

CABINET MEETING

The CABINET will meet at COUNCIL CHAMBER, CAUSEWAY HOUSE,
BOCKING END, BRAINTREE, CM7 9HB, on 1 SEPTEMBER 2011 at 7.15PM

Membership

Councillor G Butland (Chairman) - Leader of the Council
Councillor Mrs J Beavis – Communities
Councillor Lady Newton - Enterprise, Housing and Development
Councillor Mrs W Schmitt – Environment
Councillor C Siddall - Efficiency and Resources

Invitees

Deputy Cabinet Portfolio Members:-

Councillor D L Bebb - Leader's Portfolios
Councillor J T McKee - Enterprise, Housing and Development
Councillor R G S Mitchell - Environment
Councillor J O'Reilly-Cicconi - Efficiency and Resources
Councillor P Tattersley - Communities

Other invitees:- Group Leaders and the Chairman of the Overview and Scrutiny Committee, Councillor Mrs G Spray.

For enquiries on this agenda please contact:

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This agenda is available on

www.braintree.gov.uk/Braintree/councildemocracy

PUBLIC INFORMATION

Question Time

Immediately after the Minutes of the previous meeting have been approved there will be a period of up to 30 minutes when members of the public can speak about Council business or other matters of local concern. During this period, Councillors who have declared a personal and prejudicial interest in any item of business on the agenda may also speak as permitted by the Council's Code of Conduct for Members. Whilst members of the public can remain to observe the whole of the public part of the meeting, Councillors with a personal and prejudicial interest must withdraw whilst the item of business in question is being considered. Members of the public wishing to speak should contact the Member Services Officer on (01376) 552525 or email alastair.peace@braintree.gov.uk prior to the meeting. The Council's "Question Time" leaflet explains the procedure and copies of this may be obtained from the Council.

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Webcast

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INFORMATION FOR MEMBERS

Declarations of Interests:-

- To declare the existence and nature of any 'personal' or 'personal and prejudicial' interests relating to items on the agenda having regard to paragraphs 8 to 12 [inclusive] of the Code of Conduct for Members in Part 5 of the Constitution and having taken appropriate advice where necessary before the meeting.
- Any member with a 'personal and prejudicial' interest to indicate whether he/she intends to make representations in accordance with paragraph 12 (2) of the Code of Conduct as part of Question Time. *Note: A member with a personal and prejudicial interest must withdraw from the room or chamber whilst the item of business the subject of such prejudicial interest is being considered*

AGENDA

1. APOLOGIES FOR ABSENCE			
2. DECLARATIONS OF INTEREST			
3. PUBLIC QUESTION TIME			
4. MINUTES OF LAST MEETING			
(i) To approve as a correct record the minutes of the meeting held on 18 th July 2011 (Copy previously circulated).			
No	Title & Purpose of Report	Executive Summary	Additional Papers
5. HOUSING AND TRANSPORT MEET LOCAL NEEDS			
5a	Community Housing Investment Partnership (CHIP) Board Annual Funding Review 2011 Presented by: Cllr Lady Newton & Sandra Crosby, Housing Director, Greenfields Community Housing Officer Contact: Joanne Albini	Page 1	Pages 1 to 12
5b	Housing Stock Transfer - Tracking the Promises Presented by: Cllr Lady Newton & Phil Adams, Chief Executive, Greenfields Community Housing Officer Contact: Joanne Albini	Page 6	-----
6. BUSINESS IS ENCOURAGED AND THE LOCAL ECONOMY PROSPERS			
6a	Town Centre Improvement Update - <i>Report To Follow</i> Presented by: Cllr Lady Newton Officer Contact: Jon Hayden		-----
7. PEOPLE TAKE PRIDE IN THEIR LOCAL AREAS			
7a	Enterprising Communities Fund Presented by: Cllr Mrs G Spray Officer Contact: Sharon Lowe	Page 9	Pages 13 to 16
7b	Locality Working Group - Terms of Reference Presented by: Cllr Mrs J Beavis Officer Contact: Sharon Lowe	Page 16	-----

8. WE DELIVER EXCELLENT, COST EFFECTIVE AND VALUED SERVICES			
8a	Treasury Management Annual Report 2010/11 Presented by: Cllr C Siddall Officer Contact: Phil Myers	Page 19	-----
8b	Strategic Risk Management Presented by: Cllr J O'Reilly-Cicconi Officer Contact: Trevor Wilson	Page 31	Pages 17 to 25
8c	Medium-Term Financial Strategy 2011/12 to 2014/15 Update Presented by: Cllr C Siddall Officer Contact: Trevor Wilson	Page 34	Pages 26 to 45
8d	First Quarter Performance Management Report 2011/12 Presented by: Cllr C Siddall Officer Contact: Cherie Root	Page 50	Pages 46 to 72
9. OVERALL CORPORATE STRATEGY AND DIRECTION			
9a	Annual Health and Safety Report April 2010 to March 2011 Presented by: Cllr J O'Reilly-Cicconi Officer Contact: Kathy Brown	Page 52	Pages 73 to 81
9b	Emergency Planning - Annual Position Statement Presented by: Cllr D L Bebb Officer Contact: Kathy Brown	Page 54	Pages 82 to 86
9c	Shared Management Presented by: Cllr G Butland Officer Contact: Allan Reid	Page 57	-----
10. CABINET MEMBERS'UPDATES			
- to receive Cabinet Members' verbal reports on key issues within their portfolio			
11. REFERENCES FROM COUNCIL/COMMITTEES/GROUPS			
11a	There are none		

12. REPORTS/ DELEGATED DECISIONS/MINUTES TO BE NOTED			
12a	Cabinet Member Decisions made under Delegated Powers – to note recently made delegated decisions -	Page 60	-----
13. URGENT BUSINESS AUTHORISED BY THE CHAIRMAN			
14. EXCLUSION OF PUBLIC AND PRESS TO CONSIDER REPORTS IN PRIVATE SESSION – for reasons set out in Paragraph 3 of Part 1 of Schedule 12(A) of the Local Government Act 1972			

At the time publication there are no items for private session.

The last page of the public agenda is numbered 61.

Community Housing Investment Partnership (CHIP) Board Annual Funding Review 2011		Agenda No: 5a
<p>Corporate Priority: Everyone can enjoy a healthy lifestyle Housing and transport meet local needs People take pride in their local areas</p> <p>Report presented by: Councillor Lady Patricia Newton and Sandra Crosby, Housing Director, Greenfields Community Housing</p> <p>Report prepared by: Joanne Albini, Head of Housing</p>		
<p>Background Papers:</p> <p>Community Housing Investment Partnership Fund – Annual Funding Review 2011 (appendix 1)</p>		Public Report
<p>Options: None</p>		<p>Key Decision:</p> <p>No</p>
<p>Executive Summary:</p> <p>As part of the agreement resulting from the housing stock transfer of Braintree District Council's homes to Greenfields Community Housing in 2007, part of the capital receipt was used to create a jointly managed fund. This is known as the Community Housing Investment Partnership, and it has funds of over £10 m. As part of this arrangement there is a requirement to produce an Annual Funding Review Report.</p> <p>This is the third annual report on the activities of the CHIP Board. The annual report was considered by the CHIP Board meeting held on the 19th July 2011.</p> <p>The fund's priorities were set out in the transfer agreement as:</p> <p>The development of new social housing The development of facilities for community benefit Environmental improvements Regeneration activities Priorities identified in the Annual Funding Review</p> <p>The CHIP Board is technically a sub-committee of Greenfields Board but acts autonomously within an agreed framework established by Braintree District Council and Greenfields.</p> <p>In these difficult economic times it has been a significant benefit to be able to increase direct funding to support to our communities and people in the district.</p>		

Decision: Members are requested to note the report.
Purpose of Decision: To record Members formal noting of the report.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	None
Legal:	None
Equalities/Diversity	There are no equalities implications in the report but equalities and diversity implications are integral to the CHIP Board's funding processes and criteria.
Customer Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	There are no implications in the report but consultation and engagement implications are integral to the CHIP Board's funding processes and criteria.
Risks:	None
Officer Contact:	Joanne Albini
Designation:	Head of Housing
Ext. No.	2118
E-mail:	joanne.albini@braintree.gov.uk

REPORT TO: CHIP Board

DATE: 19th July 2011

VENUE: Hedingham Room, Greenfields House

ITEM FOR INFORMATION

AGENDA ITEM:

SUBJECT: CHIP BOARD ANNUAL FUNDING REVIEW 2010/11

REPORT BY: Sandra Crosby
Housing Director
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Email: Sandra.crosby@GreenfieldsCH.org.uk

1.0 Purpose of Report

1.1 To receive the third annual report on the activities of the CHIP Board.

2.0 Background

2.1 The £11m Community and Housing Investment Partnership (CHIP) Board was established as part of the transfer agreement resulting from the transfer of Braintree District Council's homes to Greenfields.

2.2 The fund's priorities were set out in the transfer agreement as:

- The development of new social housing
- The development of facilities for community benefit
- Environmental improvements
- Regeneration activities
- Priorities identified in the Annual Funding Review

2.3 The CHIP Board is technically a sub-committee of the Greenfields' Board but acts autonomously within an agreed framework established by the District Council and Greenfields.

3.0 Commentary

3.1 The Board may wish to note the following:

- £2,560,000 has been set aside for the development of social housing at sites in Hatfield Peverel, Rayne and Sible Hedingham.
- The Braintree District Community Investment Partnership (CIP) fund was introduced for grants of between £5,000 and £25,000 for organisations, groups working within the district and managed by Essex Community Foundation.
- Grants were approved to eight (8) organisations from the Braintree District Community Investment Partnership (CIP) fund to a value of £130,000 with a further £164,714 being granted to six organisations at the April meeting

- Grants for a total of £238,587 were approved to progress initiatives on the Glebe, Coldnailhurst and Tabor estates after the masterplanning exercise. These included revenue costs to progress the Parking Improvements and Skate Park. In addition improvements to the Glebe Hall and landscape improvements across the estates.
- An initial grant of £170,089 was awarded to fund a community learning village being established at Alec Hunter School.
- The Grassroots endowment fund balance is £1,742,015 which includes an additional £114,068 investment gain.
- The CHIP fund balance stands at £7,422,064 as at 31st March 2011.

4.0 Looking Forward to 2011/12

Over the next year we expect further progress to be made as follows:-

- Work to start on site in Rayne and Hatfield Peverel developing 12 new homes
- New opportunities for development identified
- Notification from the Homes & Communities Agency regarding subsidy towards development
- Deliver parking improvements on the Glebe, Coldnailhurst and Tabor estates
- Improvements made to the Glebe Hall
- Skate bowl development underway, (subject to planning permission).
- A community group established to help work with Groundwork to establish 12 new allotments and then take over the management of the allotments.
- Carry out landscape improvements on Glebe, Coldnailhurst and Tabor estates.
- Improve the lighting on the Templars estate
- Complete the alleyway project on Templars giving residents who's front doors open directly onto the alleyways more defensible space
- Run 'girls just wanna have fun' community sports project on Templars
- Work with the Templars residents to progress remaining priorities identified by residents and make applications to fund projects as required.
- Complete and open the Alec Hunter Community Learning Village
- Distribute £250,000 via the Community Investment Partnership (CIP) fund
- Work with ECF to hold an event to celebrate the difference that the CIP fund is making to residents in the district.
- Carry out an annual report of the CIP fund (presented by ECF)
- Decide how the monies released from the investment in the grass roots endowment fund should be used (available from July 2011)
- Review the financial statements at each meeting
- Promote the fund within the priority areas working with communities to make bids to fund improvements in their areas.
- Produce a press release after each CHIP Board meeting regarding grants awarded by the CHIP Board
- Develop a joint approach with Partners to identify priorities for CHIP priority areas where no investment has been made.

5.0 Risk Implications

5.1 There are a number of risks associated with the CHIP Fund, including:

- reputational risks for Greenfields and the Council as a result of the types of projects funded and/or major project failure for a scheme receiving a grant
- financial risks associated with the financial investment strategy of operating a large fund

6.0 Finance and Resources Implications

6.1 There are no financial or resource implications for Greenfields arising from this report.

7.0 Equalities Impact

7.1 There are no equalities implications in the report but equalities and diversity implications are integral to the CHIP Board's funding processes and criteria.

