelling completions in Rossendale for the period 2022/23. However, good progress is being made towards the proposed targets.
	Update the Housing Delivery Action Plan including reduction in pre-commencement conditions and reduced permission timescales.  Responsible Officer – Megan Eastwood	The Housing Delivery Action Plan identifying actions to support the delivery of new housing was updated and published on 14th July 2022.
	Agree Affordable Housing Supplementary Planning Document.  Responsible Officer – Anne Stora	Work has commenced on the Affordable Housing Supplementary Planning Document. The Planning team have liaised with the Housing Team to progress this. Consultation is expected to take place in 2023/24.

<b>C2</b>	<b>Enable residents to remain in their own homes and live independent lives through a comprehensive adaptations programme and working closely with health partners.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 26</b>	Investigate the feasibility of developing a Home Improvement Agency in Rossendale.  Responsible Officer – Megan Eastwood	On hold awaiting the start of new Head of Housing and Regeneration within Q4.
<b>Service Action – 27</b>	Improve 20 homes using disabled facility grants.  Responsible Officer – Megan Eastwood	The Housing Renewal Manager is currently on maternity leave. The Technical Officer and Trainee Technical Officer continue to proactively progress the 102 active applications and any new applications into the service. During Q3, 11 applications have been completed and a further 39 approved. Although new applications have reduced by 31% the number of approvals has increased by 14.7% and the level of spend has increased by 78.5%.  The value of approvals to date is £771,762.11 which is more than double the total in the last quarter. The team have improved 49 homes since April 2022.
<b>C3</b>	<b>Better access to and take up of health and wellbeing activities including improved leisure facilities.</b>	
<b>Corporate Project - 9</b>	<b>Future Health and Leisure Facilities</b>	<b>Overall Project RAG Status</b>
	Complete a feasibility study for improving leisure facilities.  Responsible Officer – Adam Allen	A vision for the future leisure and wellbeing facilities in Rossendale was agreed at Council in December 2022. This sets a vision for an Outdoor Offer, a Community Offer and a Facilities Offer. External funding has been provisionally identified for the Outdoor and Community Offer, however significant capital funding will be required for the new facilities.
	Council to agree a proposal to invest in the improvement of leisure facilities.  Responsible Officer – Adam Allen	Work is underway to establish all possible sources of funding to deliver on the agreed vision. This includes possible external funding and possible capital receipts.
	Work with local running clubs to complete the new running track at Marl Pits.	The running track was completed and opened for public use in September 2022.

	Responsible Officer – David McChesney	
<b>C4</b>	<b>A more joined up approach to working with health partners, Lancashire County Council and the voluntary sector to improve the mental health of local people.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 28</b>	<p>Deliver year 1 of the Health Strategy (implement priority actions on mental health, obesity and physical activity).</p> <p>Responsible Officer – Adam Allen</p>	<p>This is being delivered in collaboration with the community. Planning guidance on takeaways has been implemented, a community Mental Health Group is progressing work and Together and Active Future’s are developing physical activity in the borough.</p>
<b>Service Action – 29</b>	<p>Restructure the partnership health governance structure.</p> <p>Responsible Officer – Adam Allen</p>	<p>This has been completed and the new structure is in place including a new place based health and wellbeing board.</p>
<b>C5</b>	<b>Manage the impact of increasingly frequent flooding on local communities.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 30</b>	<p>Liaison through the Making Spaces for Water group and supporting community response in the event of a major flooding incident.</p> <p>Responsible Officer – Lee Childs</p>	<p>The Making Spaces For Water Group meets every quarter with the last meeting on 17th November 2022, attendees include Environment Agency, Lancashire County Council and United Utilities.</p> <p>Works are being designed and planned by the Environment Agency for Irwell Vale, Strongstry and Chadderton to provide 50-year flood protection to this area. Consideration is being given to re-direct the River Ogden to mitigate the requirements for flood barriers in some areas. Regular project meetings continue to take place. Local groups continue to pressure the local M.P for further central government funding to bridge the funding short fall, the project cost is approximately £17m and is still 40% underfunded. An Irwell Vale Resident workshop will be arranged during Q4 by the Environment Agency.</p> <p>The Burnley Road culvert has been discussed, with the Head of Planning in attendance of the meeting. The structural integrity of the culvert has been investigated by a structural engineer on behalf of the Council during September 2022 – inadequate evidence was found to take planning enforcement action.</p>

		<p>The Environmental Agency are re-appraising options to address the issue as the Partnership Funding Calculator has changed since the last attempt, however, a significant funding gap is still anticipated. A separate multi-agency meeting is proposed once the appraisal has been completed.</p> <p>Partners have reviewed their actions in the Emergency Plan, United Utilities are to provide Environmental Agency with 24/7 contact details. The situation will continue to be monitored.</p>
<b>C6</b>	<b>Work with the police to ensure strong neighbourhood policing and traffic enforcement.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 31</b>	<p>Regular liaison meetings with Lancashire Police Inspector</p> <p>Responsible Officer – Neil Shaw</p>	No specific meeting took place with the Police in Q3.
<b>Service Action – 32</b>	<p>Deployment of the mobile traffic enforcement team and reactivate existing fixed enforcement cameras.</p> <p>Responsible Officer – Neil Shaw</p>	As reported in Q1, it has not been possible to obtain data from the Lancashire Camera Safety Partnership. The Chief Executive has pursued this via the Police and Crime Commissioner, Lancashire Police and the Partnership. The Partnership are not currently prepared to share any camera or fixed penalty notice data with the Council and have indicated this is not available on a Rossendale footprint

<b>Priority D</b>	<b>Effective and Efficient Council</b>	
<b>D1</b>	<b>A constitutional system and processes which support sound governance, are widely understood and support transparency and accountability.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 33</b>	Provide good quality member induction and training programme.  Responsible Officer – Clare Birtwistle	The member training programme continues with members taking advantage of ad hoc internal and external training sessions. Learning Pool continues to be promoted and training is monitored via the Governance Working Group.
<b>Service Action – 34</b>	On-going refresher training on the constitution for officers.  Responsible Officer – Clare Birtwistle	This service action continues on an ad hoc basis, particularly with new members of staff.
<b>D2</b>	<b>Drive a visible improvement in customer service across the Council.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 35</b>	All new starters to receive customer service training.  Responsible Officer – Kelly Forrest	On-line Customer Service Training has been developed on the Council's Learning Pool e-learning platform and will be rolled out to all new starters during Q1, 2023/24.
<b>Service Action – 36</b>	Undertake customer focus groups and mystery shopping to inform a customer services improvement plan.  Responsible Officer – Clare Law	The mystery shopping exercise has focussed on the initial contact with the Council. The exercise will continue to be programmed within 2023/24 to focus on internal and follow on calls after the initial contact with the Council.
<b>Service Action – 37</b>	Corporate Management Team to sample customer service and address issuing arising monthly.  Responsible Officer – Neil Shaw	Corporate Management Team continues to monitor customer service enquiries/complaints. This began in Q1. The findings fed into the development of an Improvement Plan for customer service. Specific response issues are picked up with the relevant service manager.
<b>Service Action – 38</b>	Undertake a resident's survey to better understand resident views of the Council.	A resident's survey was completed in Q1, and it is proposed to undertake an annual survey, using the same questions to benchmark responses.



