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Iain Phillips Chief Executive

18th July 2006

Dear Councillor,

I hereby give you Notice that a Meeting of the **CENTRAL RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, CROOK** on **WEDNESDAY 26TH JULY 2006** at **6.00 P.M.**

AGENDA

	Page No.
1. Apologies for absence.	
2. To consider the Minutes of the last Meeting of the Committee held on 7 th June 2006 and the special meeting held on 28 th June 2006 as a true records – copies previously circulated.	
3. To consider a request to purchase land at 38 Brinkburn Close, Bishop Auckland.	1 - 4
4. To consider two requests to purchase an area of land adjacent to 8 Collingwood Street.	5 – 8
5. To compare the revenue expenditure of the Authority for the period 1 st April 2006 to 30 th June 2006, against budget.	9 – 13
6. To consider the capital expenditure of the Authority for the first three months of 2006/07 against budget.	14 – 23
7. To consider the Treasury Management Activity of the Authority in line with the Authority's Treasury Management strategy and policy and to review the Treasury Management Practices.	24 – 32
8. To receive an update relating to Risk Management.	33 – 40
9. To consider the proposed amendments to the Council's Benefit Fraud Prosecution Policy.	41 – 49
10. To consider a review of the Confidential Reporting Policy.	50 – 57
11. To consider an update of the Debt Management Framework.	58 – 68

12. To consider a request to allocate Section 106 monies to St. Helen Auckland. 69
13. To consider a request for a re-grading.* 70 –73
14. To consider such other items of business which, by reason of special circumstances so specified, the Chairman of the meeting is of the opinion should be considered as a matter of urgency.

* It is likely that item no 13 will be taken in the closed part of the meeting in accordance with paragraph 1 of Part I of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Yours faithfully



Chief Executive

Members of this Committee: Councillors Mrs Brown, Mrs Burn, Grogan, Harrison, Hayton, Mrs Jones*, Kay, Kingston, Laurie, McKellar, Mews, Mowbray, Murphy*, Mrs Pinkney, Stonehouse, Taylor and Mrs Todd.

*Ex-officio, non-voting capacity

Chair: Councillor Hayton

Deputy Chair: Councillor Mrs Pinkney

TO: All other Members of the Council for information
Management Team

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Asset Management Group

LAND ADJACENT TO 38 BRINKBURN CLOSE, BISHOP AUCKLAND

purpose of the report

1. To seek Members' approval to refuse a request to purchase land at the above location.

background

2. A request to purchase the land hatched black on the plan at Annex A, has been received from Mr. & Mrs. D. Jameson of 38 Brinkburn Close, Bishop Auckland, for the purpose of extending their rear garden. The applicants state that the land was once a playground but since the removal of the play equipment the area is not used.
3. The land was designed as a toddlers play area by the Developer upon which they erected play equipment suitable for younger children. The land was subsequently transferred to the Council. The play equipment was removed a number of years ago and since then the area has remained available as an informal play area for younger children.

consultations

4. The Director of Regeneration does not object in principle to the sale of the land for domestic garden, he would suggest conditions are imposed on the sale to ensure no buildings are erected on the land, as this would result in loss of amenity to the adjacent dwellings. He also highlights the fact that this is a large area of land and may be better split between the surrounding properties.
5. The Acting Head of Community and Cultural Service having considered the numerous objections to the proposal from neighbouring properties wishes the land to be retained by the Council as a toddlers play area.
6. Letters were sent to the owners of the adjacent dwellings to inform them of the request. This resulted in a letter containing comments from 15 neighbouring properties objecting to the proposal. The main reasons given as to why the land should not be sold are as follows:-
 - (a) The Close was designed with an open space area and children's play area and if the sale goes ahead the children will have nowhere to play except on the road.
 - (b) The play area should be left, as it is to benefit the children in the Close and to keep them safe.

- (c) This small area is the only play area off road for the children in the Close. Also will the land and any fencing be kept in good order?
7. As this land is open space, a notice, in accordance with Sections 122/123 of the Local Government Act 1972, under which the Council is obliged to give notice and consider any objections to the proposed disposal of land, was inserted in the local press. Eight further letters of objection were received. The main reasons given as to why the land should not be sold are as follows:
- (a) My house overlooks the area and I do not relish the thought of looking out of the livingroom window at a six-foot fence.
 - (b) If the land is sold and fenced off then there may be restricted visibility issues for residents reversing off their drives.
 - (c) The land should remain as a play area so that children and grandchildren can play safely, if it is sold the safety of the children would be compromised.

author's comments

8. It is clear that there is a strong feeling amongst the majority of residents in this part of Brinkburn Close that the land should not be sold. The main reason being that the land should remain available as a toddlers play area. The strength of feeling suggests that the area is very much valued by the residents and continues to be used as a toddlers play area.

financial implications

9. The sale of this land would produce a capital receipt and a reduced maintenance cost.

legal implications

10. There are no legal implications arising from the recommendation. The necessity for an open space advert and consideration of any objections received has and is being fulfilled.

crime and disorder implications

11. There have been no suggestions that the retention or sale of the land will have any crime and disorder implications.

conclusion

12. It is clear that the majority view of residents is the land should be retained. The Acting Head of Community and Cultural Services supports this view. Therefore it is recommended that the request from Mr. & Mrs. Jameson be refused.
13. However in line with the Council's policy of public speaking at this Committee, Mr. & Mrs. Jameson and the objectors have been invited to attend this meeting to afford them the opportunity to present their case to you.

RECOMMENDED that Mr. and Mrs Jameson request to purchase the land be refused for the reasons contained in paragraphs 5 to 8.

background papers
File Number 81492

Officer responsible for the report
Gary Ridley
Director of Resource Management
Ext 227

Author of the report
Diane Hathaway
Legal Executive
Ext 319

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Asset Management Group

LAND ADJACENT TO 8 COLLINGWOOD STREET, COUNDON

purpose of the report

1. To seek Members' consideration of two requests to purchase an area of land owned by the Council at the above location.

background

2. Mr. and Mrs. J. W. Coglan of 8 Collingwood Street Coundon have requested to buy that land shown edged in black on the plan at Annex B for garden use, maintenance of the gable of their property, and to stop the nuisance caused by the playing of football against their gable wall.
3. Mr G Henderson of Henderson Properties and Optimum Investments Limited has also requested to buy this same area so that it can be developed in conjunction with his land which is shown hatched black on the plan.

consultations

4. The Acting Head of Community and Cultural Services raises no objections to the sale of the land for either purpose proposed.
5. The Director of Regeneration confirms that a planning application will be required for either residential development or change of use to a garden area. Whilst an application for either proposal would be considered acceptable in principle he advises that the land should be used for only one or the other and not a mixture of both.
6. He is aware that there is currently an unmade path across the land which the residents of Benbow Walk use regularly. He advises that any residential development on the land would have to incorporate a public walkway so the residents of Benbow Walk would be able to gain access to Collingwood Street. In the event that the land was sold for a garden area he confirms that a pathway would also need to be provided.
7. The Director of Regeneration is of the opinion that a quality development can be achieved on the land which would not be detrimental to the local street scene and will not devalue the gateway to the village. He feels that added with the existing housing scheme on the Chapel site (by JRJ Developments Ltd) a residential development on this land would help to create an attractive entrance to the main shopping area of Coundon.

open space advertisement

8. As this land is open space the usual open space advertisement, in accordance with Section 122/123 of the Local Government Act 1972, has been undertaken. Although no objections were received as a result of the open space advert a letter was received, prior to its publication, from JRJ Developments Limited who have a development site at the former Methodist Chapel, Collingwood Street. The grounds of objection, particularly if the land is to be sold for development purposes are:
 - a) This is a loss of an amenity to the residents of the Benbow Walk area who use this open space. The closing up of the area will result in the public having to find another route from Benbow Walk to Collingwood Street. We do not wish the public to make a route across our property.
 - b) It will devalue the gateway to the Village. Once the chapel site is built the street entrance to the shopping area will have a clean open space feel.
 - c) Understands that there is a mine shaft on the land. In his opinion such areas are best left as open space or gardens.
9. In conclusion the objector feels that the sale of this open space land will only devalue the environment of what is already a struggling village.

author's comments

10. With regard to the objections set out at a) and b) above, it is considered that the Director of Regeneration's comments detailed at paragraphs 6 and 7 provide an appropriate resolution in so far as the route taken by residents. With regard the loss of amenity area there were no objections received from residents.
11. With regard to the objection set out at c) above, any buyers would be required to satisfy themselves that the ground conditions were suitable to their proposal. This would initially involve their consulting with the Coal Authority.
12. It will be seen that two different parties wish to purchase the same parcel of land albeit for different purposes. Consideration has been given to accommodating both parties, however, the Director of Regeneration has indicated that he would not wish the land to be used for a mixture of residential and garden use. The Author also considers that dividing the land is unlikely to achieve the best price. This is therefore not considered to be a viable option.

conclusion

13. In principle Officers have no objections that the land be sold.
14. Although a letter objecting to the disposal of the land has been received it is considered that the grounds of the objection have and can be addressed.
15. As the Director of Regeneration considers that a planning application for either residential or garden use would be acceptable it is considered the way forward would be for the District Valuer to negotiate with both parties to

achieve the best price. The parties to be responsible for his fees on a 50/50 basis.

16. In line with the Council's policy of public speaking at this Committee both applicants, Mr. and Mrs.Coglan and Mr Henderson, as well as the objector, JRJ Developments Limited, have been invited to attend this meeting to afford them the opportunity to present their respective cases to you.

RECOMMENDED

1. The land edged in black on the plan be sold;
2. The District Valuer be requested to conduct negotiations with both applicants for the sale to one of them for the respective use identified. The applicants to meet the Valuer's fees on a 50/50 basis. In the event that either applicant chooses not to proceed to negotiation with the Valuer then the land be sold to the remaining applicant at a valuation agreed with or given by the District Valuer, in which case they will be responsible for all of the Valuer's fees;
3. The successful applicant to meet the Council's legal fees;
4. If terms are agreed the land be sold to either party at a valuation agreed with or given by the District Valuer.

background papers

File Number 81450

Officer responsible for the report

Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Christine Graham
Legal Executive
Ext 318

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management **REVENUE BUDGET MONITORING**

purpose of the report

1. To compare the revenue expenditure of the Authority for the period 1 April 2006 to 30 June 2006, against budget.

background

2. This report covers the revenue expenditure of the Authority financed by the General Fund and the Housing Revenue Account (HRA).
3. The summary revenue position for financial year 2006/07 as at the end of 30 June 2006 for the General Fund is shown in Annex C. The figures for the HRA are shown in Annex D. The annexes compare the approved budget for each department against forecasted outturn for 2006/07. Major over and under spends within each departmental budget are noted and some indication given of reasons for the variance.

conclusion

4. The forecasted outturn for the General fund indicates an overspend of £93,000 for 2006/07 against budget at this stage although this represents only a snapshot in time and may alter significantly during the remainder of the financial year. This overspend does not include approximately £300,000 of investment income generated from the sale of assets.
5. The forecasts for the current year have been refined to present the most accurate position of resources available to support the 2007/08 budget. The notes for each Department that form part of Annex D highlight only the major budget differences and exclude minor ones. Consequently, the total value of the over/under spends for each department that are listed in the notes may not correspond to the over/under spends shown in the table of figures. Members should bear in mind that almost £0.2m of reserves are planned to be used in 2006/07 to support the General Fund revenue budget.
6. The forecasted outturn for the HRA is £132,000 better than budget. This assumes that there is a reduction in the current wages bill for property services that if not tackled would offset most if not all of the projected surplus.
7. Revenue budgets continue to be closely monitored and further reports will be brought to Committee.
8. The projected spend on the General Fund for the year will not impact upon the Council's policy of maintaining a minimum reserve balance of £800,000.