8.0 Recommendation

8.1 The Board is requested to:

- note progress made during the year and the outcomes expected for 2011/12
- consider if any additional priorities should be added that aren't already covered

Housing Stock Transfer – Tracking the Promises		Agenda No: 5b
Corporate Priority:	Housing and transport meet local needs	
Report presented by:	Councillor Lady Newton, Cabinet Member for Housing and Well-Being and Phil Adams, Chief Executive, Greenfields Community Housing	
Report prepared by:	Joanne Albini, Head of Housing	
Background Papers:	Public Report	
<p>Website links: The link below will take you to the ‘Transfer Promises Monitoring’ section of the Greenfields Community Housing Website.</p> <p>http://www.greenfieldsch.org.uk/Info_page_two_pic_2_det.asp?art_id=6959&sec_id=3254</p> <p>They contain the ‘Transfer Promises Monitoring Report - 24 March 2011’ and the Promises Tracking Report – dated 14 February 11.</p>		
Options: None in this report	Key Decision:	
	No	
Executive Summary:		
<p>This annual report provides an update on the arrangements that were made as part of the Housing Stock Transfer in November 2007.</p> <p>Talking Transfer, Braintree District Council’s consultation document (or offer document) produced in support of the transfer ballot held in December 2006, contained a large number of promises that Greenfields Community Housing would deliver, if tenants and leaseholders supported the transfer.</p> <p>Following the successful transfer on 12 November 2007, Greenfields promised the Council (by way of a covenant) that it would deliver the promises made to tenants and leaseholders in the formal offer document.</p> <p>Greenfields has undertaken to report annually to the Council their progress with implementing the promises contained in the offer document.</p> <p>The latest update shows all strategic promises made have either been delivered or are on target.</p>		
Decision:		
Members are requested to note progress on meeting the housing transfer promises.		
Purpose of Decision: To ensure Members are aware of the progress.		

Any Corporate implications in relation to the following should be explained in detail

Financial:	None in this report
Legal:	None in this report
Equalities/Diversity	None in this report
Customer Impact:	None in this report
Environment and Climate Change:	None in this report
Consultation/Community Engagement:	None in this report
Risks:	None in this report
Officer Contact:	Joanne Albini
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Background

The last promises update showed that Greenfields are on track to deliver.

19 (66%) strategic promises have been fully delivered since transfer. There are a further 10 (34%) strategic promises classed as 'in progress'. No promises are signalling amber or red.

These are some of the key highlights in 2010/11:

- Over 5000 homes now meet the agreed 'Greenfields standard'
- A £12million modernisation programme of the sheltered housing schemes are in progress. Gladys Malpass House, Halstead and Norah Guilder House, Hatfield Peverel are due for completion in October 2011.
- Significant progress made towards developing affordable housing – two schemes in Hatfield Peverel and Rayne are planned (note planning applications now submitted).
- Established a customer experience group for resident feedback
- Housing Quality Accreditation for Income Management – one of only two in the country to receive this award.
- Investors in People Gold Accreditation – First housing association in the Eastern Region to achieve this.
- Improved performance on collecting rent arrears for the second consecutive year.

New Affordable Housing

The Council and Greenfields are working closely together to bring forward affordable housing development opportunities.

In order to maximise opportunities, the Community Housing Investment Partnership Board approved the establishment of a new Project Manager post which is jointly managed by Braintree District Council and Greenfields for a fixed term of 2 years.

The purpose of the post is to understand housing need within the district, identify new development and regeneration opportunities, consider cost effective changes to existing homes as well as ensuring existing and new housing developments to help meet the needs of residents living in the District.

A joint recruitment process was carried out and the post holder started in January 2011.

Greenfields are now also part of a development consortium consisting of Havebury Housing Partnership, Freebridge Community Housing, Greenfields Community Housing, Orwell Housing Association, Colchester Borough Homes and Saffron Housing Trust.

The Homes and Communities Agency (HCA) has recently advised the consortium it has been successful in its bid to build homes for people in housing need across Essex, Norfolk, Suffolk and Cambridgeshire and the consortium are currently working through the HCA contract obligations.

Through these development arrangements Greenfields aim to build more homes in the Braintree District.

Enterprising Communities Fund		Agenda No: 7a
Corporate Priority: People take pride in their local areas Report presented by: Councillor Gabrielle Spray Report prepared by: Sharon Lowe		
Background Papers:		Public Report
Options:		Key Decision: Yes
Executive Summary: <p>The Cabinet established the Locality Working Group at its meeting in June to devise a scheme for the Enterprising Communities Fund. The Group, chaired by Councillor Spray, has produced a scheme which will encourage and facilitate communities from across the District to put forward ideas and proposals that will enable them to have greater involvement in facilities and services that are provided in their local area.</p> <p>A sum of £500,000 has been set aside and these monies will be distributed in accordance with the scheme which will operate until March 2015. Communities will be able to put forward ideas and proposals via their Ward Member whose role will be to lead and support the needs of local people.</p> <p>This is a new scheme which is aimed at attracting communities who want to be responsible for the running of local facilities and services in their area. To support this, communities can make a bid under the scheme for funding which will enable them to operate a facility or service which can generate some form of return for the taxpayer. This return can take the form of reducing running costs or it could be generating social improvements for local people. The concept of a return sets this scheme apart from the earlier grant systems that the Council has operated and fits in with its overall approach to localism and to the Government's vision of a Big Society.</p> <p>The criteria has been drafted to allow for maximum flexibility thus broadening its appeal to a wide range of communities and local issues. In doing this, care has been taken to ensure that expectations are managed and that the appropriate balances and checks exist to provide value for money and accountability of public funds.</p> <p>The scheme will comprise of four stages and the launch of the first stage is scheduled for 1st October 2011 with awards of funding being announced in March 2012. The Locality Working Group will be the body to award funding in the first year of the scheme's operation but this will be reviewed and may be undertaken by another body of Members in the second and subsequent years.</p> <p>To engage as many of our communities as possible, the process has been kept clear</p>		

and simple with the Ward Member playing a central role in bringing local people together. Ward Members will be supported in a variety of ways and will be equipped with the relevant information and support to ensure that they can work with groups and organisations who are interested in taking responsibility for local facilities and services.

The scheme offers local people greater scope to engage with the Council through their Ward Member. Having the ability to have a greater say and involvement in what is provided locally will not only assist the Council in meeting local needs but it will provide people with more opportunities to shape their life and the place that they live or work in.

Decision:

To approve the criteria and process as set out in this report.

To delegate to the Assistant Chief Executive in consultation with the Chairman of the Locality Working Group and the Cabinet Member for Communities authority to finalise the details of the scheme to enable the Fund to be launched on 1st October 2011.

Purpose of Decision:

To launch a new fund aimed at encouraging communities to have a greater involvement in the delivery and provision of local facilities and services.

Any Corporate implications in relation to the following should be explained in detail

Financial:	If successful, the Fund will realise savings for the taxpayer and support the Council in managing with less in the future. The cost of operating the fund for the remainder of 2011/12 will be met from existing resources and on-going support will be reviewed by the end of the financial year.
Legal:	Section 2 of Local Government Act 2000 is the power that enables the Council to provide this Fund.
Equalities/Diversity	The Fund will improve and maintain support to the community and voluntary sector which will in turn improve services to our communities.
Customer Impact:	The Fund will help improve services and facilities to communities.
Environment and Climate Change:	The Fund encourages proposals that improve the environmental well-being of a community.
Consultation/Community	Communications plan has been prepared. The scheme

Engagement:	<p>has been developed by the Locality Working Group comprising the following Members:-</p> <p>Cllr G Spray, Cllr J Allen, Cllr C Cadman, Cllr S Canning, Cllr S Wilson, Cllr P Barlow, Cllr J Abbott, Cllr D Mann, Cllr M Fincken, Cllr J Elliot, Parish Cllrs T Hayward and J Burlo.</p> <p>Details of the proposed scheme have also been shared with The Braintree District Voluntary Support Agency and the Third Sector Partnership Board.</p>
Risks:	The process includes measures to manage the risks to the Council of funding external groups
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Aims and Objectives of the Fund

- 1.1 The Fund is aimed at those local groups and organisations who want to improve their local facilities or services but need some support to make this happen.
- 1.2 Any funding provided must generate a “return” for the residents of the District. The “return” will vary depending on what is being funded and during the process, groups and organisations will need to explain what form their return will take. In some cases the return may be purely financial with the group or organisation demonstrating how a service or facility can be provided at no ongoing cost to the taxpayer. In other cases the return may be improvement of an environmental, economic or social nature. This type of return can be difficult to quantify in monetary terms but the value can be assessed by measuring the impact on the community.
- 1.3 Underpinning the Fund are the Council’s corporate objectives – (1) People take pride in their local area and (2) We deliver excellent, cost effective and valued services. Not only will the Fund create further opportunities for communities to engage with the Council but it will also enable them to improve the services that they need. The role of the Ward Member is one of the key opportunities and this is explained in section 3.

2. Criteria

- 2.1 The Locality Working Group in devising the criteria wanted to ensure that it was kept clear and simple. Local needs and priorities will vary across the District and it was recognised that local groups and organisations are best placed to identify their own needs. It was therefore important that the criteria reflected this and did not make any assumptions which could inadvertently exclude a potential organisation or group.
- 2.2 It was further recognised that communities are also best placed to identify solutions and the Locality Working Group wanted to encourage groups, existing and new, to come forward with innovative ideas. The scheme needs to achieve a balance between encouraging innovation and local solutions as well as ensuring that expectations are managed and that the funding is available for the life of the scheme. In this respect the Group felt that some reference to a cap was necessary but that it should not deter organisations or groups who wanted to apply for a larger sum provided they could demonstrate exceptional circumstances. Therefore in terms of financial limits, the Group felt that a minimum figure of £1500 and a maximum figure of £25,000 should be applied in the first year of the scheme.
- 2.3 The final element to the criteria was the “return” whereby local groups and organisations must be able to demonstrate the “return” that can be generated from their idea including how the idea would continue once the funding had been used.

- 2.4 The criteria for the Fund is as follows:-
- 2.4.1 The local group or organisation must have the support of their Ward Member (District Councillor);
- 2.4.2 The idea must be Enterprising:-
- Show initiative
 - Be resourceful
 - Generate a financial or social return
- 2.4.3 Evidence that match funding has been investigated or secured;
- 2.4.4 Evidence that the idea meets local needs and that there is community support;
- 2.4.5 Evidence that the idea can be continued once the funding provided has been spent;
- 2.4.6 Funding is only available to constituted groups who have ideas that benefit people within the Braintree District and that are not contrary to Council policy or the law.
- 2.5 Local groups or organisations can demonstrate how their idea meets the criteria by completing and submitting the Enterprising Ideas form which is set out in Appendix 1.

3. Role of the Ward Member

- 3.1 The scheme has been designed to strengthen the role of the Ward Member and their involvement will be key for those local groups and organisations looking for support from the Fund.
- 3.2 The Locality Working Group considered that the main functions of the Ward Member are to engage, support and advocate for their community. In order to perform their role effectively, the appropriate information and support needs to be in place to enable all Members.
- 3.2 To support Ward Members, the Locality Working Group has identified that information and support is needed in the following areas:-

Signposting – having a list of contacts/resources to direct local groups and organisations to for specific types of help to improve their ideas under the scheme;

Developing an idea – guidance and training on how to support local groups or organisations develop their idea into a project;

Managing expectations – the following behaviours and skills were identified as necessary in order to support local groups or organisations who were interested in seeking support from the Fund:-

Good communication, openness, empathy, motivating and negotiating, sharing.

- 3.3 The process that has been proposed ensures that the Ward Member is involved at every stage and is viewed by their community as the local champion and leader of their area.

4. Process

- 4.1 The proposed process is illustrated in Appendix 2 and it includes a timetable for the first year of the Fund.
- 4.2 Stages 1 and 2 is about community engagement on a broad scale and the aim is not only to attract communities to seek funding but to also encourage local people to share their views as to what needs to be improved and how this can be achieved. In this respect this stage of the process has some similarity with the County Council's Community Ideas initiative which was launched earlier in the year.

By listening more to local people, the Council will learn more about local needs which could influence the types and ways that Council services are delivered in the future.

- 4.3 Stage 3 is where ideas will be developed into projects which can be implemented if the group or organisation is successful in Stage 4. During this stage, the degree and type of support available to groups or organisations will be tailored to each idea, with some perhaps needing more development support than others.

In addition to Ward Member support, groups or organisations will have the option of seeking support from the Council's Community Development Team and other support organisations.