	Responsible Officer – Clare Law	
<b>Service Action – 39</b>	Agree a Customer Service Action Plan. Responsible Officer – Adam Allen	The Customer Services Continual Improvement Action Plan was agreed by Full Council in Q2. Actions are underway however, progression is slower than expected due to staff capacity issues.
<b>Service Action – 40</b>	Design and launch the new Council website. Responsible Officer – Andrew Buckle	A website design theme workshop was held in December 2022, at the workshop the website branding, logo, widgets and icons were agreed. A full design mock-up is being produced and will go through the formal sign-off process in Q4.
<b>Service Action – 41</b>	Launch a new integrated telephony system. Responsible Officer – Andrew Buckle	A new contact centre and unified communications application were successfully implemented during Q1. The new application provides voice, instant messaging, video conferencing, voice message and can be accessed remotely.  A revised customer message has been tested along with new customer service agent skills based routing to support the new customer message changes. We are awaiting feedback from the stakeholders prior to deployment of the new customer message.
<b>D3</b>	<b>A robust approach to managing projects well.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 42</b>	Effective operation of the Programme Board. Responsible Officer – Neil Shaw	The Programme Board continues to meet and is effectively managing the Council's Corporate projects. The last Programme Board meeting took place on the 7 <sup>th</sup> November 2022. There is no significant deviation from any of the Corporate Projects. The Board continues to maintain a good project management discipline around the Corporate Projects.
<b>D4</b>	<b>Improve the Overview and Scrutiny function.</b>	
		<b>Overall Project RAG Status</b>
<b>Service Action – 43</b>	Ensure all new strategies are considered by the Overview and Scrutiny Committee at an early stage to enable identification of strategic priorities for the strategy to be developed appropriately.	Work continues to further develop the scrutiny function.  The priorities within the draft Housing Strategy were discussed by the Overview and Scrutiny panel during Q2. The feedback was used to develop the strategy within Q3 and the revised strategy is due to be discussed by scrutiny during Q4.

	Responsible Officer – Neil Shaw	
<b>Service Action – 44</b>	Undertake development work with Overview and Scrutiny members to enable clearer focus on strategic issues to support strategy development.  Responsible Officer – David Moore	At the end of Q2, 3 development sessions were agreed with the Group Leaders to strengthen the scrutiny function. Negotiations are in place with the Centre for Governance and Scrutiny as described under Service Action 45.
<b>Service Action – 45</b>	Undertake dedicated Overview and Scrutiny training.  Responsible Officer – Carolyn Sharples	Scoping of the training contents has been completed and sent to the Centre for Governance and Scrutiny to provide a quote for customised training. One suitable session has been identified and the Council is awaiting confirmation that they are able to provide customised training for the other two sessions required. In the interim, Councillors have been sent links to relevant training and development resources available through the Centre for Governance and Scrutiny and the Local Government Association.
<b>D5</b>		
		<b>Overall RAG Status</b>
<b>Service Action – 46</b>	Conduct a Strategic Asset Review (completing a ward per quarter).  Responsible Officer – Lucie Greenwood	The Council Asset Review has continued in Q3. The review of the Eden Ward was presented to Ward Members, which highlighted 20 actions that are currently being dealt with by the Property Services team, these actions include potential income generating opportunities for the Council.  The asset review exercise for Cribden has now taken place and a report of the findings has been drafted, this includes a review of 46 Council Assets and has highlighted 31 actions relating to them. Each asset has been digitalised with a file including a site visit report, the digital copy of the deed or plan and the relevant photographs. A presentation to members of the Cribden ward will be arranged and the report will be finalised with identified actions undertaken by the Property Services department.  Q4 will see the commencement of a review of assets in the Facit and Shawforth Ward.
<b>Service Action – 47</b>	Investigate providing more detailed planning guidance when marketing sites for disposal.	Liaison is taking place between officers in Property Services, Forward Planning and Development Control at the pre-marketing stage to identify key planning issues relating to sites owned by the Council that are being considered for disposal. Planning briefs for individual sites can be developed as necessary

	Responsible Officer – Mike Atherton	
<b>D6</b>	<b>Have a digital strategy in place which is customer focused and moves us towards being a digitally enabled Council with cost effective and responsive customer services.</b>	
<b>Corporate Project - 10</b>	<b>Customer Digital Strategy</b>	<b>Overall RAG Status</b>
	<p>Introduce an improved corporate geographic information system.</p> <p>Responsible Officer – Andrew Buckle</p>	<p>The new Geographic Information System application is included in the capital work programme and the budget has been approved. The solution is an end-to-end Enterprise Geographic Information System comprising a Spatial Data Warehouse with a browser-based Graphical User Interface for users to access the application.</p> <p>All of the infrastructure and architecture has been built using Amazon Web Services integrating with a Virtual Machine in the Rossendale environment. Additional functionality has been deployed to support the Planning Team and the system testing has been completed. Planning will conduct user acceptance testing in Q4.</p>
	<p>Introduce security improvements including new event management system to reduce the risk of a successful ransomware attack.</p> <p>Responsible Officer – Andrew Buckle</p>	<p>A full Security and Information Event Management solution has been deployed across the new Revenues &amp; Benefits the UK1 and UK2 Data Centres. A Security and Information Event Management solution has also been implemented across the Rossendale Disaster Recovery Data Centres.</p> <p>The final part of the Security and Information Event Management deployment across the Rossendale virtual environment has been removed by Corporate Management Team, the project is now complete.</p>
<b>D7</b>	<b>Promote staff welfare, development and satisfaction.</b>	
		<b>Overall RAG Status</b>
<b>Service Action - 48</b>	<p>Undertake regular staff surveys and engagement events.</p> <p>Responsible Officer – Clare Law</p>	<p>A Flexible Working Survey was conducted, along with two focus groups during Q2. A full analysis report was produced and presented to Corporate Management Team on the 18<sup>th</sup> October 2022. The key findings demonstrated how staff felt the policy required greater flexibility. Following this, it was agreed to allow staff to accrue flexi-time whilst home working. The changes were shared with all staff on the 21<sup>st</sup> October 2022 and will form part of the policy review.</p>
<b>Service Action - 49</b>	<p>Introduce new welfare champions to improve staff retention and satisfaction.</p>	<p>The Corporate Safety and Emergency Planning Officer has produced a job description and person specification for the role of Health &amp; Wellbeing Champion. The role has been promoted through email, via the Your Voice Group and at the</p>