Similarly, the projected spend on the HRA for the year will not impact upon achieving a desired minimum balance of £1.25m.

RECOMMENDED that Members note the report.

Officer responsible for the report

Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Stuart Reid
Head of Finance
Ext 258

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management
CAPITAL BUDGET MONITORING

purpose of the report

1. To consider the capital expenditure of the Authority for the first three months of 2006/07 against budget.

background

2. Details of the capital programme are shown in Annex E. Each scheme shows spend to 30 June, projected outturn and commentary on progress based upon information provided by budget holders. Sub totals are shown by Department.
3. Figures are split between income and expenditure for schemes that are fully or partially externally funded. This enhances transparency and is in line with external audit recommendations. The projected outturn for each scheme will be used to assist in determining the level of resources available to support the capital programme for 2007/08.

conclusion

4. The annex shows the projected capital outturn as being £7,632,000 compared to an original budget of £7,620,000. This represents an overspend of £12,000 and is affordable.
5. The figures provided should be treated with caution. Significant underspends have occurred in previous years. If this were repeated, members have the choice through the annual budget process of permitting the carry forward of funds (particularly where there is a contractual commitment) or re-allocating those monies to new schemes in the 2007/08 capital programme.
6. Expenditure against the agreed capital budgets will be monitored closely by budget holders and further reports brought to members.

RECOMMENDED that the Capital budget monitoring report for April – June 2006 be approved.

Officer responsible for the report
Gary Ridley
Director of Resource Management
Ext 227

Author of the report
Stuart Reid
Head of Finance
Ext 258

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management **2005/06 TREASURY MANAGEMENT ACTIVITY**

purpose of the report

1. To receive a report on the 2005/06 Treasury Management activity of the Authority in line with the Authority's Treasury Management strategy and policy, and to also review the Authority's Treasury Management practices.

background

2. The Authority adopted the Chartered Institute of Public Finance and Accountancy treasury management practices in June 2002.
3. Annex F outlines the Treasury Management activity undertaken in 2005/06 and the remainder of this part of the report seeks to evaluate the operation of those treasury management practices.

risk management

- (i) **Practice:** the minimum anticipated cash balance is £1m and the maximum balance in the call account is £2.5m.

Actual: the maximum during year was £2.84m and the minimum during year was £970,000.

- (ii) **Practice:** interest costs remain within budget.

Actual: base budget interest costs were £2.40m. This reduced to £2.32m as a result of replacing loans at lower rates and delays in borrowing to fund the capital programme.

- (iii) **Practice:** maximum proportion of borrowing that will be subject to variable rate interest is 30%.

Actual: None of the outstanding loans as at 31/03/06 were subject to variable rates of interest.

- (iv) **Practice:** maximum of £2m invested in any one organisation (except the call account)

Actual: no more than £2m in at any one time with any institution.

- (v) **Practice:** all organisations invested in will be AAA rated as a minimum.

Actual: all treasury management activity complied with relevant statutes.

(vi) **Practice:** no more than 15% of debt maturing in the year (excludes debt rescheduling).

Actual: 13% of debt matured.

(vii) **Practice:** treasury management activity complies with relevant statutes.

Actual: all treasury management activity complied with relevant statute.

(viii) **Practice:** any breaches of treasury management policy reported.

Actual: Over £2.5m in call account

<u>From</u>	<u>To</u>	<u>Call Amount</u>
03/05/05	03/05/05	£2.65m
01/06/05	01/06/05	£2.60m
15/07/05	17/07/05	£2.65m
18/08/05	18/08/05	£2.61m
01/09/05	01/09/05	£2.77m
07/09/05	08/09/05	£2.50m
04/10/05	06/10/05	£2.80m
01/12/05	05/12/05	£2.84m
14/12/05	14/12/05	£2.72m

(ix) **Practice:** employers liability maintained by indemnification against fraud/error/corruption.

Actual: insurance in place.

(x) **Practice:** internal audit reviews internal controls.

Actual: internal audit review carried out in 2005/06

(xi) **Practice:** all borrowing documented using standard proforma approved and signed by Director of Central Resources or representatives.

Actual: achieved.

(xii) **Practice:** all instances of fraud/error/corruption reported immediately by Director of Central Resources.

Actual: no instances of fraud/error/corruption found.

best value/performance measures

(i) **Practice:** banking contract to be re-tendered or re-negotiated every 3 years.

Actual: Re-negotiated in 2005/06 following consultant's report

(ii) **Practice:** treasury management advisers re-tendered or renegotiated every 3 years.

Actual: Tendered for in 2003/04. Sector won contract for three years.

- (iii) **Practice:** cost of in-house provision monitored and reviewed periodically.

Actual: cost monitored as part of budgetary control procedures.

- (iii) **Practice:** the following performance indicators reported to Committee annually:

- (a) Average rate of interest on all external debt.
- (b) Average rate of interest on new borrowings.
- (c) Average period to maturity of external debt for maturity loans.
- (d) Average period to maturity on new loans.
- (e) Performance of investments against 7 days LIBID.

	<u>2004/05</u>	<u>2005/06</u>
Actual:	(a) 6.29%	6.01%
	(b) 4.51%	4.33%
	(c) 22.5 years	26 years
	(d) 26 years	10 years
	(e) Actual – 4.66 vs. LIBID rate of 4.72%	4.59% vs. LIBID rate of 4.54%

decision making and analysis

- (i) **Practice:** individual record of all loans/investments/repayment schedules/cash flow diaries/CHAPS payments maintained.

Actual: all relevant records maintained.

- (ii) **Practice:** relevant considerations taken into account when borrowing/investing.

Actual: borrowing undertaken following advice, investment undertaken in light of relevant statutes.

organisation

- (i) **Practice:** clear separation of duties.

Actual: senior staff responsible for decision taking/junior staff responsible for administration.

reporting requirements

- (i) **Practice:** treasury management strategy reported annually.

Actual: reported in June 2006 to Central Resources Committee.

(ii) **Practice:** annual report be produced on treasury management activity.

Actual: included in this report.

(iii) **Practice:** interest rate exposure reported to Committee before the beginning of the financial year.

Actual: reported as part of budget setting process.

cash flow management

(i) **Practice:** all monies aggregated for cash flow and investment.

Actual: achieved.

money laundering

(i) **Practice:** no loans accepted from individuals.

Actual: none accepted.

(ii) **Practice:** all loans obtained from PWLB/institutions under the Banking Act 1989.

Actual: all loans taken out with approved institutions.

approved investments

(i) **Practice:** only certain types of investments used.

Actual: all investments with banks/building societies.

budgetary/account/audit

(i) **Practice:** relevant accounting practices maintained.

Actual: achieved.

staff training

(i) **Practice:** staff training provided where relevant.

Actual: no staff training necessary as no changes made in staffing levels.

external service providers

(i) **Practice:** adequate documentation maintained.

Actual: achieved.

corporate governance

(i) **Practice:** the following documents/information are available for public inspection:

- (a) treasury management policy and strategy.
 - (b) Treasury management activity reports to Committee.
- (ii) **Actual:**
- (a) open Committee report.
 - (b) open Committee report.

conclusions

4. The above treasury management practices represent best practice. The financial year 2005/06 was their fourth year of operation. Overall, they have generally been adhered to. However, as in previous years, additional work will be carried out during 2006/07 to further improve the treasury management activities of the Authority.

RECOMMENDED that the report and Annex F be endorsed and the Treasury Management Practices be adopted.

Officer responsible for the report

Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Stuart Reid
Head of Finance
Ext 258

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management RISK MANAGEMENT

purpose of the report

1. To update Members in relation to the above.

background

2. Members will be aware that the Council adopted a risk management strategy in 2002. Part of the strategy includes an update to Members on how risks are being managed.
3. This report is the third report, produced as a result of the risk management strategy, which covers corporate risks. The table attached at Annex G sets out the corporately agreed risks which were considered to be of most significance, their original impact and likelihood assessment, along with the responsible officer for managing the risk and what progress has been made.
4. The table shows that progress is being made on managing the majority of the Council's key operational risks. This will continue into 2006/07 and beyond.

review of corporate risks

5. It is intended that during 2006/07 a review of corporate risks be undertaken by a cross departmental group of staff. This group will review progress made on existing risks as well as identifying new risks which should be included on the corporate risk register. The results of this will be reported to Committee.

links to service plans

6. It is important that the Authority embed risk management into its day to day operations. This requires a link between risk management processes and departmental service plans. Each department is in the process of identifying its key departmental risks and including them in their service plans. Each risk has a nominated individual responsible for progressing the risk. The management of the above risks will result in improved services/improved continuity of services to both internal and external service users. This will assist in the Authority achieving its business objectives.

strategic risks

7. Officers are in the process of identifying strategic risks in conjunction with the Authority's external insurance providers. This work will involve Members.

RECOMMENDED that Members note the report.

Officer responsible for the report

Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Gary Ridley
Director of Resource Management
Ext 227

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management
BENEFIT FRAUD PROSECUTION POLICY

purpose of the report

1. To inform members of proposed amendments to the Council's Benefit Fraud Prosecution policy.

background

2. Members approved the existing prosecution policy on 28 September 2005. The policy included a threshold of overpaid housing or council tax benefit of £2,000 above which prosecution would be considered.

changes to prosecution policy

3. It is proposed that this threshold of £2,000 be raised to £3,000. It is intended that offenders, where the value of the overpayment is less than £3,000, would be offered a legal sanction as opposed to prosecution as a first option.
4. This would ensure that investigations are cost effective due to the abolition of incentive rewards for prosecution. It would also assist in maximising the number of legal sanctions levied against offenders. A copy of the revised policy is shown in Annex H.

financial implications

5. Modest savings would be achieved in legal costs due to preparing fewer cases for prosecution.

RECOMMENDED that the Benefit Prosecution policy be approved.

Officer responsible for the report

Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Sandra Fitzsimmons
Benefit Investigation Manager
Ext 443

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management
CONFIDENTIAL REPORTING POLICY

purpose of the report

1. To consider a review of the above policy.

background

2. The Authority has had in place a Confidential Reporting Policy since April 1999. It was last reviewed and approved at the Central Resources Committee meeting on 3 September 2003.
3. As a result of:
 - Use of Resources – the Confidential Reporting Policy will be reviewed as part of the Use of Resources process
 - Timeliness – the policy has not been reviewed since September 2003

it is now considered opportune to review the existing policy.

change to policy

4. There is only one proposed change to the policy. The hotline number for reporting concerns is currently shared with the one used for the public to report suspicions of benefit fraud. It is proposed to set up a separate hotline for members of staff or the general public to report their concerns anonymously via the Senior Internal Auditor.
5. A copy of the strategy is attached at Annex J.