- 4.4 Under Stage 4, the panel would comprise of upto 7 District Councillors, 1 Parish or Town Councillor (selected by the Braintree Association of Local Councils) and 1 representative from the Braintree District Voluntary Support Agency. The panel would be chaired by the Chairman of the Working Group.

5. Resources and Support

- 5.1 The Group felt that Ward Members and potential applicants would require varying degrees of advice and guidance in submitting ideas, signposting to other funds, developing project plans, identifying and measuring the "return" and helping new groups come forward. A number of existing resources have been identified to offer assistance such as the Community Development Team, Braintree District Voluntary Support Agency and the Rural Community Council for Essex.
- 5.2 Options for resourcing the administration and management of the scheme were also discussed and the Group felt that due to the Ward Member involvement, this should be delivered from internal resources for the remainder of 2011/12. However the Group did recognise the value of working in partnership with others and consideration will be given to looking at opportunities to link with other funds such as the County Council's Big Society Fund.

6. Promoting the Fund

- 6.1 The success of the Fund depends on the engagement between the Council, the Ward Members and the community. Feedback from others who have operated similar schemes have emphasised the importance of going to the community in order to promote and attract interest.
- 6.2 During Stage 1, we will be organising a number of events across the District to explain the Fund to encourage local people to submit ideas as well as enabling communities to meet their Ward Member. A communications plan has been produced which sets out in more detail the Council's approach to engaging local people with the Fund.
- 6.3 The Locality Working Group has stressed the importance of involving all members in the preparation of the launch and set out below are a few activities which will take place once the scheme has been approved:-

Member's Evening – 5th September 2011

Localism Summit – 22nd September 2011

Press Pack – to enable Ward Members to promote the Fund at parish and town council meetings and other community forums

Member's Toolkit – advice and guidance on the role of the Ward Member in relation to the Fund

Locality Working Group – Terms of Reference		Agenda No: 7b
Corporate Priority: People take pride in their local areas		
Report presented by: Councillor Joanne Beavis		
Report prepared by: Sharon Lowe		
Background Papers: None		Public Report
Options:		Key Decision:
		NO
Executive Summary:		
<p>The Cabinet established the Locality Working Group at its meeting in June to initially propose a scheme for the Enterprising Communities Fund. The Group also has a role to play in considering how some of the measures in the Localism Bill could affect the way in which elected members engage with their communities. This report proposes terms of reference that the Group will work to.</p>		
Decision:		
To approve the terms of reference for the Locality Working Group.		
Purpose of Decision:		
To establish a clear role and purpose for the working group.		

Any Corporate implications in relation to the following should be explained in detail	
Financial:	None arising directly from this report
Legal:	None arising directly from this report
Equalities/Diversity	None arising directly from this report
Customer Impact:	None arising directly from this report
Environment and Climate Change:	None arising directly from this report
Consultation/Community Engagement:	None arising directly from this report
Risks:	None arising directly from this report
Officer Contact:	Sharon Lowe
Designation:	Assistant Chief Executive
Ext. No.	2629
E-mail:	Sharon.lowe@braintree.gov.uk

Purpose of the Working Group

The Locality Working Group acts as the organisation's think tank considering the role of the Local Member in a changing local government landscape. The Group will carry out research, act as a sounding board and propose ideas as to how the localism agenda can strengthen the role of the Local Member.

Ideas proposed by the Group can be referred to the Local Government Reform Sub-Group for further consideration where they involve changes to the Council's Constitution. Ideas that do not impact upon the Constitution but have policy or resource implications shall be considered by the Cabinet or the Cabinet Member for Communities.

Proposed Terms of Reference

1. To consider the implications of the Localism Bill, its impact and opportunities for the Council and its communities in relation to:-
 - New freedoms and flexibilities for local government
 - New rights and powers for communities and individuals
2. To consider how the role of the Local Member can be developed and supported to enable them to represent and influence issues that directly impact upon their communities.
3. To identify ways in which communities can engage with the Council so that they can have a greater involvement in decisions affecting their local area and their services..
4. To develop an appropriate scheme which supports enterprising communities to do things for themselves whereby the Local Member plays an integral part in accessing Council funding.

Membership

The following District Councillors have been nominated to be members of the Group:-

Cllr Spray (Chairman)	Cllr Canning
Cllr Abbott	Cllr Elliot
Cllr Allen	Cllr Fincken
Cllr Barlow	Cllr Mann
Cllr Cadman	Cllr Wilson

There are also two representatives from the Braintree Association of Local Councils – Parish Councillors Hayward and Burlo.

Total Membership = 12

Treasury Management Annual Report 2010/11		Agenda No: 8a
Corporate Priority: We deliver excellent, cost effective and valued services] Portfolio Area: Efficiency and Resources Report presented by: Councillor Chris Siddall Report prepared by: Phil Myers, Financial Services Manager		
Background Papers:		Public Report
Treasury Management Strategy 2010/11		
Options:		Key Decision: No
To recommend the Annual Report to Council (with/without amendment)		
Executive Summary: <p>The submission of an annual report to full Council on the treasury management activity for the preceding financial year is a core requirement of the Council's Treasury Management Policy.</p> <p>The annual report covers the following matters:</p> <ul style="list-style-type: none"> • A summary of the strategy agreed for 2010/11 • The Council's treasury position at 31 March 2011 • A summary of the economic factors effecting activity over 2010/11 • The treasury management activities during the year • Risk management, including use of external advisors • Reporting on treasury management activities • Treasury management training <p>The treasury management strategy for the year was approved by Council on 15 February 2010, the main points being:</p> <ul style="list-style-type: none"> • Borrowing – reduce external debt wherever possible • Investments – managing cash investments and the associated risks <p>At the end of the year the Council had total debt and liabilities of £8.608 million – comprising market loans of £6 million and future finance lease obligations of £2.608 million. Total investments were £38.24 million, the cash for which is mainly derived from the usable balances and reserves of the Council.</p> <p>Interest rates remained low throughout the year as the economy remained fragile.</p>		

The credit crisis migrated from banks to European sovereigns with credit rating down-grades for a number of European member states. Amongst this the UK became a perceived 'safe haven' driving UK treasury gilt yields lower. However, concerns have now turned to domestic inflation and its potential impact on investment returns for fixed income investors. Consequently, money market rates increased over the year, particularly in the 12 month + period on expectations that UK interest rates would eventually be raised.

The following summarises the Council's treasury management and related activity during the year:

- Capital expenditure for the year totalled £6.273 million – largely funded from the Council's own reserves and balances, with a small element funded through short-life finance leases.
- Interest paid on debt amounted to £282,000 with a further £148,000 of interest on finance leases.
- Outstanding liabilities on finance leases were reduced by a net £150,000.
- Net investments (debt less investments) remained less than the capital financing requirement or CFR (which is a balance sheet derived measure of the Council's "need to borrow" for capital purposes) – this is in line with best practice requirements.
- Borrowing remained within the statutory limit set by Council for the year.
- Investments remained concentrated in a few select UK banks with relatively high credit ratings, Money Market Funds (MMFs), the UK Government Debt Management Office, and the Council's own bank. Accounts with 3 MMFs were opened in the year: Royal Bank of Scotland, Ignis Asset Management, and Henderson Global Investors – the latter is now merged with the Deutsche Managed Sterling Fund.
- Average cash invested (excluding investments at risk) was £44.6 million (peaking at £52.4 million and reducing to £34.76 million by end of the year). Interest earned for the year was £639,173 – this was lower than originally budgeted largely due to the "lower for longer" interest rate environment.
- Credit risk was managed through using highly rated institutions/ funds. The Council's investment portfolio consistently averaged the 'double A' long-term credit rating or "very high credit quality".
- A further £180,000 plus £5,194 of interest was recovered from the Council's deposit with Kaupthing Singer and Friedlander, with an updated total recovery estimate by the Administrator of 82p in the £. Recoveries from two other Icelandic banks are pending the outcome of appeals on test cases which are to be heard by the Icelandic Supreme Court. The current position is that UK local authority test cases have been granted priority status in the winding up process. Applied to the Council, this would result in an expected total recovery rate of 96p in £ from these two banks.
- An impairment charge, in respect of the potential losses on the investments with the Icelandic banks, has been made to the 2010/11 Final Accounts in accordance with proper accounting practice, which normally would be charged against revenue, but has been capitalised under a direction obtained from the Secretary of State for Communities and Local Government.
- Risk management has been enhanced through monitoring a wider range of market information concerning both sovereign and institutional credit risk. The Council employs Arlinglucose Limited to provide independent treasury management advice.
- A regular set of reports, comprising strategy, mid-year report, annual report, and monthly monitoring to Council and/ or those charged with overseeing and

scrutinising the treasury management function have been made during the year. In addition, the Corporate Director (Finance) keeps under review the need for training both officers and members.
Decision:
To agree the Annual Treasury Management Report for submission to Full Council.
Purpose of Decision:
To demonstrate appropriate scrutiny over the treasury management function by those charged with governance responsibilities.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	No new financial implications
Legal:	The Council's treasury management activities are subject to regulation by a number of professional codes, statutes, and related guidance. There are no new legal implications from this report.
Equalities/Diversity	N/a
Customer Impact:	N/a
Environment and Climate Change:	N/a
Consultation/Community Engagement:	N/a
Risks:	No new risks created by this report.
Officer Contact:	Phil Myers
Designation:	Financial Services Manager
Ext. No.	2810
E-mail:	Phil.myers@braintree.gov.uk

Annual Treasury Management Report 2010/11

Purpose

The Annual Report is a requirement of the Council's treasury management policy and covers the activities for 2010/11.

Introduction and Background

The Council's treasury management activities are regulated by a variety of professional codes, statutes, and related guidance. This Council has adopted the Code of Practice for Treasury Management in the Public Sector issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and operates its treasury management service in compliance with this Code.

This Annual Report covers the following matters:

- a summary of the strategy agreed for 2010/11;
- the Council's treasury position at 31 March 2011;
- a summary of the economic factors effecting activity over 2010/11;
- the treasury management activities during the year;
- risk management, including use of external advisors;
- reporting on treasury management activities; and
- treasury management training

Strategy Agreed for 2010/11

The strategy for 2010/11, including the Annual Investment Strategy, was reported and adopted by full Council on 15 February 2010 as part of the overall budget and council tax setting.

The main points of the strategy are:

- Borrowing – external debt has been reduced wherever possible in line with the Council's capital financing requirement (or CFR)¹.
- Investments – managing cash investments and the associated risks by establishing parameters and limits approved by Council.

¹ The CFR is a measure of the Council's need to borrow for capital purposes and is derived by comparing past capital expenditure measured on the Balance Sheet in property, plant, equipment and other non-current assets, less sums set aside to fund this capital – mainly reflected in the capital adjustment account (part of the Council's unusable reserves).

Treasury Position at year-end

The treasury position at the 31 March (compared with the previous year) was:

	Principal 31 Mar 2010 £'000	Principal 31 Mar 2011 £'000
Variable Interest Rate Debt (LOBO)	6,000	6,000
Other Liabilities	2,758	2,608
Total Debt and Liabilities	£8,758	£8,608
Investments (Short and long)	18,900	25,000
Cash & cash equivalents	10,150	9,760
Investments at risk	3,403	3,482
Investment Exposure	£32,453	£38,240

Variable rate debt (Lender Option, Borrower Option or LOBO debt) are market loans which contain options for the lender to vary the interest rate, subject to the Council having the option to repay without penalty. The average rate of interest paid on these loans is 4.7%.

Other Liabilities comprise the principal element of finance leases used to acquire property, vehicles and plant. These liabilities were brought "on balance sheet" after applying International Financial Reporting Standards (IFRS) to the Council's year end financial accounts.

Investments (short and long) – term deposits with financial institutions/ and UK Government, and Money Market Funds.

Cash and cash equivalents – cash held in call accounts/ with the Council's own bank

Investments at risk - amounts deposited with Icelandic Banks that are now in administration. The value stated is the outstanding estimated principal sum recoverable in future years, discounted to today's value. The actual principal amount currently expected to be recovered based on the latest information available is £4.665 million out of a total of £5 million deposits.

Economy and events in 2010/11

At the time of determining the strategy for 2010/11, interest rates were expected to remain low in response to the fragile state of the UK economy. Spending cuts and tax rises were expected to follow the General Election and outlook for growth was uncertain as consumers and corporates reigned in spending and financial institutions exercised restraint in new lending.