	Responsible Officer – Kelly Forrest	Health and Wellbeing Event. There have been 7 volunteers resulting in 9 officers attending the Health and Wellbeing Champions meetings. The first one is scheduled to take place on 12th January 2023.
<b>Service Action – 50</b>	Embed the Council values within key Council processes and drive a more customer-focused culture.  Responsible Officer – Kelly Forrest	Values have been included in person specifications and are on the Council's website – the advert, job description and person specification is now in one pdf document.  The Recruitment guidance and advert is due to be updated and the website is currently being reviewed centrally.
<b>Service Action – 51</b>	Deliver key staff training on key statutory duties e.g. safeguarding, fraud awareness.  Responsible Officer – Clare Law	Following the review of the Drugs and Alcohol Policy, HR and Operations Service Managers/Supervisors have completed drug and alcohol testing training. Managers have received awareness training and will be rolling out Tool Box Talks to their staff prior to the re-introduction of the drugs and alcohol testing following the suspension of testing during the Covid-19.  Absence Management refresher training has been delivered to all Managers with staff responsibility.  External Cyber Security training has been delivered to Managers by Local Government Authority.
<b>D8</b>	<b>A financially sustainable organisation with a good financial strategy which supports good decision-making.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 52</b>	Provision of high quality and timely financial and accountancy advice and support to all Council services, managers and projects.  Responsible Officer – Karen Spencer	Whilst the Finance Team endeavours to provide a top quality service it is a very small team and the Council has a significant number of live projects. The Council Tax Energy Rebate scheme, the Household Support Fund along with the work arising from the Empty Homes Scheme continues to place significant additional pressure on the team.  The team are also under pressure to close the 2018/19 and subsequent year's accounts which involves working with the external auditors and responding to queries. The vacant roles have been filled with the staff due to commence in Q4.
<b>Service Action – 53</b>	Regular monitoring of financial performance against the Medium Term Financial Strategy.	Monitoring of financial performance is an embedded process with reports to Corporate Management Team and Cabinet quarterly. Whilst the Council has a comprehensive financial strategy and a rigorous decision making process, the current economic climate is threatening the financial sustainability of the Council.

	Responsible Officer – Karen Spencer	
<b>D9</b>	<b>Securing significant external funding to deliver projects and services.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 54</b>	<p>Levelling Up and UK Shared Prosperity funding secured.</p> <p>Responsible Officer – Neil Shaw</p>	<p>In Q3 the Government confirmed that the Council had secured £2.66m of UK Shared Prosperity Funding for the next three years. The UK Shared Prosperity fund projects are being worked up for project delivery (starting in Q4) although some of the funding for the projects may need to be re-profiled due to the delay in the Government notifying Councils about their success in bidding.</p> <p>At the time of writing (January 2023), the Council has been notified that the £17.9m bid to the Levelling Up Fund submitted in August has not been successful, although detailed feedback is still awaited. Discussions will continue with Department for Levelling Up, Housing and Communities in Q4 and it is expected that there will be a further round of Levelling Up Fund.</p>
<b>D10</b>	<b>Be recognised as a good Council with a reputation for improving residents' lives.</b>	
		<b>Overall RAG Status</b>
<b>Service Action – 55</b>	<p>Implementing the Local Government Association Corporate Peer Challenge action plan.</p> <p>Responsible Officer – Neil Shaw</p>	<p>Good progress has been made on implementing the actions identified within the Peer Challenge. A progress meeting with the Local Government Association took place in Q2, confirmation was received regarding the overall progress made on the actions.</p>
<b>Service Action – 56</b>	<p>Shortlisted for a national local government award.</p> <p>Responsible Officer – Neil Shaw</p>	<p>No national awards were open to apply for in Q3. But in Q1 the Council won the Public Relations and Communication Association regional award for its work on the Rossendale Forest.</p>
<b>Service Action – 57</b>	<p>Raised profile through national publications and events.</p> <p>Responsible Officer – Neil Shaw</p>	<p>No activity was undertaken in Q3 on this issue. However, coverage of the City Valley rail link bid received considerable regional publicity in Q3.</p>
<b>Service Action – 58</b>	<p>Good news stories and achievements through local and regional media.</p>	<p>Press releases and press statements continue with a minimum of 3 releases a month. Consistent positive proactive coverage in local and regional media. Key successes with Operation Trident, City Valley rail link. The Council raised good local media</p>

	Responsible Officer – VivaPR	attention for its work on the new ‘Check Before You Chuck’ recycling campaign.
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## Key Performance Indicators

Key Performance Indicator		Target	Q3 2021/22 Performance	Q2 2022/23 Performance	Q3 2022/23 Performance	RAG Status
<b>A. A Thriving Local Economy</b>						
1	Number of Partnership Schemes in Conservation Areas (PSICA) grants Bacup – per annum, reported in Q4.	8	New KPI for 2022/23	-	-	<b>ANNUAL</b>
2	Number of PSICA grants Haslingden – per annum, reported in Q4.	6	New KPI for 2022/23	-	-	<b>ANNUAL</b>
3	Number of people into employment via Rossendale Works/Youth Works – per annum, reported in Q4.	25	-	-	-	<b>ANNUAL</b>
4	Number of Invest in Rossendale business workshops – per annum, reported Q4.	4	-	-	-	<b>ANNUAL</b>
5	Number of new homes – per annum, cumulative figure. *Please note this figure is calculated from Building control records only.	180	-	45	48	<b>GREEN</b>
6	Number of new affordable homes – per annum, cumulative figure.	25	-	39	0	<b>GREEN</b>
7	Number of planning applications validated.	20	New KPI for 2022/23	113	108	<b>GREEN</b>
8	Number of planning permissions approved.	10	New KPI for 2022/23	74	62	<b>GREEN</b>
9	Percentage of 'Major' planning applications determined within 13 weeks.	90%	Nil	Nil (none reported for decision in Q2)	Nil (none reported for decision in Q2)	<b>GREEN</b>
10	Percentage of 'Minor' planning applications determined within 8 weeks.	90%	78%	78%	20%	<b>RED</b>
<b>B. A High Quality Environment</b>						
1	Number of fly-tipping incidents reported, cumulative figure.	490	341	248	420	<b>GREEN</b>