RECOMMENDED that the Confidential Reporting Policy be approved.

Officer responsible for the report
Gary Ridley
Director of Resource Management
Ext 227

Author of the report
John Redfearn
Senior Auditor
Ext 445

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management
DEBT MANAGEMENT FRAMEWORK

purpose of the report

1. To seek Member approval to update the debt management framework within the Resource Management department.

background

2. Members may be aware that the Council agreed a debt management framework in June 2002. Annual reports are presented to this Committee showing how effective debt recovery is in relation to Council Tax, Business Rates and Sundry Debts.
3. Annex K to this report seeks to update the debt management framework by clearly stating recovery procedures and customer service standards in relation to the types of debt recovered by the department.
4. These changes are designed to:
 - Give clarity as to the agreed procedures to be followed for both staff and members.
 - Provide explicit standards of expected service delivery for customers.
 - Achieve consistency of service delivery.
 - Improve performance in relation to debt management as measured by BVPIs and local performance indicators.

RECOMMENDED that Members agree the debt management framework.

Officer responsible for the report

Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Gary Ridley
Director of Resource Management
Ext 227

CENTRAL RESOURCES COMMITTEE

26 JULY 2006

Report of the Director of Resource Management

SECTION 106 MONIES

purpose of the report

1. To consider a request to allocate Section 106 monies to St. Helen Auckland.

background

2. Officers have received a request from Middlewood Green Action Committee to allocate a sum of money to be spent on Challener Way Pocket Park. The request is for £12,000 which is to be spent on a children's play area.

financial implications

3. The Council holds £12,000 in Section 106 monies to be spent on offsite play provision.
4. Should Members so decide, the request to allocate £12,000 to the Action Committee can be financed from the Section 106 monies held.

other implications

5. Should Members agree to this request, it is important that there are no ongoing liabilities for the Authority relating to issues such as:
 - Repair and Maintenance of the play area.
 - Grounds Maintenance of the play area.
 - Insurance of the play area.
6. The Action Committee would therefore need to ensure that the above issues were provided for in their management arrangements.

RECOMMENDED that Members consider the above request.

Officer responsible for the report

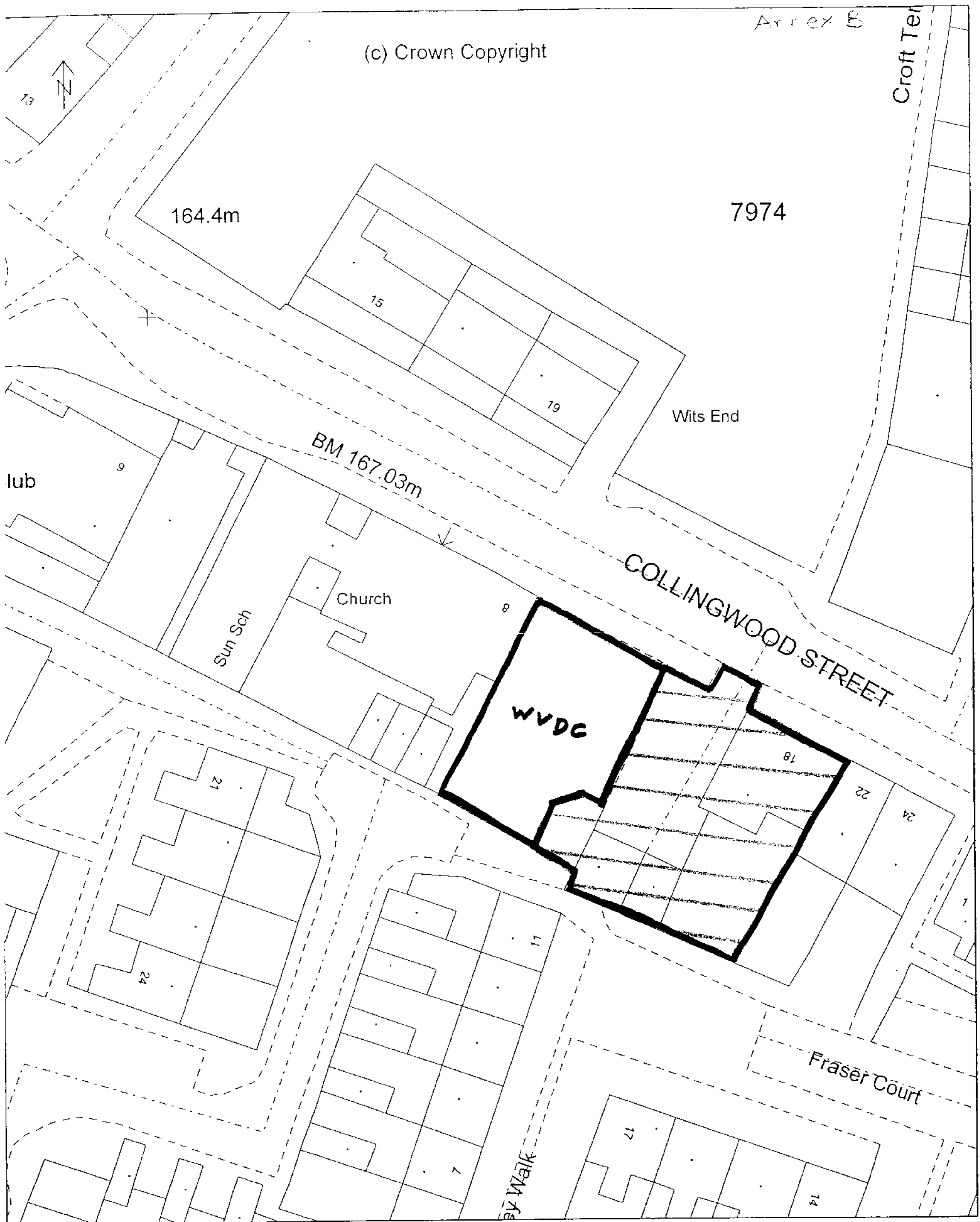
Gary Ridley
Director of Resource Management
Ext 227

Author of the report

Gary Ridley
Director of Resource Management
Ext 227



Land adj. No. 38 Brinkburn Close, Bishop Auckland.



Land adj 8 Collingwood Street, Coundon

General Fund Budget Monitoring Statement for Period
April 2006 – June 2006

Department	Budget £000	Projected Outturn £000	Over / (Under) spend £000	%age Over / (Under) spend	Note
Central Resources	2,532	2,532	-	-	1
Community Services	6,055	6,054	(1)	-	2
Housing Services (General Fund)	331	445	114	34%	3
Management Support Unit	1,020	1,020	-	-	4
Regeneration	1,711	1,691	(20)	(1%)	5
Corporate Management	559	559	-	-	6
Technical Items	(920)	(920)	-	-	7
TOTAL	11,288	11381	93		

Funding:			
Government Grant	7,156	7,156	-
Council Tax	3,906	3,906	-
Reserves	226	319	93
TOTAL	11,288	11,381	93

Additional Investment Income	0	(300)	(300)	-	8
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Total under spend £207,000

Central Resources – Note 1

- (i) Reduced income from land charges because of the increase in personal searches and slowdown of activity in the housing market - **£22,000 over spend.**
- (ii) Various expected under spends in benefits and tax collection activities - **£22,000 under spend.**

Community Services – Note 2

- (i) Additional temporary staff and overtime costs within refuse collection service due to long term sickness for a number of staff - **£49,000 over spend**
- (ii) Additional recycling credits predicted due to increased recycling collection rates and also additional credits received for 2005/06 - **£50,000 under spend**

Housing Services (General Fund) – Note 3

- (i) Delays in transfer of Homeline service Sedgefield Borough and unbudgeted redundancy costs - **£94,000 over spend**

- (ii) Increased energy costs at the Civic Centre following increase in wholesale prices of gas and electricity. - **£20,000 over spend**

Management Support Unit – Note 4

- (i) No significant variances from the original budget are expected.

Regeneration – Note 5

- (i) Planning Fees expected to be higher because of significant large applications received in the first quarter - **£20,000 under spend**.

Corporate Management – Note 6

- (i) No significant variances from the original budget are expected.

Technical Items – Note 7

- (i) No significant variances from the original budget are expected.

Additional Investment Income – Note 8

- (i) Additional investment interest due to large capital receipts received in previous years. Assumed these are not applied to capital expenditure during this financial year - **£300,000 under spend**

Housing Revenue Account Budget Monitoring Statement for
Period April 2006 – June 2006

	Original Budget 2006/07	Projected Outturn 2006/07	Overspend/ (Underspend)
	£000	£000	£000
Supervision & Management	3,055	2,952	(103)
Repairs & Maintenance	3,066	3,065	(1)
Debt Charges	1,780	1,780	-
Housing Subsidy	2,812	2,812	-
Bad Debts	97	97	-
Total Expenditure	10,810	10,706	(104)
Rental Income	(10,682)	(10,710)	(28)
Other Income	(190)	(190)	-
Interest on Balances	(50)	(50)	-
Total Income	(10,922)	(10,950)	(28)
Deficit / (Surplus)	(112)	(244)	(132)

Capital Programme Monitoring April - June 2006

<u>Budget Holder</u>	<u>Cost Centre</u>	<u>Cost Centre Description</u>	<u>Sub Heading</u>	<u>2006/07</u>			
				<u>Budget (£)</u>	<u>Actual (£)</u>	<u>Projected (£)</u>	<u>Comments</u>
Central Resources Department							
Anita Maxwell	C069	IT Development		35,250	(12,400)	35,250	£21,000 monies allocated for necessary change to computer systems. Remainder allocated for purchases of new computer servers.
Anita Maxwell	C097	IT Disaster Recovery		68,780	33,619	68,780	Infrastructure being set up with support from Sedgfield BC and computer kit still to be purchased
Stuart Reid	C122	Asset Management		245,600	18,830	245,600	Scheme of work being developed prioritising investment to reduce energy costs and deal with backlog maintenance
Sharon Spence	C123	Replacement of audio/video equipment to Council Chamber		11,500	0	11,500	Procurement still to commence
Anita Maxwell	C130	PC Replacement Programme		90,000	2,012	90,000	Main procurement for the year still to take place
Sharon Spence	C131	Council Chamber - Sound System Microphones		24,000	0	24,000	Demonstrations organised of different systems
Angela Foster	C132	Human Resources & Payroll System		67,000	0	67,000	Systems short-listed following tendering exercise
Total				542,130	42,061	542,130	
Community Services Department							
Brian Graham	C055	Purchase of Grounds Maintenance Plant		13,500	13,500	13,500	Plant purchased
Brian Graham	C056	Street Cleansing Fleet Replacements		200,000	0	198,000	Order for £198,000 to be placed shortly
Andrew Frankcom	C090	Leisure Centres - Health & Safety Improvements		15,186	0	26,000	Overspend due to decontamination of boiler room. Virements from other capital schemes to be identified.
Andrew Frankcom	C091	Play Area Replacement		79,343	0	79,343	My be underspend in current year due to completion of play strategy scheduled for next calendar year
Brian Graham	C094	Public Conveniences		185,041	16,726	185,041	Budget will be fully spent by end of December. One PC still to be replaced at Escomb