The economy's two headline indicators moved in opposite directions – growth was lower at 1.3% for the calendar year 2010, triggering a downward revision by the Office of Budget Responsibility to predictions for 2011, whereas inflation spiked sharply higher increasing to 4.4%. The Official Bank Base Rate was held at 0.5% as the economy reacted to the uneven growth and the austerity measures set out in the Coalition Government's Comprehensive Spending Review.

Wider afield, the US Federal Reserve maintained rates at 0.25%, and the European Central Bank held rates at 1%, albeit with markets expecting rises in the latter in early spring.

The credit crisis migrated from banks to European sovereigns, with credit rating down-grades for a number of European member states. EU Bank stress tests resulted in most banks, including the main UK banks, passing the 'adverse scenario' tests, although some doubts have been expressed as to the rigour of the tests. The tests are to be repeated in the spring of 2011.

In response to the austerity measures, and perceived 'safe-haven' status of the UK, Treasury Gilt yields fell (as demand increased). However, yields subsequently began to increase (as values dropped) as concerns turned to the possibility that inflation may become embedded thus diminishing the real rate of returns for fixed income investors. Money market rates increased over the year, particularly in the 12-month+ period on expectations that the Official Bank Base Rate would be raised later in 2011.

Interest rates during the year impacting on the Council's investment activity were as follows:

Date	Bank Rate	O/N LIBID	7-day LIBID	3-month LIBID	12-month LIBID
01/04/2010	0.50	0.35	0.35	0.51	1.26
30/04/2010	0.50	0.30	0.30	0.53	1.29
31/05/2010	0.50	0.45	0.50	0.60	1.35
30/06/2010	0.50	0.35	0.35	0.61	1.38
31/07/2010	0.50	0.40	0.40	0.71	1.46
31/08/2010	0.50	0.40	0.55	0.71	1.45
30/09/2010	0.50	0.30	0.25	0.72	1.46
31/10/2010	0.50	0.48	0.40	0.72	1.46
30/11/2010	0.50	0.40	0.51	0.72	1.46
31/12/2010	0.50	0.40	0.40	0.72	1.47
31/01/2011	0.50	0.40	0.55	0.64	1.52
28/02/2011	0.50	0.40	0.54	0.68	1.56
31/03/2011	0.50	0.30	0.50	0.80	1.58
Minimum	0.50	0.30	0.25	0.51	1.00
Average	0.50	0.39	0.43	0.67	1.44
Maximum	0.50	0.55	0.55	0.80	1.58
Spread		0.25	0.30	0.29	0.58

Treasury Management and Related Activities during 2010/11

Capital expenditure and financing – total expenditure and source of financing is shown in the table below:

	2010/11 Actual £'000s
Total Capital expenditure	6,273
Resourced by:	
Major repairs allowance for housing	(9)
Asset sales and other receipts	(4,942)
Capital grants and contributions	(1,068)
Sums set aside from revenue	(404)
Net change underlying need to borrow or CFR	(150)

The overall need to borrow reduced by £150,000 – this was due to entering into a new finance lease for sweepers increasing Other Liabilities by £227,000, offset by repayment of £377,000 of finance lease principal. The remainder of the capital programme was funded by the Council's own capital balances and reserves.

Interest paid on debt - Interest paid on the market loans was £282,000, with a further £148,000 of interest paid on finance leases.

Repayment – £377,000 was repaid on finance leases.

Borrowing outstanding at the end of year – the total amount of borrowing at the end of the year was £8.608 million comprising two £3 million market loans (at an average rate of 4.7%) and £2.608 million of finance lease liabilities brought 'on balance sheet'. The market loans are subject to six-monthly call options by the lender with the next scheduled call date being September 2011. The latest Medium Term Financial Strategy approved by Council in February 2011 assumes opportunity is taken to prematurely repay the market loans, subject to satisfactory negotiation with the lender.

Capital Financing Requirement – the CFR at the end of the year compared to the Council's net debt position is shown in the following table:

	31 March 2011 Actual
Capital Financing Requirement	£0.72m
Net <u>investment</u> position (debt less investment)	£29.6m

The Council complies with the requirement that net borrowing should not exceed the CFR for 2010/11

Borrowing against Limits Set – actual borrowing against limits set by Council was as follows:

	2010/11
Original Indicator - Authorised Limit	£15.0m
Original Indicator - Operational Boundary	£6.0m
Maximum gross borrowing position during the year	£8.985m
Average gross borrowing position during the year	£8.683m
Minimum gross borrowing position during the year	£8.608m

The Authorised Limit is the "Affordable Borrowing Limit" required to be set by Section 3 of the Local Government Act 2003. The table demonstrates that during 2010/11 the Council has maintained gross borrowing within its Authorised Limit.

The Operational Boundary is the expected borrowing position of the Council during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached. During the year borrowing increased above the operational limit solely due to the recognition of liabilities under the IFRS rules for assets previously acquired on leases which had originally been "off balance sheet".

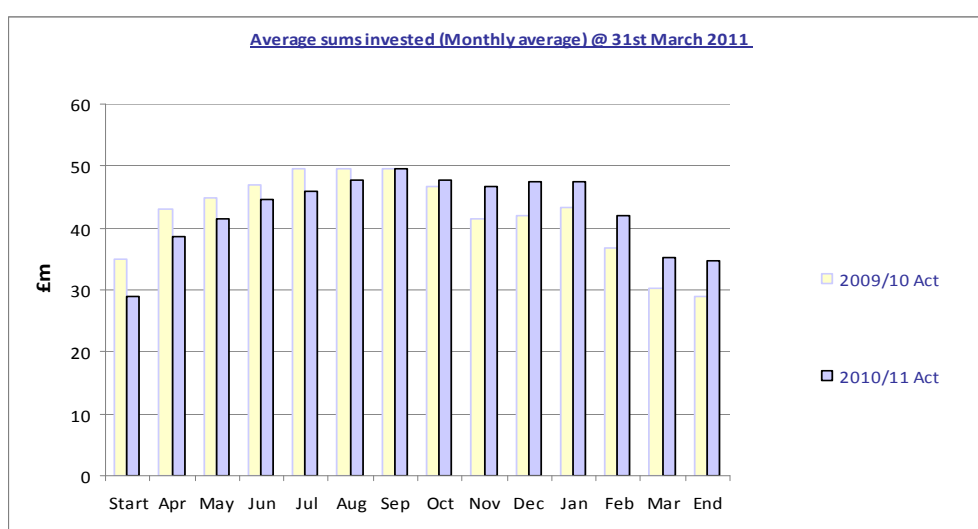
Investment Policy – The Council’s investment policy remained tight with counterparties restricted to only a few select UK banks that have relatively high credit ratings; Money Market Funds (MMF); the UK Debt Management Office; and the Council’s own bank.

During the year accounts with three Money Market Funds, which provide a simple and effective way of spreading counterparty exposure, were set-up, including: the Royal Bank of Scotland Sterling Liquidity Fund, Ignis Asset Management, and Henderson Global Investors – the latter fund has since been merged with the Deutsche Managed Sterling Fund. Whilst the Council still has an account with the Goldman Sachs MMF active investment in this Fund ceased in response to negative coverage of this institution – this position is being kept under review.

In light of circumstances in Spain the duration limits for Santander UK are currently restricted to 6 months (albeit an increase from a tighter limit imposed during the year of one month whilst the Spanish position was being assessed). This has been a precautionary measure, however, whilst Santander UK is a wholly owned subsidiary of the Spanish banking group of Banco Santander, it is a UK incorporated bank with its own banking licence and remains a UK authorised institution.

As investment balances were higher than anticipated, and lending policy remained tight, greater use of the UK Debt Management Office Account has been necessary during the year, which whilst offering the security of the UK Government, inevitably earns a low interest rate, typically 0.25%.

Cash balances for investment - Funds actively managed included all ‘core’ cash held for medium-longer term purposes, as well as cash required to maintain short-term liquidity. The average balance of cash invested over the year was £44.6m, a slight increase from the previous year of £43.7 million. Cash balances for investment peaked at £52.4 million, reducing to £34.76 million by the end of the year.



Investment Return and Interest - The return on investment was a combination of contractual investments made in previous years and re-investment of maturing investments. The actual return achieved for the year was 1.43%, secured as follows:

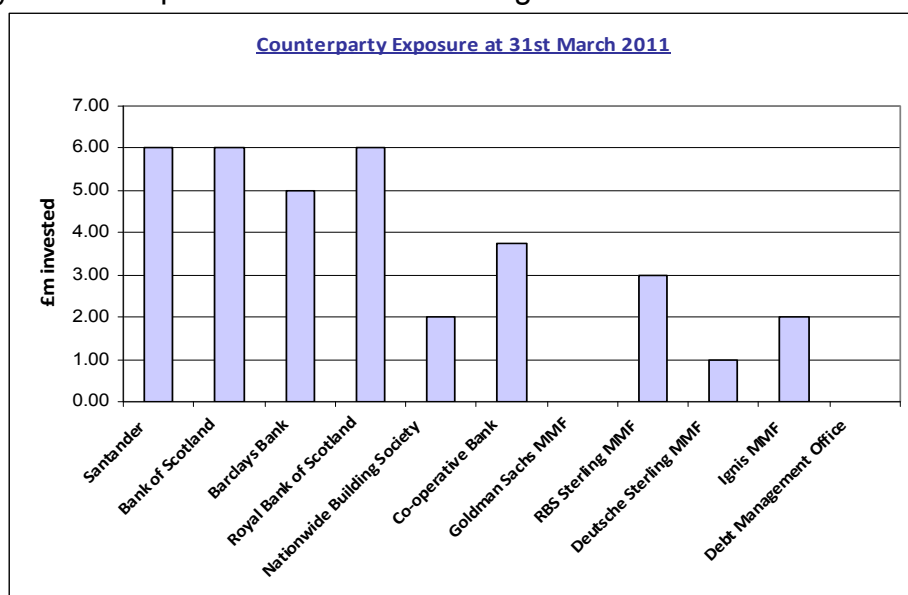
<u>Interest secured:</u>	<u>Average balance</u>	<u>Return</u>	<u>Interest</u>
Investments prior to start of the year	£11,046,575	3.04%	£335,527
Investments made in-year	£33,541,255	0.90%	£303,646
Total Secured 2010/11	£44,587,830	1.43%	£639,173

The overall interest of £639,173 was less than originally budgeted and was attributed to the following Council funds:

Fund	Budget 2010/11 £	Outturn £	Variance £
General Fund	£512,200	£452,257	-£59,943
Housing Revenue	£237,600	£178,516	-£59,084
S106 Funds	£12,200	£8,400	-£3,800
Total	£762,000	£639,173	-£122,827

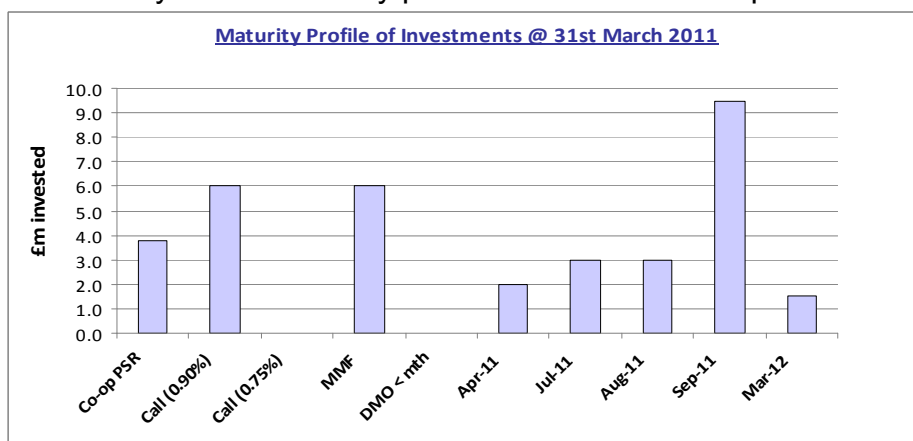
The shortfall on the General Fund was made up by drawing down on the Treasury Management reserve.

Investment Portfolio at the end of the year – The Council's investments at the end of the year were spread across the following institutions/ Funds:



Investment Periods - Deposits were generally made for varying periods (up to a maximum one year), and where possible investments were placed on a rolling annual basis in order to secure value from the higher interest rates on offer. A number of call/ short notice accounts were maintained where interest paid equated to around the 3-6 month term deposit rate, but had the advantage of being highly liquid.