Key Performance Indicator		Target	Q3 2021/22 Performance	Q2 2022/23 Performance	Q3 2022/23 Performance	RAG Status
2	Average number of days taken to remove a fly-tip.	5	New KPI for 2022/23	4.9	4.9	GREEN
3	Number of environmental crimes actively investigated – per annum, cumulative figure.	80	24	39	48	GREEN
4	Number of fixed penalty notices issued for environmental crime – per annum, cumulative figure.	800	New KPI for 2022/23	44	117	AMBER
5	Percentage of the total tonnage of household waste which has been recycled and composted.	38%	34.56%	32.8%	33.99%	RED
6	Number of collections missed per 100,000 collections of domestic waste/recycling.	120	146	100.5	114.3	GREEN
7	Number of collections missed per 1,000 collections of commercial waste.	5	6	9.73	6.98	RED
8	Subscribers to the garden waste service – per annum, reported in Q3.	7700	7568	7240	7259	RED
9	Number of commercial waste customers – per annum, cumulative figure.	485	392	434	440	RED
<b>C. Healthy and Proud Communities</b>						
1	Number of disabled facilities grants completed per annum, cumulative figure.	67	14	38	49	GREEN
2	Reduce the number of statutory homeless households per annum, cumulative figure.	Less than 14	4	2	3	GREEN
3	Increase the number of homelessness preventions and relief per annum, cumulative figure.	350	124	258	329	GREEN
4	Number of households in Temporary Homeless Accommodation.	12	New KPI for 2022/23	17	15	RED
5	Number of licensed premises inspected annually – per annum, cumulative figure.	75	75	35	51	RED
6	Number of businesses achieving 4 or 5 star hygiene rating.	590	New KPI for 2022/23	612	606	GREEN

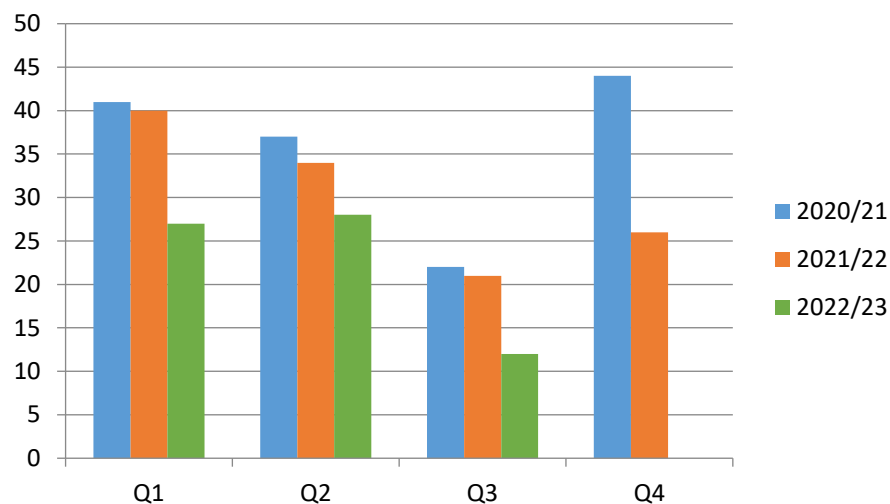


Key Performance Indicator		Target	Q3 2021/22 Performance	Q2 2022/23 Performance	Q3 2022/23 Performance	RAG Status
<b>D. Effective and Efficient Council</b>						
1	The percentage of residents satisfied with the quality of the Council's customer service – per annum, reported in Q1.	62%	New KPI for 2022/23	64%	64%	GREEN
2	Percentage of abandoned calls.	Less than 15%	4.2%	4.8%	4.3%	GREEN
3	Average speed of answering calls to customers for revenues and benefits.	3 minutes	1min 11 secs	49 seconds	51 seconds	GREEN
4	Percentage of Council Tax collected – per annum, cumulative.	94.7%	82.12%	55.6%	82.3%	GREEN
5	Percentage of non-domestic rates collected – per annum, cumulative.	94.2%	81.26%	55.5%	81.9%	GREEN
6	Time taken to process housing benefit new claims.	18 days	15.1 days	12.8 days	16.7 days	GREEN
7	Time taken to process Council Tax benefit new claims.	15 days	14.1 days	14.3 days	14.6 days	GREEN
8	Time taken to process housing benefit change circumstances.	5 days	4.8 days	3.6 days	3.6 days	GREEN
9	Time taken to process Council Tax benefit change circumstances.	5 days	3.3 days	2.8 days	2.7 days	GREEN
10	Percentage of housing benefit claims outstanding over 50 days.	5%	1%	0%	0%	GREEN
11	Payment of undisputed invoices within 30 days.	90%	91.3%	90.2%	89%	GREEN
12	Freedom of Information request average response time.	20 days	11.1 days	10.2 days	22.9 days	AMBER
13	Formal complaint average response time.	10 days	9.7 days	11.8 days	11.7 days	AMBER
14	Staff turnover is in line with national average – per annum, cumulative figure	15%	22.42%	8.76%	7.78%	GREEN
15	Percentage of staff appraisals completed by May 31 <sup>st</sup> – per annum, reported in Q2.	100%	92.35%	87%	89.24%	AMBER
16	Number of days lost due to sickness absence per full time equivalent employee – per annum, cumulative.	8 days	11.4 days	4.3 days	7.68 days	RED

Key Performance Indicator		Target	Q3 2021/22 Performance	Q2 2022/23 Performance	Q3 2022/23 Performance	RAG Status
17	Number of RIDDOR reportable accidents and incidents – per annum, cumulative.	Less than 5	1	1	1	GREEN
18	The number of health & safety incident reports – per annum, cumulative.	More than 46	New KPI for 2022/23	52	70	GREEN