Capital Programme Monitoring April - June 2006

<u>Budget Holder</u>	<u>Cost Centre</u>	<u>Cost Centre Description</u>	<u>Sub Heading</u>	<u>2006/07</u> <u>Budget (£)</u>	<u>Actual (£)</u>	<u>Projected (£)</u>	<u>Comments</u>
Andrew Frankcom	C095	Califiers & Safe Water Systems		32,001	0	32,001	Qoutations being sought
Andrew Frankcom	C096	Filter Refurbishment		4,200	0	0	Underspend to be vired to fund pest control van as per Community Services Committee report
Andrew Frankcom	C115	Bishop Auckland Town Recreation Ground Fence		7,000	350	7,000	To engage consultants to do feasibility study
Craig Rudman	C116	Lease of vehicle for the pest control/dog warden service		4,000	8,946	8,946	Overspend to be vired from filter refurbishment capital budget as per Community Services Committee report
Tom Carver	C117	Neighbour noise monitoring system		6,590	0	6,590	
Brian Graham	C118	Twin Bin Refuse and Recycling Service		280,000	0	280,000	Tendering process for wheeled bins being undertaken through NEPO
Brian Graham	C119	Refuse Collection - Office Accommodation		13,000	7,782	13,000	Portacabin purchased. Remainder of scheme devoted to depot improvements
Tom Carver	C120	Crook Car Park Start Up Costs		29,000	0	29,000	
Andrew Frankcom	C121	Computer Replacement - leisure complexes		8,000	6,280	8,000	
Total				876,861	53,584	886,421	
Housing Department							
Terry Carlton	C042	Civic Centre Alterations		63,000	0	63,000	Replacement furniture to be delivered in August. Discussion to take place on zoning of heating system with consultant. Order placed for door entry system.
Terry Carlton	C048	Public Building Alterations - DDA		140,000	(8,524)	100,000	Programme of work drawn up and costed and passed to main contractor
Terry Carlton	C081	Royal Corner - New Front Entrance Door		5,000	0	5,000	Still to commence

Capital Programme Monitoring April - June 2006

Budget Holder	Cost Centre	Cost Centre Description	Sub Heading	2006/07 Budget (£)	Actual (£)	Projected (£)	Comments
Terry Carlton	C129	CCTV Coverage of Mall		27,000	0	27,000	Quotations received
Dave Milburn	C502	Structural Repairs - Council Houses		77,000	14,845	77,000	On going programme of chemical dpc's and floor heaves
Dave Milburn	C505	Energy Efficiency Measures	Grants and Contributions	120,000	0	120,000	Energy efficiency measures identified as part of overall achievement of decent homes, working with LA21 officer
Dave Milburn	C505	Energy Efficiency Measures	Private Sector Contributions	(60,000)	(6,672)	(60,000)	Grants from utility companies to assist in improved carbon ratings to council dwellings
Dave Milburn	C505	Energy Efficiency Measures	Sub Total	60,000	(6,672)	60,000	
Dave Milburn	C523	Demolition of Surplus Housing Stock		250,000	44,839	250,000	On going programme of demolition of unwanted properties
Dave Milburn	C526	Open Housing IT System		5,000	0	5,000	Quotations being sought
Dave Milburn	C529	Asbestos Survey		85,000	3,634	85,000	On going programme of surveys prior to major works. Potential funding for surveyor
Dave Milburn	C537	Estate Remodelling Project		500,000	26,307	500,000	Commenced car parking/fencing works. Looking towards joint project with Groundwork to SOA
Dave Milburn	C538	Security Improvements		150,000	490	150,000	Works commenced by DISC to most vulnerable residents
Dave Milburn	C539	Electrical upgrades to domestic properties		284,560	78,189	284,560	External surveyors appointed to undertake 10% survey to inform as to the priority of future works
Terry Carlton	C540	Re Roofing Woodhouse Close Area Office		29,000	0	29,000	Specifications complete. Ready to go to tender
Terry Carlton	C541	Conversion of 83 Proudfoot Drive - Tenancy Enforcement Team		14,000	0	57,000	Projected spend based upon initial specifications. These may be altered to achieve lower price
Dave Milburn	C542	MRA Kitchens & Bathrooms		250,000	(1,864)	250,000	Contracts let and works commenced
Dave Milburn	C543	MRA Central Heating		675,000	64,341	675,000	Contracts let and works commenced
Dave Milburn	C544	MRA Kitchens		350,000	2,231	350,000	Contracts let and works commenced
Dave Milburn	C545	MRA Doors & Windows		1,300,000	204,337	1,300,000	Contracts let and works commenced

Capital Programme Monitoring April - June 2006

Budget Holder	Cost Centre	Cost Centre Description	Sub Heading	2006/07 Budget (£)	Actual (£)	Projected (£)	Comments
Dave Milburn	C546	MRA Roofing		100,000	(3,187)	100,000	Contracts let and works due to commence
Total				4,364,560	418,966	4,367,560	
Regeneration Department							
Richard Roddam	C001	Major and Minor Repair Grants		200,000	43,038	200,000	10 repair grants awarded
Richard Roddam	C003	Disabled Facilities Grant (Private)	Expenditure	204,000	20,484	204,000	8 grants awarded
Richard Roddam	C003	Disabled Facilities Grant (Private)	Govt. Grant	(122,000)	0	(122,000)	Government subsidy @ 60% of spend
Richard Roddam	C003	Disabled Facilities Grant (Private)	Sub Total	82,000	20,484	82,000	
Sue Dawson	C005	South Church New Business Centre	Expenditure	0	35,200	0	
Sue Dawson	C005	South Church New Business Centre	Income	0	0	0	
Sue Dawson	C005	South Church New Business Centre	Sub Total	0	35,200	0	Monies due to the Council - subject to final audit of project
Alan Weston	C009	Crook Comm. Built. Env Scheme	Expenditure	0	(66,625)	0	Monies due from the Council
Alan Weston	C009	Crook Comm. Built. Env Scheme	Income	0	8,472	0	Monies due to the Council - subject to final audit of project
Alan Weston	C009	Crook Comm. Built. Env Scheme	Sub Total	0	(58,153)	0	
Richard Roddam	C014	Dene Valley Renewal Area		200,000	(194,473)	200,000	Consultation to be undertaken on next phase of work

Capital Programme Monitoring April - June 2006

Budget Holder	Cost Centre	Cost Centre Description	Sub Heading	2006/07			Comments
				Budget (£)	Actual (£)	Projected (£)	
Alan Weston	C023	Bishop Auckland THI	Expenditure	0	(26,000)	0	Monies due from the Council
Alan Weston	C023	Bishop Auckland THI	Income	0	11,194	0	Monies due to the Council
Alan Weston	C023	Bishop Auckland THI	Sub Total	0	(14,806)	0	
Mike Ranson	C024	B/A Commercial Building Improvement Scheme	Expenditure	0	(574)	6,278	Monies due from the Council plus outstanding grant offers
Mike Ranson	C024	B/A Commercial Building Improvement Scheme	Income	0	(6,278)	(6,278)	
Mike Ranson	C024	B/A Commercial Building Improvement Scheme	Sub Total	0	(6,852)	0	
Mike Ranson	C045	SRB 5 Dene Valley Comm. Park	Expenditure	0	(21,999)	0	outstanding payment to be made to contractor
Mike Ranson	C045	SRB 5 Dene Valley Comm. Park	Income	0	46,085	0	retrospective grant payment due to be secured by GWK
Mike Ranson	C045	SRB 5 Dene Valley Comm. Park	Sub Total	0	24,086	0	no wvdc contribution
Peter Dunn	C053	Jubilee Meadows Phase 2	Expenditure	0	0	0	outstanding payment to be made to contractor
Peter Dunn	C053	Jubilee Meadows Phase 2	Income	0	(56,572)	0	retrospective grant payment due to be secured by GWK
Peter Dunn	C053	Jubilee Meadows Phase 2	Sub Total	0	(56,572)	0	no wvdc contribution
Ian Bloomfield	C059	Contaminated Land		96,000	560	96,000	Majority of spend to take place in latter half of year as identified land currently being prioritised
Sue Dawson	C065	Wolsingham Business Park	Expenditure	1,150,000	0	50,000	No external resources available in 2006/7 - funding package straddling 2006/7 & 2007/8 being developed
Sue Dawson	C065	Wolsingham Business Park	Income	(1,100,000)	0	0	
Sue Dawson	C065	Wolsingham Business Park	Sub Total	50,000	0	50,000	
Sue Dawson	C066	Bracks Farm	Expenditure	945,000		145,000	

Capital Programme Monitoring April - June 2006

Budget Holder	Cost Centre	Cost Centre Description	Sub Heading	2006/07			Comments
				Budget (£)	Actual (£)	Projected (£)	
Sue Dawson	C066	Bracks Farm	Income	(800,000)		0	Funding package likely to be put together by private sector
Sue Dawson	C066	Bracks Farm	Sub Total	145,000	0	145,000	
Peter Dunn	C067	High Job's Allotments Improvements	Expenditure	0	0	0	works complete
Peter Dunn	C067	High Job's Allotments Improvements	Income	0	13,251	0	grant payment due from GWK
Peter Dunn	C067	High Job's Allotments Improvements	Sub Total	0	13,251	0	TBC
Bob Hope	C070	Bishop Auckland Urban Renaissance	Expenditure	0	(21,186)	0	Monies due from the Council
Bob Hope	C070	Bishop Auckland Urban Renaissance	Income	0	0	0	
Bob Hope	C070	Bishop Auckland Urban Renaissance	Sub Total	0	(21,186)	0	
Sue Dawson	C076	Weardale Building Enhancement Scheme	Expenditure	0	(17,774)	0	Monies due from the Council
Sue Dawson	C076	Weardale Building Enhancement Scheme	Income	0	0	0	
Sue Dawson	C076	Weardale Building Enhancement Scheme	Sub Total	0	(17,774)	0	
Peter Dunn	C077	Car Parking Improvement Programme		92,000	(31,536)	92,000	Improvements to take place in Crook prior to the introduction of charging. Outstanding contract payments for Bishop Auckland Works
Sue Dawson	C082	Innovation House Extension	Expenditure	58,006	481,510	478,000	Project straddles 2005/6 and 2006/7 - o/s income to be claimed
Sue Dawson	C082	Innovation House Extension	Income	0	(283,392)	(419,994)	
Sue Dawson	C082	Innovation House Extension	Sub Total	58,006	198,118	58,006	
Sue Dawson	C083	Eastgate Development	Expenditure	623,000	0	623,000	Project funding package being prepared - will be subject to change but WVDC contribution not anticipated to change 2006/7 - further details in Q2 - project will straddle 2006/7 & 2007/8
Sue Dawson	C083	Eastgate Development	Income	(575,000)	0	(575,000)	