At the end of the year the maturity profile of the investment portfolio was as follows:



Credit Risk – Credit risk is assessed through the credit rating of institutions with which investments are placed – this has been weighted in terms of both the value of investments placed with an institution and the duration with which an investment has been placed. The following table shows the quarter end position for the Council’s investments:

Date	Amount at quarter end (excluding investments at risk)	Value Weighted Average Credit Rating	Time Weighted Average Credit Rating	Average life of portfolio (days)
31/03/2010	£29.05m	AA-	AA-	150
30/06/2010	£44.81m	AA-	AA-	94
30/09/2010	£48.97m	AA-	AA-	101
31/12/2010	£47.47m	AA-	AA-	61
31/03/2011	£34.76m	AA+	AA-	82

The table shows the Council’s investments have consistently averaged the ‘double-A’ long-term credit rating category or “very high credit quality”²

Investments at risk

During the year the Council recovered £180,000 of principal plus £5,194 interest from its deposit with Kaupthing Singer and Friedlander taking the total recovered by the end of the year to £545,293 out of a total claim of £1.029 million. The latest estimate provided by the Administrator of total recovery for creditors is in the range of between 78p and 86p in the £.

Claims of the Council in two other banks subject to winding-up procedures, i.e. Landsbanki Island hf and Glitnir hf, are dependent upon the outcome of a number of test cases to be heard later this year by the Icelandic Supreme Court following the decision by the District Court to grant UK local authority claims priority in the distribution of assets. Whilst this decision is being appealed the distribution of assets is on hold. If priority status is upheld then the latest estimate is for the Council to recover around 96p in the £ out of total claims of £4.252 million against the two banks. If the District Court decision is overturned the recovery rate could reduce to around 36p in the £ on the basis of latest information.

Costs incurred to date on pursuing joint legal action with other affected UK local authorities amounts to £25,630.69, which has been met from the Treasury Management reserve.

In the 2010/11 Final Accounts an impairment charge has been made to the revenue account amounting to £762,932 in respect of these investments. This amount reflects the future cash flows expected to the Council (discounted to today’s value) compared to the current Balance Sheet carrying amount. Under a direction issued by the Secretary of State for Communities and Local Government this amount has been financed from capital resources.

Risk Management

The Council has complied with all of the relevant statutory and regulatory

² Fitch rating agency definition

requirements, which aims to limit the levels of risk associated with its treasury management activities.

The Council is now monitoring a range of creditworthiness information (provided via Arlingclose) for assessing suitable investment counterparties and associated limits, including; information on Credit Default Swaps, sovereign Gross Domestic Product (GDP), sovereign net debt, sovereign support mechanisms and/or other potential support to institutions from a well-resourced parent, and bank share prices.

Whilst information is provided periodically to the Council, Arlingclose monitor the information via Bloomberg and will, where appropriate, provide immediate updates, along with their advice on what action is recommended the Council should take.

A treasury management reserve has been maintained to reduce the impact on the revenue account from variances to interest income against budget, and to meet costs associated with recovery of deposits at risk. The balance on the reserve at 31 March 2011 was £83,506, after drawing down a total of £76,021 in the year.

Use of Treasury Management Advisors

The Council continued to employ Arlingclose Limited to provide on-going treasury management advice, including investment counterparty information. This advice is separate to the services of brokers which the Council occasionally uses to transact money market investments.

Reporting on Treasury Management Activities

Reporting on treasury management activities for year took various forms:

- The Council received an annual strategy and plan in advance of the year
- Monthly performance returns to Finance Senior Management and the Cabinet Member for Efficiency and Resources and his deputies;
- The Council's quarterly performance report includes treasury management related information;
- A suite of key financial indicators have been monitored by the Audit Committee, which includes details of treasury management activities;
- The Statement of Accounts includes comprehensive disclosures of the Council's treasury position and management of inherent risks.
- Updates on the Medium Term Financial Strategy have incorporated significant updates to the treasury management strategy or activities.
- Scrutiny of the treasury management strategy and policies has been carried out by the Audit Committee.
- A mid-year report to Council
- An Annual report to Council

Treasury Management Training

Under the CIPFA revised Code the Corporate Director should ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Following the election of a new Council and appointments to committees the Corporate Director shall consider the future training needs of members regarding the treasury management function. Senior finance officers have a professional responsibility to ensure that they are

aware of, and apply the relevant CIPFA Codes and CLG Guidance covering the treasury management function. In addition, all are subject to mandatory continuing professional development requirements.

Through the services of the external treasury advisor the Council has had access to regular training events and workshops covering a variety of treasury management and related matters. These events continue to provide opportunity to network with other local authorities and share best practice.

Strategic Risk Management		Agenda No:8b
Corporate Priority: We deliver excellent, cost effective and valued services Portfolio Area: Efficiency and Resources Report presented by: Councillor John O'Reilly-Cicconi Report prepared by: Trevor Wilson, Head of Finance		
Background Papers: Risk Policy, Strategy and Implementation Plan – Council 19 th April 2006.		Public Report
Options: To agree, add to or amend the strategic risks identified in the report.		Key Decision: NO
Executive Summary: The report provides members with details of the Council's Strategic Risk register. Strategic Risks have been updated following the review of the register by Management Board and Members on Thursday, 14 th July 2011. The meeting was open to all Members of the Council. The number of strategic risks identified is sixteen, of these the number requiring active management, as determined by their assessed risk rating, is thirteen. No new risk has been added since the last review was undertaken on 1 st November 2010. The action plans for managing each of the thirteen risks are owned and maintained by members of the Management Board. These will be reported to the Audit Committee on 29 th September 2011.		
Decision: Members are asked to agree the updated schedule of strategic risks and refer it to Audit Committee for regular monitoring.		
Purpose of Decision: To demonstrate that the Council regularly identifies the strategic risks, which may affect the achievement of its objectives, and actively manages them, as appropriate.		

Any Corporate implications in relation to the following should be explained in detail

Financial:	Not Applicable
Legal:	Not Applicable
Equalities/Diversity	Not Applicable
Customer Impact:	Not Applicable
Environment and Climate Change:	Not Applicable
Consultation/Community Engagement:	Updated risk register was presented to a meeting of members on 14 th July 2011.
Risks:	Subject matter of report.
Officer Contact:	Trevor Wilson
Designation:	Head of Finance
Ext. No.	2801
E-mail:	trevor.wilson@braintree.gov.uk

Strategic Risks

A register of strategic risks i.e. those risks that may affect the ability of the Council to achieve its objectives, was established in December 2003.

Management Board has ensured that the risk register continues to be current by regularly reviewing and updating the strategic risks. The latest review was undertaken in conjunction with Cabinet members and their deputies on 14th July 2011. The update was presented to a meeting open to all Members of the Council held later that same day.

The review included an update on the sixteen strategic risks on the register from the last review in November 2010. The result is an updated register still containing sixteen strategic risks, of which thirteen (previously twelve) are above the Risk Tolerance Line (see Appendix A) and therefore require active management by the Management Board.

A summary of the changes to the risk ratings is shown in the table below:

Risk Rating	November 2010	July 2011
B2 (<i>High likelihood/Critical impact</i>)	1	0
C2 (<i>Significant likelihood/ Critical impact</i>)	11	13
D2 (<i>Low likelihood/ Critical impact</i>)	2	2
D3 (<i>Low likelihood/ Marginal impact</i>)	1	1
E3 (<i>Very low likelihood/ Marginal impact</i>)	1	0
Total number of risks on strategic register	16	16

Details of the risks are provided at Appendix B.

A member of the Management Board is assigned responsibility for each strategic risk; however, the risks rated C2 are above the Risk Tolerance and as such require action planning and management over and above existing controls. This involves establishing a Management Action Plan, which assesses the adequacy of existing actions in place and the need for further action in order to move the risk to below the tolerance line. The plan also identifies responsibility for actions and key review dates. The Management Action Plans are currently being updated for the revised risks; details of these plans will be presented to the Audit committee at its meeting on 29th September 2011.

Medium-Term Financial Strategy 2011/12 to 2014/15 Update		Agenda No: 8C
Corporate Priority: We deliver excellent, cost effective and valued services Portfolio Area: Efficiency and Resources Report presented by: Councillor Chris Siddall Report prepared by: Trevor Wilson, Head of Finance		
Background Papers: Council Budget and Council Tax 2011/12 (including Medium-Term Financial Strategy) report to Cabinet 14 th February 2011 and Full Council 23 rd February 2011.		Public Report
Options:		Key Decision: No
Executive Summary: The Medium-Term Financial Strategy (MTFS) 2011/12 to 2014/15 was agreed by Full Council on 23 rd February 2011. The Council's finances were balanced and the budget strategy achieved by the identification of service and service units for savings and efficiencies, which total £4.986million over the four-year period. As work commences on the development of the budget for 2012/13 and rolling the MTFS period forward to 2012/13 to 2015/16, this report provides an initial update on the following areas: <ul style="list-style-type: none"> • expenditure and income in the current year against the agreed budget, using actual data for the first quarter to predict the outturn for the year; • achievement of the savings and efficiencies planned for 2011/12; • details of pressures which may increase cost or reduce income in the current year; • assumptions made for 2012/13 to 2014/15, including pay and prices inflation, interest rates, specific grants receivable, council tax collection fund, etc.; • potential impact in the short to medium term of a number of issues which are currently the subject of consultations by the Government and Essex CC; and • progress with the delivery of the capital programme and an update on capital resources and finally to establish and agree the budget process and consultation timetable between now and the council tax and budget setting meeting of the Full Council on 15 th February 2012.		

The results indicate that:

- A positive variance of £582,190 is predicted for the General Fund budget in the current year. The main contributory factors are: income from the sale of dry recyclates and the achievement of a number of the efficiency savings earlier than planned;
- The majority of the £2.17million of planned efficiency savings for 2011/12 have or will be delivered;
- The predicted General Fund balance as at 31st March 2012 is £3.234million;
- The new Agency Workers Directive comes into force on 1st October 2011, work is in progress to assess the impact on the Council, particularly the Operations department which regularly employs a number of agency workers throughout the year to provide cover for absences (sickness, leave, vacancies, etc);
- The reviews of the potential efficiency savings for 2012/13 and of the current assumptions in the MTFS result in the following changes to the financial profile:

Net additional cost of £9,930 for 2012/13;
Net additional savings of £111,460 for 2013/14; and
Net additional cost of £147,150 for 2014/15

- A review of the Council Tax Collection Fund indicates a deficit on the Fund for 2011/12 which will need to be recovered in 2012/13. The estimated amount of the deficit for this Council is £32,500.
- The current MTFS provides for the transfer of the current Housing Revenue Account (HRA) budgets to the General Fund in 2012/13, as a result of the closure of the HRA on 31st March 2012;
- The predicted Housing Revenue Account balance as at 31st March 2012 is £4.5million. This balance will transfer to the General Fund on 1st April 2012.
- The changes to the General Fund financial profile provide the following positions:

Savings to be identified or balances used of £42,430 in 2012/13;
Addition to balances of £143,960 in 2013/14; and
Savings to be identified or balances used of £147,150 in 2014/15

Figures for 2015/16 will be determined during the budget setting process over the coming months.

The report provides brief details of the following consultation documents, which could have significant impact (positive and negative) on the Council from 2013 onwards:

- Business Rates retention;
- Localising support for Council Tax in England;
- Welfare Reform including the Universal Credit and Housing Benefit Fraud service; and
- Second Homes Discount – income sharing arrangement between Essex County Council and Essex district/borough councils.

Reference is also made to discussions which are to be held during August/September 2011 between the Department for Communities and Local Government and the Local Government Group on the Local Government Pension Scheme.

The update on the Capital Programme and Capital Resources indicates that there is a balance of £4.31million of resources available for 2012/13 and 2013/14 with a further £2.14million available to fund capital projects in 2014/15. Demands for capital funding are likely to exceed resources with the following demands anticipated to be developed over the coming months of the budget process:

- Works to the Council's assets to ensure they continue to be fit for purpose;
- Works to the Council's leisure facilities at a time of letting the new leisure management contract;
- Home improvement grants;
- Affordable housing projects;
- Provision of properties to the rear of 19/21 Bocking End, Braintree;
- Town centres enhancement strategy – programme of improvements over the next three years;
- Disabled adaptations; and
- Projects to support new development in the district.

Finally, a timetable is proposed for the budget process and consultation between now and the council tax and budget setting meeting of the Full Council on 15th February 2012.