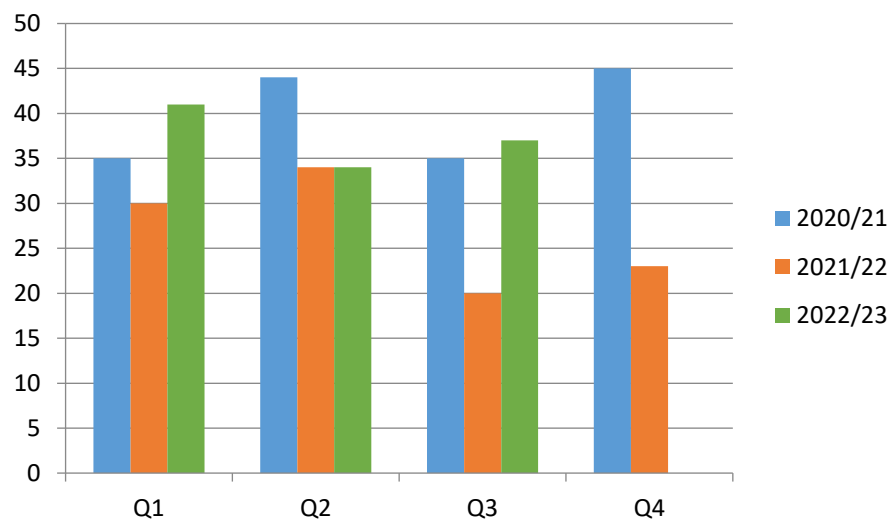
## Compliments and Complaints

### Compliments



Compliment Trend	2020/21	2021/22	2022/23
Q1	41	40	27
Q2	37	34	28
Q3	22	21	12
Q4	44	23	-

### Complaints



Formal Complaint Trends	2020/21	2021/22	2022/23
Q1	35	30	41
Q2	44	34	34
Q3	35	20	37
Q4	45	26	-

Ombudsman Enquiries	2020/21	2021/22	2022/23
Q1	0	0	2
Q2	1	3	3
Q3	2	2	0
Q4	0	1	-

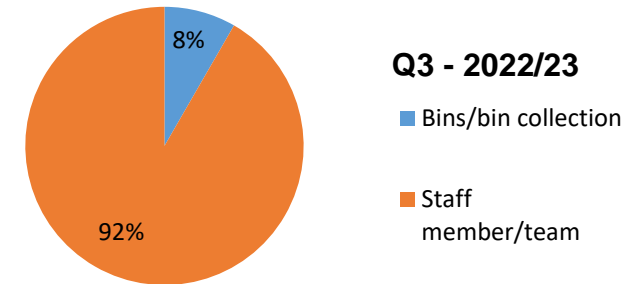
During Q3 there were no Ombudsman enquiries received. The enquiry which was carried over into Q3 has since been closed and was not upheld.

**\*Please note that the Council is not notified of all enquiries/decisions by the Ombudsman. The above takes into account only those enquiries that the Council was notified of at that particular time.**

## Compliments

The highest compliment category the quarter was in relation to Staff Member/Team.

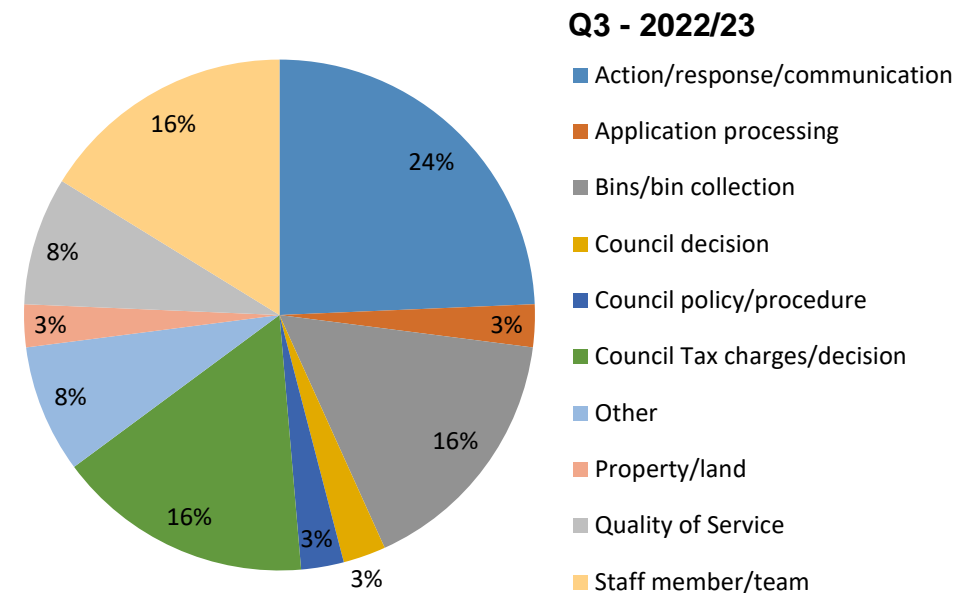
Q3 – 2022/23	Compliment
1	Bins/Bin Collection
11	Staff Member/team



## Complaints

The highest number of formal complaints during this quarter were in relation to an Action, Response or Communication.

Q3 – 2022/23	Complaint
9	Action/Response/Communication
1	Application Processing
6	Bin/Bin Collection
1	Council Decision
1	Council Policy/Procedure
6	Council Tax Charges/Decision
3	Other
1	Property/Land
3	Quality of Service
6	Staff Member/Team



## Corporate Risks

Risks are those things which might present a barrier to us delivering the things we have undertaken to achieve. Each year the Council reviews the potential risks it is facing and looks at what it might do to minimise the occurrence of such risks. This information is then regularly monitored and reviewed.

We profile our risks using a matrix (shown below) which is based on our making two judgments about each potential risk faced by the Council. The definition of the likelihood and impact can be found in the Council's Risk Management Strategy 2016.

### The Council's Risk Matrix

Likelihood	A					
	B					
	C					
	D					
	E					
	F					
		5	4	3	2	1
		Impact				

#### Likelihood

How likely is it that the risk may occur (rated A-F, A being the most likely)

#### Impact

How serious might the consequences of the impact be (rated 1-5, 1 being the highest consequence).

Therefore, a risk rated A1 is the highest risk rating and a risk of F5 is the lowest risk rating.