Capital Programme Monitoring April - June 2006

Budget Holder	Cost Centre	Cost Centre Description	Sub Heading	2006/07			Comments
				Budget (£)	Actual (£)	Projected (£)	
Sue Dawson	C083	Eastgate Development	Sub Total	48,000	0	48,000	
Bob Hope	C087	Crook Urban Renaissance	Expenditure	580,000	0	204,613	Project revised as additional funding not available in 2006/7 - project has been re-profiled across 2005/6 and 2006/7
Bob Hope	C087	Crook Urban Renaissance	Income	(480,000)	(104,613)	(104,613)	
Bob Hope	C087	Crook Urban Renaissance	Sub Total	100,000	(104,613)	100,000	
Sue Dawson	C088	Low Willington Business Park	Expenditure	351,615	0	351,615	Project straddles 2005/6 and 2006/7 - o/s creditor
Sue Dawson	C088	Low Willington Business Park	Income	(300,000)	(265,219)	(300,000)	
Sue Dawson	C088	Low Willington Business Park	Sub Total	51,615	(265,219)	51,615	
Sue Dawson	C089	South West Crook Industrial Extension	Expenditure	1,199,406	0	1,199,406	Funding package / delivery of project straddling 2006/7 & 2007/8 being developed - further details in Q2
Sue Dawson	C089	South West Crook Industrial Extension	Income	(950,000)	0	(950,000)	
Sue Dawson	C089	South West Crook Industrial Extension	Sub Total	249,406	0	249,406	
Bob Hope	C092	Bishop Auckland Tourism Renaissance	Expenditure	1,187,000	(1,166)	12,000	Feasibility work has slipped - funding bid expected to be submitted in Q2 - additional feasibility work may be required in light of changes to Heritage Lottery Fund criteria
Bob Hope	C092	Bishop Auckland Tourism Renaissance	Income	(1,175,000)	0	0	
Bob Hope	C092	Bishop Auckland Tourism Renaissance	Sub Total	12,000	(1,166)	12,000	
Carole Dillon	C093	West Auckland Improvement Scheme	Expenditure	320,000	0	60,000	External funding package has been approved but DCC are the applicant and may be the accountable body
Carole Dillon	C093	West Auckland Improvement Scheme	Income	(260,000)	0	0	
Carole Dillon	C093	West Auckland Improvement Scheme	Sub Total	60,000	0	60,000	
Peter Dunn	C112	Roddy Moor Recreation Ground	Expenditure	0	(16,931)	0	fencing works outstanding payment to be made

Capital Programme Monitoring April - June 2006

Budget Holder	Cost Centre	Cost Centre Description	Sub Heading	2006/07			Comments
				Budget (£)	Actual (£)	Projected (£)	
Peter Dunn	C112	Roddymoor Recreation Ground	Income	0	0	0	grant payment due from GWK
Peter Dunn	C112	Roddymoor Recreation Ground	Sub Total	0	(16,931)	0	no wvdc contribution
Peter Dunn	C113	Wolsingham Riverside Improvements	Expenditure	0	(19,600)	0	works to begin July 06
Peter Dunn	C113	Wolsingham Riverside Improvements	Income	0	29,600	0	grant payment due from GWK
Peter Dunn	C113	Wolsingham Riverside Improvements	Sub Total	0	10,000	0	no wvdc contribution
Sue Dawson	C124	Fieldon Bridge Development - phase 1		20,000	0	20,000	Project being developed but little prospect of external funding in the short term
Sue Dawson	C125	Wear Valley Building Enhancement Scheme	Expenditure	298,000	0	298,000	
Sue Dawson	C125	Wear Valley Building Enhancement Scheme	Income	(250,000)	0	(250,000)	Funding package straddling 2006/7 & 2007/8 being developed - further details in Q2
Sue Dawson	C125	Wear Valley Building Enhancement Scheme	Sub Total	48,000	0	48,000	
Carole Dillon	C126	Positional Accuracy Tool		20,000	0	20,000	Spend anticipated in Q3 - options being analysed
Bob Hope	C127	Economic Development Fund		30,000	0	30,000	
Alan Weston	C128	BA Town Centre Management		100,000	0	100,000	Funding package straddling 2006/7 & 2007/8 being developed - further details in Q2
Richard Roddam	C527	Public Sector Disabled Adaptations 2006/07	Expenditure	189,000	98,473	189,000	17 major and 45 minor adaptations to date
Richard Roddam	C527	Public Sector Disabled Adaptations 2006/07	Income	(15,000)	(15,200)	(15,200)	
			Sub Total	174,000	83,273	173,800	
Total				1,836,027	-361,271	1,835,827	

Capital Programme Monitoring April - June 2006

<u>Budget Holder</u>	<u>Cost Centre</u>	<u>Cost Centre Description</u>	<u>Sub Heading</u>	<u>2006/07</u>			
				<u>Budget (£)</u>	<u>Actual (£)</u>	<u>Projected (£)</u>	<u>Comments</u>
Grand Total				7,619,578	153,340	7,631,938	

TREASURY MANAGEMENT ACTIVITY

The table below shows the borrowing activity which took place in 2005/06:

Borrowing - Activity 01.04.2005 - 31.03.2006

	<u>Balance as</u> <u>at 01.04.05</u>	<u>New</u> <u>Loans</u>	<u>Principal</u> <u>Repaid</u>	<u>Balance as</u> <u>at 31.03.06</u>
	£000	£000	£000	£000
Public Works Loans Board				
Fixed Rate Loans	30,217	7,500	5,167	32,550
Variable Rate Loans	0	0	0	0
Bank of Scotland				
Lender Option / Borrower Option	6,500	0	0	6,500
European Investment Bank				
Fixed Rate Loan	10	0	10	0
Temporary Loan				
Variable Rate Loan	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>36,728</u>	<u>14,500</u>	<u>18,607</u>	<u>39,051</u>

Total interest due in the year was £2.32m. This gives an average 'pool' rate of interest of 6.01%.

The split between fixed and variable rate interest is as follows:

	£m	%
Interest Due 2005/06 - Fixed Rate Loans	2.32	100
Interest Due 2005/06 - Variable Rate Loans	0	0

No debt rescheduling took place during 2005/06.

New loans from the P.W.L.B. were taken out as follows:

£1,000,000 @ 4.60% - Maturity – 5 years - Repayable 15 November 2009
 £1,000,000 @ 4.40% - Maturity – 2 years - Repayable 15 May 2008
 £2,000,000 @ 4.35% - Maturity – 7 years – Repayable 7 December 2011
 £2,000,000 @ 4.40% - Maturity – 25 years - Repayable 7 June 2031
 £1,500,000 @ 3.90% - Maturity – 50 years - Repayable 16 July 2055

Loans redeemed during the year are as follows:

£4,000,000 @ 4.80% - Maturity – 1 year – repaid 7th June 2005

The following tables show the PWLB Long Term Debt Outstanding analysed into maturity profiles, average interest rates, and lenders:

	<u>Av. %</u>	<u>Balance 31.03.2006</u> £000
Maturing within 1 year	7.01	2,667
1 - 2 years	10.22	1,133
2 - 3 years	7.48	2,100
3 - 4 years	7.18	1,869
4 - 5 years	10.01	715
5 - 6 years	5.48	2,522
6 - 10 years	9.59	922
10 - 15 years	9.50	375
15+ years	5.61	20,247
Total	6.34	32,551

During the year, any surplus funds were invested with the Banks/Building Societies as outlined in the Treasury Management Strategy. This activity is shown below:

2. **Lending - Activity 1st April 2005 - 31st March 2006**

	<u>Balance as</u> at 01.04.05	<u>New</u> <u>Investments</u>	<u>Principal</u> <u>Recalled</u>	<u>Balance as</u> at 31.03.06
	£000	£000	£000	£000
Co-operative Bank	1,880	32,935	33,175	1,640
Nationwide Building Society	2,000	500	2,500	0
Halifax	1,000	5,000	4,000	2,000
Barclays Bank	2,000	0	2,000	0
Northern Rock	0	2,000	0	2,000
Alliance & Leicester	2,000	1,000	1,000	2,000
Britannia Building Society	2,000	2,000	2,000	2,000
Bradford & Bingley	2,000	2,000	2,000	2,000
Anglo Irish	0	3,500	1,500	2,000
West Bromwich Building Soc.	0	2,000	0	2,000
Lloyds TSB	0	3,000	3,000	0
Newcastle Building Society	0	3,500	2,000	1,500
Abbey	0	2,000	500	1,500
Skipton	0	3,500	1,500	2,000
Yorkshire Building Society	500	2,000	500	2,000
Yorkshire Bank	0	1,000	0	1,000
	<u>13,380</u>	<u>65,935</u>	<u>55,675</u>	<u>23,640</u>

Any part of the investment with the Co-operative Bank can be recalled immediately.

The investments with the Building Societies are placed for periods between one month and 364 days, and on maturity are reinvested if this is considered appropriate.

The Council's Treasury Policy Statement specifies that investments are only made with U.K. and Republic of Ireland Clearing Banks or their wholly owned subsidiaries, the Top 10 Building societies, and other Local Authorities.

The Treasury Policy Statement also specifies a maximum of £2 million that can be invested with any one institution, with the exception of the Co-op bank whose limit is £2.5m.

The average rate of interest received on these Approved Investments was approximately 4.59%.

The average rate of interest received by the Council appears reasonable, especially as brokers were not used to invest this money, and if the investment with the Co-operative Bank falls below £1,000,000, which it did on a few occasions in 2005/06, the interest rate is reduced by 2%. In addition, the security of the investment, rather than the interest rate offered is of prime importance.

3. Current Treasury Position

The Council's debt position at 31st March 2006 is as follows:

		£000	£000
<u>Fixed Rate Funding</u>	PWLB	32,551	
	LOBOS	6,500	
	Temp. Loan	1	39,052

Total temporary investments are £23.64m as at 31st March 2006.

4. Profile of Debt Outstanding as at 31st March 2006

<u>Source of Loan</u>	<u>Range of Interest Rates Payable as at 31.03.2006</u>	<u>Total Outstanding as at 31st March 2005</u>
	%	£000
LOBOS	3.70 - 4.75	6,500
Public Works Loan Board	3.9 - 10.75	32,551
Total		<u>39,051</u>

The amounts for repayment are reasonably spread in different years, so that if in one year interest rates were very high and loans had to be replaced, the amount falling due in any one year is reasonable in relation to total debt outstanding.

The above does not include a £1,000 temporary loan.

5. **Bank Base Rates**

Both PWLB lending rates and investment returns are linked to bank base rates.

Bank base rates changed during 2005/06 as follows:

%
4.50 - 4 August 2005

6. **Debt Rescheduling**

There was no debt rescheduling during 2005/06.