Decision:

Members are requested to:

- a) agree the revised assumptions, as detailed in Appendices A and C to the report, which are incorporated in the Council's updated medium-term financial profile for the period 2012/13 to 2014/15 (Appendix D);
- b) agree the proposed changes to staff terms and conditions, as detailed in Appendix B, to take effect from 1st January 2012 following all staff being given 90 days notice of the changes;
- c) agree a provision of £200,000 for disabled adaptations be included in the 2011/12 Capital Programme;
- d) agree the budget process and consultation timetable for 2012/13, as detailed in Appendix G to the report;
- e) note that the Council is to enter into an arrangement with Colchester BC to share its HR/Payroll system; and
- f) note receipt of the consultation documents: 'Business Rates Retention' and 'Localising support for Council Tax in England' issued by the Government and that responses will be agreed and submitted by the Cabinet Member for Efficiency and Resources.

Purpose of Decision:

Good governance arrangements through the proactive management of the Council's finances over the short and medium term.

Any Corporate implications in relation to the following should be explained in detail

Financial:	Identified in report
Legal:	None at this stage.
Equalities/Diversity	None at this stage.
Customer Impact:	None at this stage.
Environment and Climate Change:	None at this stage.
Consultation/Community Engagement:	Identified in the report
Risks:	The assumptions made prove to be incorrect resulting in either an increase or reduction in the savings required.
Officer Contact:	Trevor Wilson
Designation:	Head of Finance
Ext. No.	2801
E-mail:	Trevor.wilson@braintree.gov.uk

1. Background

The Council's budget strategy is to:

- be a low council tax rate authority;
- have plans to deliver a balanced budget over the four-year period of the Medium-Term Financial Strategy (MTFS); and
- maintain a minimum level of unallocated balances of £1.5million

Achievement of this strategy for the MTFS 2011/12 to 2014/15 was particularly challenging as:

- the funding received from Government is anticipated to be significantly reduced (by £2.794million or 33.3%) over the four-year period. The reduction of public expenditure being the key element of the Government's approach to addressing the high level of national debt;
- allowing for inflationary increases in costs at an estimated cost of £2.057million over the four-year period;
- freezing council tax at the 2010/11 level for 2011/12 and 2012/13. Whilst there is a desire to extend the freeze for a further two years an increase of 2.5% has been assumed for 2013/14 and 2014/15; and
- with a focus on delivery of the Council's Corporate Strategy and key objectives. A total of £1.358million over the four-year period was allocated for key areas such as economic development, Green Heart of Essex campaign, services for the elderly, enforcement and a provision for specialist advice to assist in the renewal of the Council's two largest contracts, ICT and Leisure Management. The majority of this is one-off expenditure and is planned to be funded from the General Fund balance.

The Council's finances were balanced and the budget strategy achieved by the identification of service and service units for savings and efficiencies, which total £4.986million over the four-year period.

The Medium-Term Financial Strategy 2011/12 to 2014/15 was agreed by Full Council on 23rd February 2011.

As work commences on developing the budget for 2012/13 and rolling the MTFS period forward to 2012/13 to 2015/16, it is appropriate at this time to review the following:

- expenditure and income in the current year against the agreed budget, using actual data for the first quarter to predict the outturn for the year;
- achievement of the savings and efficiencies planned for 2011/12;
- details of any pressures which may increase cost or reduce income in the current year;
- assumptions made for 2012/13 to 2014/15, including pay and prices inflation, interest rates, specific grants receivable, council tax collection fund, etc.;
- potential impact in the short to medium term of a number of issues which are currently the subject of consultations by the Government and Essex CC; and
- progress with the delivery of the capital programme and an update on capital resources

and finally to establish and agree the budget process and consultation timetable between now and the council tax and budget setting meeting of the Full Council on

15th February 2012.

2. Financial Update 2011/12

2.1 First Quarter and predicted Financial Outturn for 2011/12

Service managers have reviewed the monies expended and received during the first quarter ended 30th June 2011 on the services for which they are responsible and have used this information to predict the outturn position for the year.

The outcome is a predicted underspend for the year of £582,190, this is after allowing for the achievement of the efficiency factor, of £ 232,910, included within the budget but before agreement to meet additional costs (£130,000) of holding Mayland House vacant for longer than originally planned.

The main reasons for the variance are:

- Refuse and Recycling: Payments are now received rather than made for recycling materials delivered to external material recycling facilities. Income of £205,480 is anticipated; recycling credits higher by £54,620; trade waste and special collections income higher at £25,000; and a forecast saving on recycling sacks of £32,200;
- A higher level of income anticipated for: car parking charges (£79,000) and local land charges (£33,000);
- Development related income, i.e. development control and building control fees, is expected to continue at the level achieved in 2010/11, this results in shortfalls against budget of £154,000 and £55,000 respectively;
- Income from charges for cemeteries and pest control services are also anticipated to be lower than budget, by £18,500 and £19,000 respectively;
- A number of the saving and efficiency proposals, in Finance, Business Solutions and Corporate Management, have been delivered earlier than originally planned. These produce a total underspend of £241,740, this is a one-off position in 2011/12 as the budgets are already planned to reduce in 2012/13;

More details of the predicted outturn for 2011/12 are contained in the Quarterly Performance report, included as a separate item on the agenda for this meeting.

In addition to the variances outlined above the Council received VAT and tax refunds (including statutory interest) totalling £246,200 during the first quarter.

Taking into account the above variances the predicted General Fund balance as at 31st March 2012 is £3.234million.

2.2 Planned Savings and Efficiencies 2011/12

A total of £2.17million of savings and efficiencies were included in the budget for 2011/12. The majority of which have been delivered and some, as mentioned above, have been delivered earlier than planned. Proposals which will not be delivered as originally planned are:

- income from the rental of the top floor of Causeway House by Essex CC will now commence in 2012/13, with a phased increase over three years: £200,000- £250,000-£280,000;

- the Pest Control service is not expected to achieve the additional income target as originally planned; and
- The Council is to enter into an arrangement with Colchester BC to share its HR/Payroll system. The system will be implemented by 31st March 2012, but the planned annual savings, of £20,000, will not be achieved until 2012/13.

2.3 Budget changes made during year to-date

Since the budget for 2011/12 was set in February 2011, members have agreed the following additional items:

- An additional sum of £250,000 be allocated from the General Fund balance to the Enterprising Communities Fund, making a total available in the fund of £500,000 (Cabinet 9th June 2011);
- An additional provision, of £130,000, to meet running costs of Mayland House, Witham in 2011/12 (Cabinet 18th July 2011). This will be met from the anticipated positive variance on the outturn for 2011/12;

2.4 Issues to be addressed during year

Agency Workers Directive

The Agency Workers Directive will be implemented in the UK on 1 October 2011 through the Agency Workers Regulations 2010. The purpose of the Directive is to provide temporary agency workers with equal treatment in terms of basic working and employment conditions as if they had been employed directly to do the same job.

The Council currently employs a number of agency staff on a regular basis to provide cover for sickness absence, vacancies and holidays in the Operations department. The implications of meeting the new Regulations are currently being assessed. Consideration is being given to alternative approaches to ensure the necessary level of cover is available when required. The assessment will include the additional costs for each of the alternative options.

Apportioned Expenses

A fundamental review of the methodology used to apportion support costs to services is to be undertaken during the autumn 2011. This has not been reviewed for a number of years and is particularly important following the number of changes which have been made to how some services are delivered and structured.

The outcome of the review is expected to impact on the net cost of services, with the net cost of some services increasing whilst others decrease.

The revised methodologies will be used for the current year's financial outturn and for the setting of the 2012/13 budget.

3. Finance Profile 2012/13 to 2015/16 – Assumptions Update

3.1 An initial high level review of the various assumptions in the current medium-term financial profile has been undertaken. A schedule of the revised assumptions is provided at Appendix A.

3.2 Provisional Savings for 2012/13 to 2014/15

The MTFS 2011/12 to 2014/15 identifies provisional savings for 2012/13 to 2014/15 and referred to, but does not take account of, a schedule of possible further savings which may be achieved through shared services, market testing and other efficiencies.

These savings are summarised as follows:

	2012/13 £	2013/14 £	2014/15 £
Provisional Savings (included in financial profile)	1,349,290	840,220	626,670
Possible Savings (not included in financial profile)	420,000	440,000	90,000

A review of the provisional and possible savings conducted with senior managers identifies that the majority of provisional savings for 2012/13 have either been achieved earlier than anticipated or will be achieved in the year but the following issues have been identified:

- An allowance of £64,900 per annum is included from 2012/13 in anticipation of the Council's discretionary fees and charges, excluding car parking, being reviewed and increased by an average of 2% p.a.;
- The initial review of Community Transport has identified that a saving of £15,000 will be made in 2012/13, the provisional saving target was £30,000;
- Initial results of the joint procurement exercise for ICT services, currently in progress with Castle Point, Colchester and Rochford councils, will be known in September 2011 however the cost of the service will not be agreed until the due diligence exercise has been concluded by the successful tenderer;
- A provisional saving of £300,000 in 2013/14 is assumed from a new leisure management contract (commencing in September 2012) and operation of the new Leisure facility in Witham (opens in spring 2013). The amount and the timing of the saving will be determined as the relevant processes are progressed over the next 9 months;
- A provision for savings (£90,000) is anticipated from a joint regulatory service with Essex County Council and Brentwood Borough Council in 2012/13. Whilst discussions and the development of a business plan are ongoing it is not expected that the savings will either be achieved in a single year or at the level originally estimated. It is proposed that the savings be revised to £25,000 for 2012/13 with an additional £25,000 in 2013/14;
- Proposed changes to a number of the conditions of service of staff, including overtime rates, casual car mileage rates, leased car contributions and entitlement criteria and car parking charges at Causeway House have been subject of consultation with staff and the recognised unions (GMB and Unison). Summarised results from the consultation together with revised proposals were reported to Management Board. A copy of the report and the details of the revised proposals are provided at Appendix B. It is predicted that the proposals will achieve the potential savings identified but those from the changes to the leased car scheme will accrue six months later than originally planned, therefore the saving in 2012/13 will be £11,000;
- Provisional savings of £63,390 p.a. in both 2012/13 and 2013/14 were anticipated from reviews of administrative and support systems across the

Council. Whilst the reviews will be undertaken, these provisional savings need to be removed to ensure that there is no duplication as the savings identified will be shown against the appropriate service;

- Corporate and service management savings of £238,500 are included in 2012/13. A number of changes have already been implemented in the current year which will achieve a proportion of these savings. The Chief Executive will present a report outlining proposals to achieve the balance of the savings to Cabinet in due course.

3.3 Possible Savings

Possible efficiency savings totalling nearly £1million were not included in the MTFS financial profile but were retained as efficiency targets. Work has been commenced in a number of areas:

- Operations – The service is participating in two joint procurement exercises with a number of other councils in Essex to reduce vehicle maintenance costs and costs of disposing of street sweeping arising. Both exercises are in early stages and it is not appropriate therefore to pre-empt potential savings at this time. In addition it is planned to undertake a market testing exercise of the Grounds Maintenance service ; and
- Support services (Finance, Legal and HR) – initial discussions with relevant senior managers indicate that the efficiency savings target of £50,000 will be achieved in 2012/13.

Whilst there are no definitive plans for efficiency savings in the other service areas at this time, work will continue to identify efficiencies but the targets will continue to be excluded from the updated MTFS financial profile.

3.4 Housing Revenue Account

The Council agreed to keep its Housing Revenue Account open until the entitlement to Housing Subsidy ceases. As 2011/12 is the final year in which Housing Subsidy will be received an initial request has been submitted to the Secretary of State for permission to close the Council's Housing Revenue Account on 31st March 2012.

This means that the income and expenditure on the small number of properties, consisting of 41 units, together with a property leased from the Trustees of the Braintree & Bocking Recreation Ground and a number of areas of amenity land, allotments and playing fields will be accounted for under the General Fund. The current net budget of £15,000 is required to provide for this expenditure and income.

The other costs and income currently in the HRA, i.e. recharges from the General Fund and interest on HRA balance, are already provided for in the current MTFS financial profile.

The Housing Revenue Account balance, estimated to be £4.5million as at 31st March 2012, will be incorporated with the General Fund balance on 1st April 2012.