Risk RAG (Red, Amber and Green) rating status indicators	
Risk Status	Status description
<b>GREEN</b>	The likelihood and impact of the risk is low
<b>AMBER</b>	The likelihood and impact of the risk is medium
<b>RED</b>	The likelihood and impact of the risk is high

<b>Risk 1 – Sustainability of the Medium Term Financial Strategy</b>			<b>Responsible Officer - Karen Spencer</b>	
<b>Description</b> The Council's latest Medium Term Financial Strategy (MTFS) update published February 2022 indicates an underlying funding gap of c£600k per annum from 2023/24 onwards. The Council must take appropriate action in order to balance its annual expenditure against its available annual income and other revenue resources. The Council has a legal obligation to publish an annual balanced budget; this means its budget expenditure must equal its available income and any available reserves. Council reserves are limited and equate to only circa 3 years given the anticipated funding gap. Therefore additional income must be identified or annual costs reduced in future years. The current cost of living crisis may also add to the pressure on the MTFS through pay award, utility costs, contract inflation and Council Tax/NNDR collection rates.				
<b>Risk Consequence</b> If the Council is not able to prepare a balanced budget there would be legal ramifications, but it would ultimately impact on the level of services the Council is able to deliver to Rossendale residents and would result in major reputational damage.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>	<b>Status</b>
	<b>B</b>	<b>2</b>	<b>B2</b>	<b>RED</b>
<b>Mitigation</b> The MTFS does not indicate a significant narrowing of the gap in the next four years. New income generating opportunities will need to be identified to generate additional revenue, along with improved efficiency and effectiveness of service delivery. Departments across the Council will need to be challenged to become more effective.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>	<b>Status</b>
	<b>C</b>	<b>2</b>	<b>C2</b>	<b>AMBER</b>
<b>Quarter 3 Update</b> The February 2022 MTFS indicates that the MTFS funding gap will continue to increase over the current lifecycle unless further savings/income generation schemes are identified. The impact from the employers pay offer, the current economic crisis as well as the increased uncertainty around future central government funding following the formation of the new Government, is placing significant additional pressure on the MTFS. Officers are seeking to maximise efficiencies and make savings wherever possible, however following the years of austerity the Council has already suffered, opportunities for making savings without affecting service delivery are minimal. The Council is also striving to maximise income opportunities through its ongoing property reviews and subsequent marketing of sites and rent reviews. The Empty Homes scheme continues to have an adverse impact on the MTFS. Officers are monitoring the scheme closely and managing the claims where possible. The 2023/24 provisional financial settlement offers Councils the option to increase Council Tax by up to 3% (with an additional 2% for Councils with social care responsibility) from 2023/24 without requiring a referendum, Members will consider this option as part of the budget process.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>	<b>Status</b>
	<b>A</b>	<b>1</b>	<b>A1</b>	<b>RED</b>

<b>Risk 2 – Major disaster affecting the delivery of Council services</b>			<b>Responsible Officer – Clare Law</b>	
<b>Description</b> The Council has statutory duties under the Civil Contingencies Act (2004) and to carry out emergency planning and business continuity management activities to minimise the impact of a civil emergency or business interruption on people living, working and visiting the borough.				
<b>Risk Consequence</b> Failure to have robust contingency plans in place could result in the failure to deliver Council services, such as, the collection of residential and trade waste, burial services and payment of suppliers and benefits.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	1	C1	AMBER
<b>Mitigation</b> A robust overall Council Emergency and Business Continuity Plan is in place. Service continuity plans are updated and tested regularly through a quarterly Emergency Planning meeting. The plans are embedded with the Corporate Management Team as critical working documents to support the continued delivery of essential Council services. All managers have a copy of the overall plan and their service plan and keep them under review. The Council is a member of Lancashire County Council Local Resilience Forum (LRF). Officers attend meetings and undertake regular training exercises. The Council plans are available on the Resilience Direct website. Mutual aid agreements are in place with all Local Authorities across Lancashire.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	2	C2	AMBER
<b>Quarter 3 Update</b> A process is in place to ensure that the Council continues to follow Government guidance for Covid-19. Lateral flow tests are available for staff who need to test and Covid-19 absence continues to be monitored through the Absence Management Policy. The Operations Winter Plan was reviewed and presented to the JCC meeting in October 2022. Winter tyres had been introduced and were included in the plan and some contacts had been updated. The plan was agreed and will be formerly reviewed every 3 years. The local plans for Death of a Senior National Figure have been updated following the review by the Emergency Planning Team of the local response to Operation London Bridge in September 2022. All the points raised have been included in the review. National plans have not yet been adjusted, but any forthcoming adjustments will be incorporated into the local arrangements. Plans are available to the Emergency Planning Team on the shared drive. Officers continue to attend flood meetings and a programme of regular maintenance is in place to ensure culverts and gullies are kept clear to help reduce the flood risk.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	2	C2	AMBER

<b>Risk 3 – Incident resulting in death or serious injury or HSE investigation</b>			<b>Responsible Officer – Clare Law</b>	
<b>Description</b> Under the Health and Safety at Work Act (1974), the Council has a duty of care towards the health, safety and wellbeing of its employees and others who may be affected by our work. In the event of a RIDDOR reportable accident, there is a risk of an HSE investigation and potential for a civil claim for damages.				
<b>Risk Consequence</b> Failure to comply with current legislation and demonstrate compliance may result in harm to staff and others, financial loss and enforcement action.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	D	2	D2	AMBER
<b>Mitigation</b> The Council has health and safety policies and procedures including a Health and Safety Incident Reporting Procedure in place along with a safe working culture. Actions need to be completed to address and implement a consistent approach across the Council in order to secure compliance.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	E	2	E2	GREEN
<b>Quarter 3 Update</b> Work continues to implement the 109 actions in the 4 year Health and Safety Action Plan, with progress on actions summarised as; completed/ongoing – 41, in progress – 10, not due – 58.  The Health and Safety audit has been completed by Internal Audit and a rating of limited assurance was given in the final report. Three actions were advised, including reporting on progress against actions in the Health and Safety Plan; introducing a health and safety bulletin for staff and reviewing the timescales in the Health and Safety Action Plan in light of additional resources. All recommended actions will be completed by the end of Q4. A Staff Wellbeing Day was held in Q3 and evaluation of the day was positive. 7 expressions of interest were received from staff to volunteer as Workplace Health and Wellbeing Champions and they will be meeting in Q4 to take this initiative forward.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	D	2	D2	AMBER



<b>Risk 4 – Sustainability of the County Council budget</b>			<b>Responsible Officer - Karen Spencer</b>	
<b>Description</b> Like all local authorities, Lancashire County Council has to maintain a balanced budget. If the County Council are required to make savings this may impact on service provision across the county.				
<b>Risk Consequence</b> Budget reductions may have an impact on service provision for our residents. There is also a risk of cost shunting to district Councils.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>	<b>Status</b>
	<b>C</b>	<b>3</b>	<b>C</b>	<b>AMBER</b>
<b>Mitigation</b> The Council will continue to work with Lancashire County Council to find ways of reshaping services to reduce costs whilst ensuring shared outcomes are achieved. The Council continues to support joint leadership and Chief Executive meetings to find new ways of working together for the benefit of our residents. The Council will continue to interrogate Lancashire County Council savings proposals and identify risks to our residents and to our services.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>	<b>Status</b>
	<b>C</b>	<b>3</b>	<b>C</b>	<b>AMBER</b>
<b>Quarter 3 Update</b> The Lancashire County Council's 2022/23 budget approved in February 2022 announced further savings of c£11m, however these were mainly resulting from income generation schemes and a change in internal working practices. The Council continues to suffer from increased fly-tipping and the associated costs, which has in part resulted from the implementation of the reduced opening hours of the Lancashire County Council Household Waste Recycling Centres savings proposal. Lancashire County Council are predicting a budget gap of c£87m for 2023/24 and are considering savings proposals of c£55m to help bridge the gap. The proposals include potential reductions to Adults and Children's Services, reduced winter gritting and fewer grass verge cuts. These proposals are likely to have an impact on Rossendale Residents.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>	<b>Status</b>
	<b>C</b>	<b>3</b>	<b>C3</b>	<b>AMBER</b>