Corporate Operational Risk	Type of risk	Likelihood (1 low 2 medium 3 high)	Impact (1 low 2 medium 3 high)	Score (likelihood x impact)	Progress during 2005/06	Responsibility
1. Excessive staff Levels/ Workloads	Management	3	3	9	1. Issues of work load/staff levels discussed as part of personal development planning process between staff and line manager.	Directors/ Human Resources
2. High staff Sickness/ Absence/ Stress	Management	3	3	9	1. The performance of BVPI 12(sickness absence) is now expected to be above average / top quartile for 20005/06. 2. Targets have been set for 2006/07/8/9 and are monitored 6 monthly.	Human Resources/ Directors
3. High number of staff Accidents	Physical	2	2	4	1. Revised procedure now implemented. 2. Ongoing training necessary to ensure that all accidents are reported.	MSU
4. Lack of Financial Management/ control	Financial	2	2	4	1. Use of Resources Assessment score of 2 i.e. adequate achieved. 2. Action plan to achieve improved in place and monitored monthly by Management Team	Director of Resource Management
5. IT Systems Failure	Technological	1	3	3	1. Capital resources secured for disaster recovery hardware/software as part of 2005/06 capital budget.	Director of Resource Management

Corporate Operational Risk	Type of risk	Likelihood (1 low 2 medium 3 high)	Impact (1 low 2 medium 3 high)	Score (likelihood x impact)	Progress during 2005/06	Responsibility
					Arrangements in the process of being finalised, i.e. link to Sedgefield BC established	
6. Lack of Asset Management/ Capital Investment	Economic	2	2	4	<ol style="list-style-type: none"> 1. Annual report given to Committee showing local and national performance indicators 2. Updated Asset Management Plan being drafted 3. Action plan to improve Use of Resources assessment agreed by Management Team 	Director of Resource Management
7. Office Environment – Open Plan/ Workstations not Health & Safety Compliant	Physical	2	2	4	<ol style="list-style-type: none"> 1. No significant progress made. 2. Improved use made of Royal Corner by Council staff and External Audit staff. 3. Further use made of homeworking for selected staff (e.g. benefits staff). 	Director of Resource Management
8. Lack of Staff Training/ Failure to achieve IIP Ideals	Management	3	2	6	<ol style="list-style-type: none"> 1. HR strategy drafted by March 2006. 2. Training developed and delivered in the areas of: <ul style="list-style-type: none"> • Basic skills(maths and English) • Project management • Leadership 	Director of Resource Management

Corporate Operational Risk	Type of risk	Likelihood (1 low 2 medium 3 high)	Impact (1 low 2 medium 3 high)	Score (likelihood x impact)	Progress during 2005/06	Responsibility
					<ul style="list-style-type: none"> European Computer Driving Licence 	
9. Threats/ Violence against Staff	Physical	1	3	3	<ol style="list-style-type: none"> Register now in place. Training delivered by Training Officer 	MSU
10. Lone Workers (inside and out)	Physical	1	3	3	<ol style="list-style-type: none"> Policy and guidance agreed at Policy and Strategic Development Committee. 	MSU
11. Contractors failure to follow Health & Safety requirements	Management	2	2	4	<ol style="list-style-type: none"> No significant progress made. Method statements requested from contractors and periodically checked 	MSU
12. Lack of Health & Safety of Customers	Customer and citizen	1	3	3	<ol style="list-style-type: none"> Addressed through the Emergency Response policy. 	MSU
13. Poor Health and Safety Risk Management – COSHH policy	Physical	1	3	3	<ol style="list-style-type: none"> Review of policy commenced during 2005/06. Asbestos policy reviewed 	MSU

Corporate Operational Risk	Type of risk	Likelihood (1 low 2 medium 3 high)	Impact (1 low 2 medium 3 high)	Score (likelihood x impact)	Progress during 2005/06	Responsibility
13. Failure to meet the Disability Discrimination Act	Customer and citizen	3	2	6	<ol style="list-style-type: none"> 1. Capital works to the value of £150,000 carried out to public buildings e.g. Leisure Centres, Civic Centre, Community Centres etc. 2. Capital resources secured to continue capital works to public buildings as part of 2006/07 capital programme. 	Director of Resource Management
14. Lack of Security of Premises/ Equipment	Physical	2	2	4	<ol style="list-style-type: none"> 1. No significant progress made. Report produced by Internal Audit still ongoing 	Director of Resource Management
15. Prescribed Industrial Diseases/ Needlestick Injuries	Physical	1	3	3	<ol style="list-style-type: none"> 1. Training to departments given on request. 2. Policy drafted. 	MSU
16. Complaints Procedures not effective	Customer and citizen	2	2	4	<ol style="list-style-type: none"> 1. Complaints Procedure now introduced and operational via the web. 2. Reports given to Committee showing numbers of complaints received 	Director of Resource Management
17. E-government and Property Gazetteer	Technological and customer	3	2	6	<ol style="list-style-type: none"> 1. BVPI157 now 100% compliant 2. Reports to Committee showing Priority Service Outcome 	Director of Resource Management

Corporate Operational Risk	Type of risk	Likelihood (1 low 2 medium 3 high)	Impact (1 low 2 medium 3 high)	Score (likelihood x impact)	Progress during 2005/06	Responsibility
programme not achieved					<p>progression</p> <p>3. Implementing Electronic Government returns completed showing progress to date</p> <p>4. Audit Commission health check of PSO's undertaken during 2005/06.</p>	
18. Poor Property/ Facilities Management	Physical	2	2	4	<p>1. Improvements to properties re: DDA made (see 14 above).</p> <p>2. Ongoing planned maintenance programmes developing for Council assets (offices and common rooms).</p> <p>3. Capital resources secured to tackle backlog maintenance issues during 2006/07.</p>	Director of the Community/ Director of Resource Management
19. Failure to achieve ALMO	Customer and citizen	2	3	6	<p>1. Successful bid made for inclusion on ALMO list.</p> <p>2. External facilitated workshop held to identify key issues.</p>	Director of the Community
3. Failure to achieve efficiency/ Gershon agenda	Management	2	3	6	<p>1. 2005/06 efficiency statement produced and submitted to ODPM.</p> <p>2. Efficiencies totalling £xxx,000 made during 2005/06 of which £xxx,000 were cashable.</p>	Director of Resource Management

BENEFIT INVESTIGATION UNIT

PROSECUTION POLICY



**WEAR
VALLEY**
DISTRICT COUNCIL

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County Durham
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Resource Management Department

Director Gary Ridley

WEAR VALLEY DISTRICT COUNCIL

BENEFIT SERVICE PROSECUTION POLICY

PART I – INTRODUCTION

Wear Valley District Council demonstrates a commitment to the prevention, deterrence and detection of benefit fraud. It endeavours to ensure that claimants receive the benefit to which they are entitled and recognises the need to safeguard public funds. Persons who intentionally commit fraud may be prosecuted.

The Council regards this policy as an important component of its anti-fraud strategy and believes it to be an effective deterrent against committing benefit fraud.

Not all cases will be suitable for prosecution and the guidelines offered in this document ensure decision making is balanced, consistent and fair.

PART II – SUMMARY OF RESPONSIBILITIES

Investigation Officers have responsibility for every investigation conducted and must ensure that:

- All investigations proceed promptly, efficiently and effectively
- All facts are established
- Adequate and admissible evidence is gathered
- All investigative actions are in accordance with the relevant laws including:
 - Criminal Procedure and Investigation Act 1996
 - Police and Criminal Evidence Act 1984 and subsequent Codes of Practice
 - Social Security Administration Act 1992
 - Regulation of Investigatory Powers Act 2000
 - Social Security Administration (Fraud) Act 1997 and Assoc. Regs
 - Theft Act 1968
 - Data Protection Act 1998 and
 - Human Rights Act 1998
- All relevant procedures, strategies and policies should be adhered to.

The Benefit Investigation Manager will review each case and decide upon appropriate cases considered suitable for prosecution. Each case must then be referred to the Revenues and Benefits Manager to be formally approved, prior to the instigation of any legal proceedings.

- The instigation of any legal proceedings under the Social Security Administration Act 1992 and all other relevant legislation and may ask others to prosecute on this Council's behalf
- Any offer of an administrative penalty, as an alternative to prosecution, in accordance with the guidelines contained within this policy document
- Any offer of a formal caution, as an alternative to prosecution, in accordance with the guidelines contained within this policy document.

The Revenues and Benefits Manager must authorise any case put forward for prosecution action.

PART III – THE LAW

This section details the appropriate legislation which the Council may use in order to bring proceedings before the court.

- The Social Security Administration Act (1992)

Section 111A – Either way offence of dishonestly making false statement/representation or producing a false document.

Section 111A (1A-1E) – Either way offence of dishonestly failing to notify a change in circumstances.

Section 112(1) – Summary offence of knowingly making a false statement/representation or producing a false document.

Section 112(1A-1D) – Summary offence of knowingly failing to report a change in circumstances.

- The Theft Act (1968) (including amendments in 1978)

Section 1(1) – a customer is guilty of theft if they have dishonestly appropriated property belonging to another with the intention of permanently depriving the other of it and “theft” and “steal” shall be construed accordingly (e.g. where the customer has failed to report a change in circumstances and are not entitled to the payments they have received).

Section 2 – dishonesty where the customer fails to meet their liability (e.g. where the customer is a council tenant who has a lawful liability to meet a statutory rent and is not doing so if they are defrauding the benefit system and thus have an unlawful liability).

Section 15 – where the customer obtains property by deception (e.g. making a false claim for benefit in the first instance).

Section 15a – where the claimant obtains money transfer by deception (as in Section 15 above).

Section 17 – where the claimant shows dishonesty with a view to gain for themselves/causes loss to another (e.g. where the claimant makes a false declaration on an application form).

Section 20 – where the claimant has made a procurement of valuable security by deception (e.g. where a customer makes a false claim in the first instance).

Section 24A – where a person retains a wrongful credit.

- The Criminal Law Act (1997)

Section 1 – where the claimant has conspired to commit offences (e.g. this is based on the information the claimant was aware of before they received their first payment).

- The Forgery and Counterfeiting Act (1981)

All sections of this act cover the claimant using false documentation.

- The Criminal Attempts Act (1981)

Section 1 – where the claimant has made a false application (e.g. before a payment has been made).

PART IV – GUIDELINES PRIOR TO PROSECUTION

Officers must ensure that adequate consideration is given to the following criteria:

- Does the evidence appear to be sufficient to obtain a conviction? Is it admissible, substantial and reliable?
- Are there any doubts about the mental capacity of the person that may hinder prosecution proceedings?
- Where appropriate, is there evidence to show intent?
- Are there any doubts about whether the person being interviewed was under the influence of alcohol or drugs?
- Has the investigation complied with the Police and Criminal Evidence Act 1984 Code of Conduct?

PART V – THE OFFENCE

Where fraud has included benefit in excess of £3,000 prosecution should be considered. It will not be cost effective to prosecute in other cases except in exceptional circumstances. Regardless of the amount of the overpayment, officers will still take account of any aggravating factors about a case which makes prosecution action appropriate. Some of these exceptional circumstances include:

- The offender is employed by the authority
- The offender has declined the offer of an administrative penalty (or has withdrawn their offer to make payments in this respect)
- The offender has declined to accept the offer of a formal caution
- The offender has previously been convicted of a social security or local authority fraud
- The offender has previously made a fraudulent claim with the authority, for which it had proven but taken no further action (other than the recovery of overpaid benefit)
- The offender had abused a position of trust
- The case involves a collusive employer or landlord
- The fraud was calculated and intentional.

PART VI – VOLUNTARY DISCLOSURE

A voluntary disclosure occurs where a person voluntarily reveals a fraud which was previously unsuspected. A disclosure is not voluntary if:

- It does not constitute a complete admission of the fraud
- Admission is made only because the discovery of the fraud is likely
- The person admits the facts when questioned

A prosecution would not normally be pursued in cases where full voluntary disclosure is made providing that there is a willingness to prevent re-occurrence and to repay any monies claimed fraudulently.