3.5 Updated General Fund Financial Profile 2012/13 to 2014/15

A summary of the proposed changes to the MTFS financial profile, as outlined in the sections above, is provided at Appendix C. This shows that only a small net addition, of £9,930, is required to be added to the 2012/13 budget; a net saving of £111,460 is made to the 2013/14 budget; and a net addition of £147,150 is required to be added

to the 2014/15 budget.

Figures for 2015/16 will be determined during the budget setting process over the coming months.

An update of the General Fund financial profile 2012/13 to 2014/15 is provided at Appendix D. The overall position for each of the three years is:

- 2012/13 – further savings or use of balances of £42,430 are required. This includes the anticipated loss on the Council Tax Collection Fund of £32,500;
- 2013/14 – no additional savings are required, as £143,960 is available to be added to balances ; and
- 2014/15 – further savings of £147,150 are required.

4. Issues currently subject to Consultation

On 17th March 2011 the Secretary of State for Communities and Local Government announced that he was setting up a review of local government resources. The aim of the review is to consider how the Government can ‘recast the distribution of business rates and Formula Grant to deliver a more effective income stream for councils’.

‘The focus will be to free up as many local authorities as possible from dependency on central government funding, as well as develop better incentives for local authorities to promote economic growth in their areas and to benefit financially from that growth. The first phase of the Review will deliver proposals for reform by July 2011’.

The terms of reference for the Local Government Resource Review are:

- to build into the local government finance system an incentive for local authorities to promote local growth over the long term;
- to reduce local authorities’ dependency upon central government, by producing as many self sufficient authorities as possible;
- to maintain a degree of redistribution of resources to ensure that authorities with high need and low tax bases are still able to meet the needs of their areas; and
- protection for businesses and specifically, no increases in locally-imposed taxation without the agreement of local businesses.

4.1 Business Rates Retention

The Department for Communities and Local Government issued the consultation document ‘Local Government Resource Review: Proposal for Business Rates Retention’ on 18th July 2011.

The consultation period runs until 24th October 2011 and the Government aims to introduce the proposals from April 2013.

There are seven core components to the proposals which have been developed to:

- ensure a fair starting point for all local authorities;

- deliver a strong growth incentive where all authorities can benefit from increases in their business growth and from hosting renewable energy projects;
- include a check on disproportionate benefits;
- ensure sufficient stability in the system; and
- include an ability to reset in the future to ensure levels of need are met.

The seven core components to the proposals are as follows:

1. Setting the baseline.
2. Setting the tariffs and top ups.
3. The incentive effect.
4. A levy recouping a share of disproportionate benefit.
5. Adjusting for revaluation
6. Resetting the system.
7. Pooling.

The consultation document includes 33 questions that the Government is asking for responses to.

No attempt has been made to respond to these questions at this stage as the Government is intending to issue eight technical papers covering a number of different areas during August.

A response to the proposals will be made on behalf of the Council by the Cabinet member for Efficiency and Resources.

The Council is expecting to collect and pay into the National Business Rates pool the sum of £37.6million in 2011/12. The amount the Council is to receive back from the pool as part of the Formula Grant settlement in 2011/12 is £5.9million.

In basic terms the Government's proposal is for those authorities like Braintree which collect more business rates than they receive in Formula Grant to retain, from 2013/14, business rates equal to the assessed Formula Grant (£6.248million assumed in MTFS for 2013/14). The excess over and above this amount, based on the current number of businesses in the district, will be paid into the business rates pool. Additional business rates collected, through increases in the number of businesses above the current number, will be retained for councils. The additional amount collected will then be split between Essex County Council and this Council. It should be noted however that if businesses fail, reducing the amount of business rates collected, the reduction will also be split between Essex County Council and this Council.

4.2 Localising Support for Council Tax in England

At Spending Review 2010 the Government announced that it would localise support for council tax from 2013-14, reducing expenditure by 10 per cent.

The Department for Communities and Local Government issued the consultation document 'Localising Support for Council Tax in England' on 2nd August 2011.

The consultation period runs until 14th October 2011 and the Government aims to introduce the proposals from April 2013.

The consultation document sets out proposals on key elements of a framework for

local support for council tax. The framework will be established in a local government finance bill to be introduced in this Parliamentary session, and in regulations. The Government will maintain an ongoing dialogue with local government on the developing detail of the scheme, and intends to consult on the draft regulations.

It is intended that local authorities will establish their own local schemes by April 2013.

The Government is proposing that the following principles underpin the local schemes:

- Local authorities to have a duty to run a scheme to provide support for council tax in their area.
- For pensioners there should be no change in the current level of awards, as a result of this reform.
- Local authorities should also consider ensuring support for other vulnerable groups.
- Local schemes should support work incentives, and in particular avoid disincentives to move into work

Currently, funding for Council Tax Benefit is paid to local authorities as a reimbursement of their expenditure according to nationally-set criteria by the Department for Work and Pensions.

In future the funding to be distributed to local authorities will be cash limited and will be paid from the Department for Communities and Local Government as a grant. The amount to be made available will be reduced by 10 per cent.

Housing benefit/council tax benefit administration subsidy is a targeted Department for Work and Pensions specific grant paid to local authorities to help meet the cost of administering housing benefit/council tax benefit.

Individual allocations to local authorities are calculated annually based on a formula that is responsive to caseload. The funding contribution for the council tax benefit element is not disaggregated from the total housing benefit/council tax benefit subsidy given to local authorities.

Changes to both housing benefit (see Universal Credit, below) and support for council tax will have implications for their administration. The Government does not intend the administration of local schemes to put pressure on local government finances, in line with the new burdens doctrine. The Government is therefore proposing to work with local authorities to assess the net impact of housing benefit centralisation and localisation of support for council tax, including the transitional costs of moving to the new arrangements.

The consultation document includes 45 questions that the Government is asking for responses to.

A response to the proposals will be made on behalf of the Council by the Cabinet member for Efficiency and Resources.

The budget for council tax benefit in 2011/12 is £9.81million. The desired outcome of the Government's proposal of reducing expenditure by 10% would mean a reduction in benefit awarded under the Council's local scheme or the Council meeting the shortfall against grant received of £981,000 or a mix between these two.

The Council has been allocated £1.095million in Housing and Council Tax Benefit Administration Subsidy in 2011/12, payable by the Department for Work and Pensions. The current MTFS anticipates that this Subsidy will reduce by £100,560 in 2012/13. With the proposed changes to a local scheme for council tax benefits and the transfer of the housing benefit scheme to the Universal Credit, the amount of administrative costs and the subsidy receivable will reduce. The net effect of the reductions will not be known until the details of the proposals are determined and agreed.

4.3 Welfare Reform including Universal Credit

The White Paper “Universal Credit: welfare that works”, published on 11 November 2010, sets out the Coalition Government’s plans to introduce legislation to reform the welfare system by creating a new Universal Credit.

On 16 February 2011 the Welfare Reform Bill was introduced to Parliament. The main elements of the Bill which will impact on local authorities are:

- the introduction of Universal Credit to provide a single streamlined benefit; and
- a stronger approach to reducing fraud and error with tougher penalties for the most serious offences.

Universal Credit

The new Universal Credit will be an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work, replacing Working Tax Credit, Child Tax Credit, Income Support, income-based Jobseeker’s Allowance, income-related Employment and Support Allowance and Housing Benefit, the latter being administered by local authorities.

The Government’s intention is for a phased approach to the introduction of Universal Credit with the first individuals expected to enter the new system from 2013, followed by the gradual closure of existing benefits and Tax Credits claims and their transfer to the new system, with full implementation planned to be completed by 2017.

The Universal Credit is currently planned to be administered at a national level.

The budget for housing benefit in 2011/12 is £40.667million.

Further details of the proposals are awaited.

Housing Benefit Fraud service

With regard to the stronger approach to reducing fraud and error the Government proposes the creation of a single integrated fraud investigation service with statutory powers to investigate and sanction all benefit and tax credit offences which will combine relevant resources across local authorities, HMRC and DWP.

The service will operate from 2013 and will investigate Universal Credit fraud as well as legacy benefit and Tax Credit offences.

Further details of the proposals are awaited.

4.4 Local Government Pension Scheme

On 19th July 2011, the Chief Secretary to the Treasury issued a written Ministerial Statement to the House of Commons providing an update on Public Services Pensions. The statement included the following paragraph:

‘The Government remains committed to securing the full Spending Review savings of £2.3bn in 2013-14 and £2.8bn in 2014-15, requiring each scheme to find savings equivalent to a 3.2 percentage point increase. Scheme specific discussions will make proposals on how these savings are achieved and will be required to make proposals by the end of October this year. For Local Government, the Government recognises that the funded nature of the scheme puts it in a different position and will discuss whether there are alternative ways to deliver some or all of the savings’.

Details of the proposed process for the discussions referred to in the statement have been received in a letter to the Chief Executive from the Department for Communities and Local Government, dated 28th July 2011. A copy of the letter is attached at Appendix E.

4.5 Second Homes Discount – income sharing arrangement with Essex CC

At the meeting of Essex Leaders and Chief Executives on 21st July 2011, Essex County Council issued a consultation document proposing the termination of the sharing arrangement, with Essex district and borough councils, of the income that it receives as a result of the reduction of the discretionary element of the council tax discount allowed on second homes from 50% down to 10%.

The current arrangement is 60% of the additional council tax raised and due to the Essex County Council is returned to the district/borough council. For 2011/12, the additional council tax due to ECC is £125,650.04 of which £75,390.02 is returned to this Council. The only requirement placed on the district/borough councils over the use of this money is that it should be spent on functions concurrent to those provided by Essex County Council. Under well-being powers, introduced by the Local Government Act 2000, this can be interpreted as any service which is provided to improve the well-being of the area.

Following discussion of the proposal at the meeting it was agreed that the Essex County Council undertakes further consultation and the matter is discussed again at a future meeting of Essex Leaders and Chief Executives.

5. Capital Programme and Resources Update

An update of the capital resources and capital programme for 2011/12 to 2014/15 is summarised as follows:

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Balance of Resources brought forward	17,566	9,670	4,549	4,311
Resources in year	3,008	4,115	2,879	2,879
Total resources	20,574	13,785	7,428	7,190
Approved capital programme	(10,904)	(9,236)	(3,117)	(731)
Balance of Resources for carry forward to next year	9,670	4,549	4,311	6,459

The balance of capital resources available to fund capital projects in 2012/13 and 2013/14 is £4.31million with a further £2.14million available to fund capital projects in 2014/15.

Bids for funding capital projects in 2012/13 will be developed during the budget process over the coming months; however, there are a number of potential areas for which capital funding is likely to be requested:

- Works to the Council's assets to ensure they continue to be fit for purpose;
- Works to the Council's leisure facilities at a time of letting the new leisure management contract;
- Home improvement grants;
- Affordable housing projects;
- Provision of properties to the rear of 19/21 Bocking End, Braintree;
- Town centres enhancement strategy – programme of improvements over the next three years;
- Disabled adaptations; and
- Projects to support new development.

With regard to disabled adaptations the Council has been informed by Greenfields Community Housing (GCH) that it has incurred costs on disabled adaptations significantly in excess of the amounts allowed for in the Housing Transfer agreement. GCH is therefore proposing that where work is required to the outside of a property, for example ramps, driveways and extensions, that these would be referred to the Council to deal with.

In addition, the Council's budget for private sector disabled adaptations is coming under increasing pressure and has to be managed by means of a waiting list in order that the budget is not exceeded.

The Council has a statutory responsibility for disabled adaptations to properties in both the public and private sectors. Although the position with GCH is still under discussion it is considered prudent to make an allocation of £200,000 in the current year and £400,000 per annum in the capital programme to address the situation.

The capital resources currently include the first allocation of the New Homes Bonus, of £509,000, which is to be received each year for six years from 1st April 2011. Further allocations are expected to be made each year, based on increases in housing development in districts/boroughs in the preceding year. The allocation will

then be payable for a six year period. No attempt has been made to provide for these potential future allocations at this time as it is not clear where the additional funding will come from and there is a distinct possibility that this could be top-sliced from the Formula Grant.

Members will recall that the New Homes Bonus is not a ring fenced grant leaving total discretion to local authorities and their communities to determine how it is spent. With regard to the purpose of the bonus payment the Department for Communities and Local Government stated that 'Every development is different and will need different services to support it. Local authorities are best placed to negotiate these to meet the needs of local neighbourhoods and communities. In many cases this will involve advanced planning with other local service providers to ensure that there is timely delivery of infrastructure for the new development. For example, local authorities can pool funding by allocating more to the upper tier to deliver infrastructure'.