<b>Risk 5 – Changes to Government policy on the delivery of the Council’s services</b>			<b>Responsible Officer - Neil Shaw</b>	
<b>Description</b> Like all local authorities the Council is a statutory body that is subject to changes being consulted upon and or implemented by central Government that might affect how we operate and serve our residents/businesses.				
<b>Risk Consequence</b> The risk that the Council fails to react and be prepared for any changes being proposed or implemented by central Government.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>E</b>	<b>2</b>	<b>E2</b>	<b>GREEN</b>
<b>Mitigation</b> The Council is a member of the Local Government Association and District Councils Network who keep us informed of Government policy and consultations and lobby on behalf of Councils to mitigate the impact of any change. The Council is also signed up to receive daily emails from Local Government Information Unit who provide daily government news and other Local Government Information Unit (LGiU) policy briefings. The Chief Executive and Leader of the Council meets regularly with our two MPs. The Council’s Corporate Management Team monitor and assess government’s position on funding to be distributed to local authorities and other Government announcements that impact funding.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>E</b>	<b>2</b>	<b>E2</b>	<b>GREEN</b>
<b>Quarter 3 Update</b> The Council continues to monitor the potential impact of the long delayed Levelling Up & Regeneration Bill introduced to Parliament in May 2022. In Q3 the Government decided to make previously statutory house building targets ‘advisory’ (although in practical terms the impact on the Council is minimal). It is not yet clear how the new Government may (or may not) significantly change the Council’s Levelling Up Fund bid. The Council has therefore judged that the likelihood of this risk continues to have increased in-year (as it has since Q2). At the time of writing (January 2023), the Council has been notified that the £17.9m bid to the Levelling Up Fund submitted in August has not been successful, although detailed feedback is still awaited. Discussions will continue with Department for Levelling Up, Housing and Communities in Q4 and it is expected that there will be a further round of Levelling Up Fund.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>C</b>	<b>2</b>	<b>C2</b>	<b>AMBER</b>

<b>Risk 6 – Sustainable Workforce</b>		<b>Responsible Officer - Clare Law</b>		
<b>Description</b> There is a requirement to have a sustainable workforce to deliver the Council services to residents and customers.				
<b>Risk Consequence</b> Failure to have a fully resourced, trained staff could result in the failure to deliver statutory and non-statutory service in a safe and professional manner to residents and customers.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	D	3	D3	AMBER
<b>Mitigation</b> The Council has robust HR policies and procedures, an agreed Authorised Establishment, Performance Management Framework and Service Area Business Continuity Plans in place to mitigate any staffing challenges such as loss of staff due to the impact of an epidemic or pandemic. HR will work with managers to develop workforce succession planning. The Council provides an attractive benefit package including final pension scheme, flexible working, generous annual leave, a purchase leave scheme, free onsite parking, family friendly policies, discounted gym memberships and a cycle scheme to attract and retain staff.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	E	3	E3	GREEN
<b>Quarter 3 Update</b> The staff turnover at Q3 is 7.82%, the level of staff turnover and recruitment has reduced this quarter and if this trend continues at this level or reduces further the annual target (15%) will be achieved. During Q3 there has been 15 posts advertised (1 newly established), 6 of these post are re-advertised due to unsuccessful recruitment. With the exception of a Senior Planning Enforcement Officer post all the finance and planning posts have now been successfully recruited. All senior officer posts including Chief Executive and Director of Economic Development have been successfully recruited. Recruitment is still challenging and HR continue to work to support Managers to successfully recruit to vacant posts.  The number of days lost to sickness absence per full time equivalent at Q3 is 7.68 days, although this is due to long-term sickness which is being managed through the Absence Management Process.  The annual pay award has been agreed and the risk of staff strike is unlikely.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	C	2	C2	AMBER

<b>Risk 7 – Insufficient data and cyber security</b>			<b>Responsible Officer - Andrew Buckle</b>	
<b>Description</b> Cyber security presents one of the most challenging areas for both the public and private sectors. With the proliferation and severity of attacks constantly increasing this represents a major threat.				
<b>Risk Consequence</b> Cyber-attack resulting in a complete loss of all systems coupled with malware being spread across the entire network. Data breach resulting in information loss causing reputational damage and resulting in a financial penalty due to non-compliance with statutory requirements such as General Data Protection Regulation (GDPR), Payment Card Industry Data Security (PCI-DSS).				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>B</b>	<b>1</b>	<b>B1</b>	<b>RED</b>
<b>Mitigation</b> To protect against a data breach the Council, host all Council data in Tier 3 Data Centres located in different geographical regions and are backed up daily. The Council's Data Centres hold the following accreditations: ISO27001:2013, PCI-DSS. The Council adopts a Risk Insight approach to determine the treat Landscape and more importantly its evolution. The Council has received notification of meeting the Public Services Network (PSN) which means the Councils' infrastructure met all the security requirements to allow connection to the PSN. A cyber security training is to be provided for all staff.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>D</b>	<b>1</b>	<b>D1</b>	<b>AMBER</b>
<b>Quarter 3 Update</b> A number of Councils have been subject to Cyber-attacks, the Cabinet Office are advising that there is a heightened security risk level at the current time. Additional Cyber security training has been completed for Corporate Management Team, Councillors and Managers. Rossendale are now a member of the North West Cyber group receiving threat intelligence and also approaches used to combat security issues, the group meets on a monthly basis. The Rossendale Security in Depth has been implemented as part of this approach External and Internal vulnerability scanning has been deployed, this is used to identify the latest threats and vulnerabilities.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>C</b>	<b>1</b>	<b>C1</b>	<b>AMBER</b>