PART VII – MENTAL OR PHYSICAL CONDITION

The mental or physical condition of the offender, their partner, children or other household members may mean that prosecution is not desirable in some cases. In particular it may not be appropriate if:

- The strain of proceedings may lead to a considerable worsening of pre-existing or psychiatric illness
- A person suffers from serious hearing, speech or sight difficulties
- The person is elderly or infirm and the courts would be likely to be more sympathetic to the person than the authority.
- The person is pregnant and confinement is due within three months.

PART VIII – SOCIAL FACTORS

Certain social factors may make prosecution undesirable and these instances could include:

- The court/public perception of the case is likely to be favourable to the claimant
- Possibility of trauma to an innocent third party
- The person is young and immature and may appear to the court as someone who could be dealt with effectively without proceedings.

The stigma of a conviction can cause irreparable harm to the future prospects of a young adult, however, the age of a person would not automatically prevent proceedings particularly if the offence shows an adult degree of sophistication or the person has already been involved with the police.

PART IX – TECHNICAL FACTORS

Technical reasons may prevent a case from being considered for prosecution. These factors may apply where:

- The investigation is flawed e.g. where the correct procedures have not been followed and are likely to jeopardise the success of any prosecution.
- Failure in benefit administration has allowed the offence to take place or remain undisclosed
- There has been an unjustifiable delay in bringing the case to a conclusion.

PART X – ADMINISTRATION PENALTY

The administrative penalty amounts to 30% of the total overpayment and may be offered to the claimant as an alternative to prosecution. This offer will be made at the discretion of the Revenues and Benefits Manager after a case conference has been held. An offer of a penalty will be made by a member of staff other than the original interviewer. If accepted, the claimant will have 28 days to reconsider their decision. Administrative penalties have no standing in court.

Cases where an administrative penalty may be considered are:

- Where the overpayment is recoverable under or by virtue of Section 75 or 76 of the Social Security Administration Act 1992, and attributable to an act or omission on the part of the person, and grounds exist for instituting proceedings for an offence relating to the overpayment
- The overpayment is over £50 and less than £3,000

- Any case where prosecution is a possibility but not the preferred option at the outset.

There is no requirement for the person to admit to the offence before an administrative penalty can be offered. However, this local authority must be satisfied that there are grounds for instituting criminal proceedings.

In the event of the person declining to agree to pay a penalty, criminal proceedings against the person must always be considered unless exceptional circumstances apply (e.g. the person's health deteriorates dramatically before proceedings can be instigated).

An investigation must have been undertaken as if it was the intention to prosecute. It would be a serious misuse of this power to offer an administrative penalty in cases where a prosecution would be unlikely to succeed in court.

PART XI - FORMAL CAUTION

A formal caution is a meaningful penalty and deterrent for those persons at the lower end of the range of benefit fraud, where the overpayment is less than £3,000 and an administrative penalty is not appropriate. A formal caution is an oral warning given to a person who has committed an offence and made at the discretion of the Revenues & Benefits Manager after a case conference has been held. Cases where formal caution may be considered are if:

- There is sufficient evidence to justify instituting criminal proceedings
- It is a first offence and the overpayment is over £50 and less than £3,000
- The person has admitted the offence during an interview under caution
- The person's history of previous convictions/cautions has been taken into account
- The person must sign a document to show they admit to the offence
- The person agrees to the caution and they acknowledge they have been cautioned.

If the person is prosecuted for another benefit offence in the future, the caution may be cited in court. If the person decides to refuse to accept a caution, the alternative course of action should be criminal proceedings, where the refusal of a caution can be stated to the court. Therefore, the quality of the evidence available to issue a formal caution must be of the same standard as that required to prosecute.

Cautions should not be administered to an offender where there can be no reasonable expectation that this will curb his/her offending or if the person is under 18 years of age.

The officer who interviewed the person under caution cannot be the same officer who administers the caution.

All case papers in respect of benefit offenders, approved for prosecution will be given to the Council's Prosecutor. Supporting evidence/documents relevant to the investigation will be recorded and included in the prosecution file in such a way that it is accessible and convenient to the Advocate.

PART XII - PUBLICITY

Consideration will be given to whether the outcome of a case should be reported to the community to maximise the effectiveness of publicising the results of investigation. Such action, where appropriate, may support the key objectives to deter fraud and to promote the prevention and detection of irregularities.



WEAR
VALLEY
DISTRICT COUNCIL

CONFIDENTIAL REPORTING POLICY

INTRODUCTION

- 1.1 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2 The Council is committed to the highest possible standards of openness, probity and accountability. Therefore, we expect employees, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.
- 1.3 This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This Confidential Reporting policy is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside.
- 1.4 These procedures are in addition to the Council's complaints' procedures and other statutory reporting procedures applying to some departments.
- 1.5 This policy has been discussed with the relevant trade unions and professional organisations and has their support.

AIMS AND SCOPE OF THIS POLICY

- 2.1 This policy aims to:
 - encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice
 - provide avenues for you to raise those concerns and receive feedback on any action taken
 - ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
 - reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.

2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover major concerns that fall outside the scope of other procedures. These include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other employees
- damage to the environment
- the unauthorised use of public funds
- possible fraud and corruption
- sexual, physical, verbal, racial or mental abuse of clients, or
- other unethical conduct.

2.3 Thus, any serious concerns that you have about any aspect of service provision or the conduct of officers or members of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Policy This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- is against the Council's Financial Regulations or Standing Orders and policies; or
- falls below established standards of practice; or
- amounts to improper conduct,

2.4 This policy does not replace the corporate complaints procedure.

2.5 This policy may be used by anyone, and in particular the following:

- contractors/sub-contractors/suppliers
- self-employed
- members of the public
- agency staff
- voluntary workers
- trainees
- organisations working in partnership with the Council.

3 **SAFEGUARDS**

3.1 The council is committed to good practice and high standards and wants to be supportive of employees.

- 3.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.
- 3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith. This may include taking disciplinary action against those who victimise a person reporting a concern.
- 3.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

4. CONFIDENTIALITY

- 4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

5. ANONYMOUS ALLEGATIONS

- 5.1 This policy encourages you to put your name to your allegation whenever possible.
- 5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 5.3 In exercising this discretion the factors to be taken into account would include:
- the seriousness of the issues raised
 - the credibility of the concern; and
 - the likelihood of confirming the allegation from capable sources.

6. UNTRUE ALLEGATIONS

- 6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

7. HOW TO RAISE A CONCERN

- 7.1 As a first step, you should normally raise concerns with your immediate Supervising Officer or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach either the Chief Executive or Monitoring Officer.
- 7.2 Concerns may be raised verbally or in writing. Employees who wish to make a written report are invited to use the following format:
- the background and history of the concern (giving relevant dates);
 - the reason why you are particularly concerned about the situation.
- 7.3 The earlier you express the concern the easier it is to take action.
- 7.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.
- 7.5 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 7.6 You may invite your trade union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.
- 7.7 Independent advice on how to pursue matters on concern can be obtained from:

Name	Tel. No.	e-mail address
Iain Phillips, Chief Executive	01388 765555	i.phillips@wearvalley.gov.uk
Gary Ridley, Director of Resource Management	01388 765555	g.ridley@wearvalley.gov.uk
Monitoring Officer (to be appointed)	01388 765555	To be determined
John Redfearn, Internal Audit	01388 765555	j.redfearn@wearvalley.gov.uk
Cath Andrew, External Audit	0191 460 2022	c-andrew@audit-commission.gov.uk

- 7.8 A hotline can be used to raise concerns. The number is 01388 761522. **(this number to be changed to a dedicated line)**

7.9 Copies of the policy are available:

- In staff and managers handbook
- On the Authority's website
- The Code of Conduct makes reference to it.

8. **HOW THE COUNCIL WILL RESPOND**

8.1 The Council will respond to your concerns. An investigation of your concerns is however, not the same as either accepting or rejecting them.

8.2 Where appropriate, the matters raised may:

- be investigated by management, internal audit, or through the disciplinary process
- be referred to the police
- be referred to the external auditor
- form the subject of an independent enquiry

8.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle for the Council will be one of public interest. Concerns or allegations which fall within the scope of specific procedures (for example, discrimination issues) will normally be referred for consideration under those procedures.

8.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

8.5 Within 10 working days of a concern being raised, the Monitoring Officer will write to you to:

- acknowledge that the concern has been received
- indicate how the Authority proposes to deal with the matter
- give an estimate of how long it will take to provide a final response
- inform you whether any initial enquiries have been made
- supply you with information on employee support mechanisms, and
- inform you whether further investigations will take place and if not, why not.

8.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.

8.7 Where any meeting is arranged, off-site if you so wish, you can be accompanied by a trade union representative or person of your choice.

8.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.

8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcome of any investigation.

9. **THE RESPONSIBLE OFFICER**

9.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. He/she will maintain a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report annually to the Council or as often as necessary.

10. **HOW THE MATTER CAN BE TAKEN FURTHER**

10.1 This policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- the external auditor – Cath Andrew, District Audit, Nickalls House, Metro Centre, Gateshead. NE11 9NH. Telephone: 0191 460 2022
- your trade union
- your local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation
- the police.

10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with the contact point about that.

WEAR VALLEY DISTRICT COUNCIL**DEBT MANAGEMENT FRAMEWORK****1. INTRODUCTION**

This framework document aims to provide a framework for the management of debts within the Authority. It is intended to cover:

- Sundry Debts.
- Council Tax.
- NNDR.
- Housing Benefit overpayments.
- Housing Rents.

It is intended as a framework for managing debts. This supports other specific policies and procedures.

2. AIMS OF THE FRAMEWORK

The overall aims of the strategy are:

- To identify all income due to the Authority, promptly.
- To provide a consistent approach to debt management.
- To seek to maximise the financial position of the Authority.
- To use best practice to minimise risks arising in respect of the Authority's debts.
- To ensure effective financial control in relation to debt management.

3. CUSTOMER CARE

At all times the principles of customer care will be observed, as follows:

- No unreasonable pressure will be brought to bear on those owing debts to the Authority i.e. ability to pay and appropriateness of recovery will be taken into consideration.
- Letters and forms sent to customers will be clear and easy to understand.
- The Authority will respond quickly and courteously when customers make contact.
- Payment methods/choice will be maximised.

4. RECOVERY PROCEDURES AND SERVICE STANDARDS

The following recovery procedures relating to Council Tax and Non-Domestic Rates will be used.

Council Tax

Procedure
The instalment is due 14 days after, or the first day of the following month, after the bill is issued
The first reminder is issued 14 days after the instalment date
If the account is not brought up to date, a second reminder is issued 14 days after the first.
Only two reminders would be issued throughout the statutory instalment period
Instalments are cancelled a further 8 to 11 days after the reminder is issued if payment is not received
A summons is issued 8 days after the cancellation of instalments.
A liability order is obtained after a further 15 to 21 days. A bailiff "warning" letter is issued with the liability order.
On receipt of a liability order further action can be considered including: Attachment to earnings Attachment to benefits Bailiff action Insolvency
Debts are issued to the bailiff after a further 14 or 15 days.