Consideration as to how this grant will be used will be given during this current budget setting process.

Detail of the capital resources and capital programme are provided at Appendix F.

The capital resources detailed above exclude the majority of the Growth Area Fund monies which the Council was awarded in partnership with Chelmsford Borough Council (this Council's proportion is £4.038million). The Local Development Framework Panel has allocated the funding to a number of schemes, a list of which is included in the statement at Appendix F.

6. Budget Process Timetable and Consultation

The process and timetable for identifying proposed budget savings, undertaking consultation and agreeing the 2012/13 budget and council tax are summarised at Appendix G.

First Quarter Performance Management Report 2011/12		Agenda No: 8d
<p>Corporate Priority: We deliver excellent, cost effective and valued services</p> <p>Report presented by: Councillor Chris Siddall</p> <p>Report prepared by: Cherie Root – Head of Business Solutions</p>		
<p>Background Papers: First Quarter Performance Management Report April to June 2011</p>		Public Report
<p>Options: To endorse the report</p>		<p>Key Decision: NO</p>
<p>Executive Summary:</p> <p>The purpose of the report is to summarise the performance of the Council at the end of the first quarter of the year (April to June 2011) in relation to the publication of 'Our plans for the District 2011/2012' which sets out our key activities and measures used to check our performance for the forthcoming year and along with the Corporate Strategy 2008-2012 sets out the priorities we are working towards.</p> <p><i>In Summary at the end of the first quarter: Projects</i></p> <ul style="list-style-type: none"> • 20 projects are on track to be completed • 2 amber projects <p><i>In Summary at the end of the first quarter: Performance Indicators</i></p> <ul style="list-style-type: none"> • 9 performance indicators have achieved target • 3 performance indicator has just missed their target • 3 performance indicators have missed their target by more than 5% <p>There are 3 further performance indicators that do not have any targets set.</p> <p><i>Of all the indicators:</i></p> <ul style="list-style-type: none"> • 7 have improved on their performance compared to last year • 10 have deteriorated since last year • 1 has neither improved or deteriorated since last year <p>The first quarter of the year for 2011/12 has been very challenging with some impact on performance. Services are embedding new ways of working with reduced staffing levels as a result of meeting financial savings which in some areas has had a direct effect on meeting targets. It is anticipated the downturn in performance will be mitigated throughout the year as service areas look to improve processes and explore partnership working to improve the delivery of projects and become more efficient to achieve our corporate priorities.</p> <p>Financial Performance:</p> 		

For a detailed explanation of the financial performance, please refer to page 18 onwards of the full report. (Page 63 of the Appendices).

Decision:

To note and endorse the report

Purpose of Decision:

To inform the Cabinet of the performance of the Council

Corporate implications [should be explained in detail]

Financial:	See page 18 of the report (Page 63 of the Appendices).
Legal:	N/A
Equalities/Diversity	N/A
Customer Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	N/A
Officer Contact:	Tracey Headford
Designation:	Performance Improvement Officer
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Annual Health and Safety Report April 2010 to March 2011		Agenda No:9a
Corporate Priority: We deliver excellent, cost effective and valued services] Portfolio Area: Efficiency and Resources Report presented by: Cllr John O'Reilly-Cicconi Report prepared by: Kathy Brown		
Background Papers: Services Annual Health and Safety Reports April 2010 to March 2011. Corporate Accident Statistics January to December 2010		Public Report
Options: None		Key Decision: No
Executive Summary: <p>The purpose of the report is to inform Members of how the Health and Safety arrangements of all Council activities have been addressed during 2010/2011 and to demonstrate that the Authority has fulfilled its statutory requirements under Health and Safety Legislation during 2010/11</p> <p>Management Board Heads of Service and Service Unit Managers are required to pro-promote a pro-active Health and Safety culture within their services. Areas to promote include the nomination of Services Health and Safety Liaison Representatives, managers' attendance at the quarterly Corporate Health Safety and Welfare Committee, communicating an effective safety culture via Team Meetings developing and updating of Risk and Control of Substances Hazardous to Health assessments and promoting Health and Safety training. The organisation has to manage and quantify the success of the measures that are in place to preserve the health and safety of staff contactors and third parties hence the requirement to produce an annual report.</p> <p>The report provides an annual review of the Health and Safety performance of the Authority for the year 2010-2011 and highlights information on the action the council has taken to improve upon the organisations 2009/10 health and safety performance. The report also aims to identify future priorities to ensure continuous improvement to the safety culture throughout the whole council.</p> <p>The report addresses three key Health and Safety topics:</p> <ul style="list-style-type: none"> ▶ Corporate Health and Safety performance. ▶ The level of training in Health and Safety undertaken by staff. ▶ Services Annual Reports – Key Issues and future priorities 		

The Report is attached in the appendices.
Decision:
Members are requested to note the annual Corporate Health and Safety report.
Purpose of Decision:
To inform members of the Health and Safety performance of the authority for 2010/11.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	None
Legal:	None
Equalities/Diversity	None
Customer Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	None
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Emergency Planning - Annual Position Statement		Agenda No: 9b
Corporate Priority: Overall Corporate Strategy and Direction] Portfolio Area: Emergency Planning Report presented by: Councillor David Bebb Report prepared by: Kathy Brown		
Background Papers: Emergency planning Position Statement April 2010 to March 2011 Audit Commission self-assessment tool for Local Authorities Emergency Planning and Business Continuity Bi-Annual National Capability Survey		Public Report
Options: None		Key Decision: No
Executive Summary: The purpose of the report is to inform Members of how the Emergency Planning arrangements for the Authority have been successfully achieved during 2010/2011. The report informs Members that appropriate Business Continuity arrangements are in place to meet the Council's 'duty of care' and details the benchmarking that has taken place to assesses the Authorities state of preparedness. The report gives an overview of some of the incidents and action taken from April 2010 to March 2011 to successfully discharge the Council's statutory responsibilities under the Civil Contingencies Act.		
Benchmarking National Capabilities Survey Assessing the Country's current capabilities is a critical part of the Government's programme to make the country more resilient to disruptive events. The keystone of this process is the National Capabilities Survey (NCS) conducted every two years by the Cabinet Office. The results of the survey will help to improve the Governments understanding of national preparedness and inform priorities for future investment, exercises and policy development. The results of the survey are reported on-line and enables organisations to compare their results against the National Resilience picture and national results specifically for the public sector.		
The results of the survey for 2010 showed that the Authority compared satisfactorily with their peer group and nationally in the 15 areas survey by the Government.		

Self-Assessment Audit Commission

To ensure that the council has sufficient resources and procedures in place to respond to any form of emergency, it must annually assess itself against the Audit Commissions self-assessment framework. In doing so the council will identify areas for improvement and be confident that it has effective procedures in place to deal with any emergency situation.

The 2010/11 self-assessment shows that the Authority is ready in the area of preparedness to respond to an emergency situation and to implement the recovery process. However, there are always areas for improvement and these have been outlined in the main body of the report.

Business Continuity

The Audit Insurance Manager and Risk Manager led on the Annual Business Continuity training exercise with the Corporate Management Team and Senior Managers focusing on the refurbishment of Causeway House and issues that would affect the delivery of Services during the refurbishment.

As a result of this exercise BDC's Business Continuity Plan was updated and a checklist developed to address issues that may arise during refurbishment which would have an impact on Service delivery.

Responding to Emergencies and Community Resilience

Engaging with the Governments Community Resilience programme BDC's template for the Parish Emergency Plan has been updated to incorporate the guidance from the Cabinet Office and populated with information to assist the Parishes in completing their Plans.

The Severe weather conditions in November and December 2010 tested BDC preparedness and tested the actions implemented from the review of the Severe Weather Plan after the Severe Weather in December 2009 and February 2010 to improve plans and guidance in order to respond effectively to severe weather conditions.

Decision:

Members are requested to note the self-assessment position statement for 2010/11 and action taken to ensure the emergency preparedness of Braintree District Council

Purpose of Decision:

To inform members of the preparedness emergency of the authority.

Any Corporate implications in relation to the following should be explained in detail

Financial:	None
Legal:	None
Equalities/Diversity	None
Customer Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	Lack of preparedness in the areas of Emergency Response and Recovery under the Civil Contingencies Act 2005 will have an adverse impact on the Authorities 'duty of care' to the Districts Communities, and its ability to deliver the 'business' of the Council which will lead to the loss of reputation.
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Shared Management		Agenda No: 9c
Corporate Priority: We deliver excellent, cost effective and valued services Portfolio Area: Strategic Leadership Report presented by: Cllr Graham Butland Report prepared by: Allan Reid		
Background Papers: Report to Cabinet on 14 th February 2011		Public Report
Options: No other options have been considered.		Key Decision: No
Executive Summary: The purpose of this report is to set out the conclusion of the discussions with Colchester Borough Council regarding sharing the Chief Executive and senior management team.		
Decision: 1. To not pursue, at this point in time, shared management arrangements regarding the Chief Executive and senior management team. 2. To endorse the current position that the Council is willing to consider shared service arrangements with other public and private sector bodies based upon a business case for any proposal.		
Purpose of Decision: To agree the current position on shared management arrangements.		

Any Corporate implications in relation to the following should be explained in detail

Financial:	None
Legal:	None
Equalities/Diversity	None
Customer Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	None
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Shared Management

Members will be aware that discussions have been taking place between this Council and Colchester BC regarding the opportunity to share a Chief Executive and senior management. These initial discussions have been ongoing for approximately six months between a small group of Members from both Councils, including the Leaders of both Councils.

These discussions led to a joint (Member only) meeting of all Councillors of both Councils – around 80 Members attended. At this meeting, presentations were made on the options and implications with Members seeking clarity on any issues of concern.

Resulting from this meeting the various political groups of both Councils have discussed the options and issues and a general consensus has been reached by both Councils, which is:

- That the discussions between both Councils have been positive and productive, building a stronger relationship between the Councils.
- That at this point in time, it is not the intention to pursue a joint Chief Executive or shared management; however, if opportunities arise in the future then consideration will be given on an opportunity by opportunity basis.
- That further consideration is given to any shared services opportunity between both Councils, as well as any other opportunities with any other Council.
- That a regular dialogue is maintained between both Councils, which will ensure that any opportunity of mutual benefit is pursued.

It was important that the many issues and implications were discussed and considered fully before entering into any shared approach. This has been demonstrated by both Councils coming to the same view but a willingness to continue to work together on other issues of mutual benefit and leaving the door open to reconsider the option of shared management when the time is right.

The key reason for not sharing, at this point in time, was the concern that the focus on this Council's priorities may be diminished by moving towards a shared management arrangement, deflecting effort from delivering the Council's priorities.

An update of senior management changes will be presented at the meeting.

Cabinet Member Decisions made under Delegated Powers	Agenda No: 12a
Portfolio Area: Efficiency & Resources Report presented by: Not applicable – For noting only Report prepared by: Sharon Lowe, Assistant Chief Executive	
Background Papers:	Public Report
Cabinet Decisions made by individual Cabinet Members under delegated powers (signed copies retained by Member Services)	
Options:	Key Decision: No
For noting only	
Executive Summary: All delegated decision taken by individual Cabinet Members are required to be published and listed for information on next Cabinet Agenda following the decision. Since the last Cabinet meeting the following Cabinet Members have taken delegated decisions:- Councillor Lady Newton – Enterprise, Housing & Development - Decision taken on 2nd August 2011 Riverside, Braintree - To grant fund of £450,000 to be payable to CHP to enable the purchase of additional 18 new affordable homes that are due for completion during September 2011. To grant fund up to £11,500 to top up Disabled Facilities Grant to adapt and extend a property at Silver End to meet needs of a family living in inadequate housing because of children's health issues. To grant fund up to £40,000 to carry out adaptation work on two of the new homes at Riverside, Braintree to meet the needs of two families with disabled children who are seeking adapted family housing. Councillor Lady Newton – Enterprise, Housing & Development - Decision taken on 4th August 2011 To approve the Bulmer Village Design Statement as a material Planning consideration	

Councillor Lady Newton – Enterprise, Housing & Development - Decision taken on 4th August 2011

To approve the Gestingthorpe Village Design Statement as a material Planning consideration.

Cabinet Decisions made by individual Cabinet Members under delegated decisions can be viewed on the Access to Information page on the Council's website.

www.braintree.gov.uk

Decision:

For Members to note the delegated decisions

Purpose of Decision:

The reasons for each decision can be found in the individual Delegated Decisions

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