<b>Risk 8 – Poor communications and public relations</b>			<b>Responsible Officer - Clare Law</b>	
<b>Description</b> Good communication and public relations is essential to inform, maintain and develop relationships with residents, customers and partners to provide effective and efficient Council services.				
<b>Risk Consequence</b> Failure to communicate and respond to issues as they develop and inadequately or inappropriately communicating could lead to a major loss of reputation for the Council on a local, regional and national level. A loss of reputation can damage staff morale, trust between the Council and residents and impair the relationship between the Council and its partners meaning projects and services delivery is damaged.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>B</b>	<b>1</b>	<b>B1</b>	<b>RED</b>
<b>Mitigation</b> Communication methods are in place to support face to face, mail or electronic communications with a developed website and social media channels to provide 24/7 communication service. The Council has an experienced public relation and communications function to support Council officers to deal with communications in a timely manner and promote the work of the Council.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>D</b>	<b>1</b>	<b>D1</b>	<b>AMBER</b>
<b>Quarter 3 Update</b> VivaPR has continued to deliver the agreed communications plan including updates to the Council's website and social media posts to residents, businesses and communities. Corporate Management Team receive a weekly communications update, which includes horizon scanning and potential risks. Whilst there were no major or specific risks forecast for Q3, we issued 12 positive press releases during the quarter on topics such as the continued success of Operation Trident (which combats fly tipping and abandoned vehicles), Rossendale Works employment programme, the Councils 'Ease the Squeeze' campaign to assist the most vulnerable residents with cost of living crisis and the successful bid of almost £3m from the UK Shared Prosperity Funding. All of these pro-active positive releases help to promote the Council externally. They act as first point of contact for the media and always respond in a timely manner ensuring good working relationships with local and regional media. Additionally, VivaPR have been supported the recycling pilot project to increase recycling rates, with a branded and targeted PR campaign across social and traditional media.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>E</b>	<b>1</b>	<b>E1</b>	<b>GREEN</b>

<b>Risk 9 – Non – Delivery of Corporate Projects</b>			<b>Responsible Officer - Neil Shaw</b>	
<b>Description</b> The Council has agreed the 11 Corporate Projects for 2022/2023 to support the delivery of Corporate Plan.				
<b>Risk Consequence</b> Failure to deliver the Corporate Projects would have a detrimental impact on the delivery of the Council’s Corporate Plan 2021-25, and result in a reputational risk to the Council’s commitment to the residents. The failure to deliver the Corporate Projects could potentially have a negative impact on the Council’s revenue budgets (by failure to deliver income generating projects) and delivery of the Medium Term Financial Strategy, and the associated economic and social benefits may not be realised.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>C</b>	<b>2</b>	<b>C2</b>	<b>AMBER</b>
<b>Mitigation</b> Each Corporate Project has a Project Sponsor (member of the Corporate Management Team), a Project Manager and Finance Officer. Each Corporate Project will have a robust project plan and live risk register. The Project Sponsor will be responsible for the strategic overview of the project, and the Project Manager will be responsible for the day-to-day management of the project. The Council’s Programme Board meets quarterly to review the progress of the Corporate Projects. The Project Sponsor will be responsible for highlighting any concerns to the Corporate Management Team throughout the life of the Corporate Project.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>E</b>	<b>2</b>	<b>E2</b>	<b>GREEN</b>
<b>Quarter 3 Update</b> The Programme Board continues to monitor all the projects (last meeting on 7 November 2022). All projects are on track and within budget.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>E</b>	<b>2</b>	<b>E2</b>	<b>GREEN</b>

<b>Risk 10 – Response and Recovery to Covid-19 Pandemic</b>			<b>Responsible Officer - Neil Shaw</b>	
<b>Description</b> Covid-19 is a strain of the coronavirus, the government declared the virus as a pandemic in the UK in March 2020.				
<b>Risk Consequence</b> The pandemic causes a potentially risk to the delivery of the Council services and the health and wellbeing of the wider community.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>E</b>	<b>2</b>	<b>E2</b>	<b>GREEN</b>
<b>Mitigation</b> The Council has an Emergency Plan and Service Area Business Plans to support a pandemic emergency. The plans have been activated, regularly reviewed and stress tested throughout the pandemic. Risk Assessments and Safe Systems of Work have been developed and reviewed with staff and Trade Unions throughout the pandemic to provide a safe working environment. Council officers have worked with the Lancashire Resilience Forum and multi-agency partners to mitigate any potential risks throughout the pandemic. At the start of 2022, most Covid-19 restrictions had been lifted but the Council will keep the situation under review.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>B</b>	<b>3</b>	<b>B3</b>	<b>AMBER</b>
<b>Quarter 3 Update</b> The Council continue to maintain a contingency plan for an alteration in Government restrictions. However, this has not developed during Q1-Q3 and therefore the overall level of risk in terms of the impact of Covid-19 continues to remain at a low level over the last 9 months. We continue to monitor the situation, particularly through the Winter months.				
<b>Quarter 3 risk assessment RAG status (current)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	<b>F</b>	<b>3</b>	<b>F3</b>	<b>GREEN</b>

<b>Risk 11 – Financial Sustainability of Council Owned Leisure Assets</b>			<b>Responsible Officer – Adam Allen</b>	
<b>Description</b> National lockdowns due to Covid-19 resulted in Council owned leisure facilities closing for extended periods. During closure no income was received and outside of lockdown periods, income was significantly reduced. The Cost of Living crisis will have a significant negative impact on utility and salary costs for the Trust. This has impacted the financial sustainability of the Trust.				
<b>Risk Consequence</b> If the Council owned leisure assets are to be sustained in the longer term, the operators of the facilities have little recourse to additional funding to survive other than through the Council. This financial impact was managed in 2021/22 through additional Government grants and Council support, however the real impact is likely to be felt in 2022/23.				
<b>Initial risk assessment RAG status (without mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	A	2	A2	RED
<b>Mitigation</b> A report on the impact of all facilities has been produced by KKP and recommendations to minimise impact have been implemented. Senior Council Officers are attending the Trust Board to ensure we work together to minimise costs and an intensive monitoring process is in place. Funding through a Covid-19 specific Sport England Fund has been received though this is limited in its amount and did not cover retrospective losses. Constant monitoring of future business plans and work in partnership to maximise income and reduce costs continues.				
<b>Risk assessment RAG status (after mitigation)</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	A	2	A2	RED
<b>Quarter 3 Update</b> The financial sustainability of the Leisure Trust remains a key risk to the Council. At the December 2022 Council meeting, it was agreed that an independent study would be commissioned to fully assess the risk to the Council and suggest mitigating actions.				
<b>Quarter 3 risk assessment RAG status</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Status</b>
	A	2	A2	RED