Service Standards

Pre Liability Order Recovery
Reminder notices are issued within 15 working days of the instalment becoming overdue.
Information regarding the availability of discounts, exemptions and benefit are issued with all demands for payment.
Staff attending Court take with them a supply of Benefit / SPD forms etc. and are sufficiently trained to be able to help taxpayers to complete the form, and assess potential entitlement to benefit.
Employer details are recorded when making arrangements to pay after a summons has been issued.

Post Liability Order Recovery
An information request, which also advises the taxpayer about the possibility of bailiff action is issued within 3 working days of the Court hearing.
Information on attachments (both benefits and earnings) is retained for use in future years (subject to the constraints of the Data Protection Act's requirements).

Bailiff and External Agency Recovery (unless stated refers to both internal and external bailiffs)
The initial bailiff visit is within 10 working days of the receipt of a case.
Where no contact has been made within office hours at least one visit takes place outside of normal hours before a case is returned for committal.
Bailiffs only return cases after at least 3 unsuccessful visits have been made.
At least quarterly monitoring of the costs and benefits of the bailiff operation is undertaken.
Committals
Pre-committal warning letters are sent prior to the commencement of proceedings, which will give the taxpayer the opportunity to make payments by other methods.
Committal summonses are issued at least 10 working days prior to the court hearing.

The following customer service standards relate to Council Tax:

Customer Care
The Customer Care policy will be prominently displayed at all enquiry points.
The Authority has a published copy of Customer Care, in which staff have been trained and have a personal copy
The Customer Care policy is sent to all customers at annual billing
The Customer Care policy contains specific targets for council tax
The Customer Care policy contains details of the authorities complaint procedure and gives details on how to complain
The Authority proactively encourages and seeks comment and opinion from council taxpayers through the use of annual customer surveys.
Telephone lines are direct
The Authority answers 95% of its telephone calls within 15 seconds
The Authority sees at least 95% of its personal callers to the public counter within 15 minutes.
The billing authority regularly monitors performance to ensure targets are being met. Monitoring results are reported to Senior Managers and members 6 monthly
Staff dealing with personal callers wear an identification badge (though this may not necessarily give full names, or could use pseudonyms)
A corporate interpreter service is available
The authority has a working arrangement with the Citizens Advice Bureau for the referral of cases
Satellite centres incorporate payment facilities.

National Non-Domestic Rates

Procedure
The instalment is due 14 days after, or the first day of the following month, after the bill is issued
The first reminder is issued 14 days after the instalment date
Instalments are cancelled a further 8 to 11 days after the reminder is issued if payment is not received
A summons is issued 8 days after the cancellation of instalments.
A liability order is obtained after a further 15 to 21 days. A bailiff warning letter is issued with the liability order.
On receipt of a liability order further action can be considered including: Bailiff action Insolvency
Debts are issued to the bailiff after a further 14 or 15 days.

Service Standards

Pre Liability Order Recovery

Reminder notices are issued within 15 working days of the instalment becoming overdue.

The Authority has a written policy on the tracing of absconded debtors, which incorporates guidance upon information sources and when accounts should be ended.

Bailiff and External Agency Recovery (unless stated refers to both internal and external bailiffs)

The initial bailiff visit is within 10 working days of the receipt of a case.

Where no contact has been made within office hours at least one visit takes place outside of normal hours before a case is returned

Bailiffs only return cases after at least 3 unsuccessful visits have been made.

At least quarterly monitoring of the costs and benefits of the bailiff operation is undertaken.

Committals

Pre-committal warning letters are sent prior to the commencement of proceedings, which will give the taxpayer the opportunity to make payments by other methods.

Committal summonses are issued at least 10 working days prior to the court hearing.

The following customer service standards relate to Non-Domestic Rates:

Customer Care

The Customer Care policy will be prominently displayed at all enquiry points.

The Authority has a published copy of Customer Care, in which staff have been trained and have a personal copy

The Customer Care policy is sent to all customers at annual billing

The Customer Care policy contains specific targets for council tax

The Customer Care policy contains details of the authorities complaint procedure and gives details on how to complain

The Authority proactively encourages and seeks comment and opinion from council taxpayers through the use of annual customer surveys.

Telephone lines are direct

The Authority answers 95% of its telephone calls within 15 seconds

The Authority sees at least 95% of its personal callers to the public counter within 15 minutes.

The billing authority regularly monitors performance to ensure targets are being met. Monitoring results are reported to Senior Managers and members 6 monthly

Staff dealing with personal callers wear an identification badge (though this may not necessarily give full names, or could use pseudonyms)

A corporate interpreter service is available

Satellite centres incorporate payment facilities.

The authority has a working arrangement with the Citizens Advice Bureau for the referral of cases

Sundry Debts

The following procedure relates to sundry debts:

Procedure
Debts below £10 should not be recovered by sundry debt as it is not economical to do so
Debt due 4 days from creation date to allow posting delays
First Reminder issued after fourteen days of debt
Second reminder issued after further seven days
Third reminder issued after further seven days
Report issued to budget holder monthly for appropriate account listing debts still outstanding after three reminders. One of the following options to be carried out within six weeks of receipt of report: (i) Referral to legal section to undertake proceedings (ii) Write off debt (iii) Debt paid. Decision based upon likelihood of recovery if further action taken, validity of debt and costs involved. Final decision rests with budget holder.
Where a debtor has absconded, the use of a tracing agency should be applied for any debt >£30 prior to write off. It is uneconomical due to system and staff costs to undertake a trace for debts below that value
The existence of other debts or credits owed to or from the Council i.e. rent, council tax etc. should be checked before write off.
If referral to legal section chosen further letter sent to debtor within 2 working days
If payment not received within 14 days of legal letter, legal proceedings commence upon request of budget holder or debt written off.
Invoices of value greater than £1,000 can only be written off after the approval of members

The following customer service standards relate to sundry debts:

Service Standards

The Customer Care policy will be prominently displayed at all enquiry points.
The Authority has a published copy of Customer Care, in which staff have been trained and have a personal copy
The Customer Care policy is sent to all customers at annual billing
The Customer Care policy contains specific targets for council tax
The Customer Care policy contains details of the authorities complaint procedure and gives details on how to complain
Invoice issued to debtor within 5 working days of supply of good or service
In pursuing recovery, customer's ability to pay will be taken into account. Instalment arrangements will be permitted at the discretion of the relevant budget holder
Invoices will describe clearly the goods or service provided to the customer, the date of provision and indicate the amount due
A wide range of payment methods will be available for payment and displayed on the back of the invoice

A contact number for enquiries is shown on the front of the invoice
The Authority sees at least 90% of its personal callers to the public counter within 15 minutes.
Performance is monitored to ensure targets are met and reported to Senior Managers quarterly and Members six monthly.
Staff dealing with personal callers wear an identification badge
Invoices and reminder letters will be issued daily
Payments received are credited to the customers account the day after receipt
Copy invoices produced within one working day of request

Housing Benefit

The following procedures relates to overpaid housing benefit:

Procedure
An Overpayment officer will decide whether overpayment is recoverable and whether it is to be recovered based upon: <ul style="list-style-type: none"> (i) the facts available (ii) supporting evidence (iii) HB Regulations (iv) the overpayment policy
An Overpayment officer will decide whether payment is to be recovered from the landlord or tenant
If benefit is still in payment, recovery will be made by deductions from ongoing entitlement unless there are special reasons for not doing so. Benefit regulations limit the value of deductions. This will commence one month after the decision is made to recover, due to the statutory appeal period
If no ongoing recovery is possible or recovery is to be made from the landlord, an invoice is produced one month after the overpayment arises due to the statutory appeal period. Debt below £10 is written off, as it is not cost effective to pursue.
A reminder is issued 14 days from the date of invoice.
A final reminder is issued after a further ten days
If payment not received after the final reminder the following recovery methods will be considered: <ul style="list-style-type: none"> (i) Use of debt collection agency (ii) Attachment to state benefits (iii) Court action.
A residency check is undertaken if court action is to be undertaken
Court action will not be taken for debts below £30 as it is not economical and only at the discretion of the section supervisor and his/her line manager
Where a debtor has absconded, the use of a tracing agency should be applied for any debt > £30 prior to write off. It is uneconomical due to system and staff costs to undertake a trace for debts below that value
Decision to write off must be authorised by Deputy Benefits Manager or if > £100 by the Head of Finance. Decision based upon: <ul style="list-style-type: none"> (i) Claimant's age

(ii) state of health
(iii) evidence of hardship
(iv) all possible action having been exhausted.
The existence of other debts or credits owed to or from the Council i.e. rent, council tax, benefit in payment etc. should be checked before write off.
Invoices of a greater value than £1,000 can only be written off after the approval of members except where it is statute barred, the customer is deceased or bankrupt, whereupon the decision is delegated to officers
Upon a debt being written off as uncollectable, subsequently being collectable again e.g. absent debtor is traced or it comes to the attention of staff that the customer is again in receipt of benefit, the account will be resurrected and further recovery considered

The following service standards relate to overpaid housing benefit:

Service Standards

Invoice issued to customer one calendar month after the decision to recover overpayment
In pursuing recovery, customer's ability to pay will be taken into account. Instalment arrangements will be permitted at the discretion of an overpayments officer within the guidelines given
Invoices will describe clearly the period for which the overpayment occurred and indicate the amount due
A wide range of payment methods will be available for payment and displayed on the back of the invoice
A contact number for enquiries is shown on the front of the invoice
The Authority sees at least 95% of its personal callers to the public counter within 15 minutes.
Performance is monitored to ensure targets are met and reported to Senior Managers quarterly and Members six monthly.
Staff dealing with personal callers wear an identification badge
Invoices and reminder letters are issued daily
Payments received are credited to the customers account the day after receipt
Copy invoices produced within one working day of request

5. LINKS TO CORPORATE OBJECTIVES

This framework links to all corporate objectives in that it seeks to maximise the financial position of the Authority that underpins the achievement of all objectives. Specifically, it links to community objectives (quality of life) by seeking to recover debts in a reasonable manner and offering choice of payment methods. It also contributes to quality of life objectives by ensuring that the Authority is seen to be pursuing debts effectively.

6. **PERFORMANCE MEASURES/LINKS TO SERVICE PLANS**

The following performance measures will be produced at least six monthly by each department for analysis/monitoring purposes:

Type of Debt	Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target
Sundry Debts	Percentage of current year debt collected	97	95	96	97
	Percentage of prior year debt collected	96	97	98	99
Council Tax	Percentage of current year debt collected	99.1	98.8	98.9	99.0
	Percentage of prior year debt collected	99.6	99.7	99.8	99.9
NNDR	Percentage of current year debt collected	99.3	99.2	99.2	99.3
	Percentage of prior year debt collected	99.7	99.8	99.8	99.9
Housing & Council Tax Benefit Overpayments	Percentage of all years debt collected as a proportion of debts raised in current year	106	82	84	85
	Percentage of all years debt collected as a proportion of all debt outstanding	49	60	62	65
Housing Rents	Percentage of current year debt collected	98.4	98.9	99.0	99.2

Other performance measures will be monitored as the relevant Director considers appropriate.

Benchmarking will be used to assist in performance measurement and management. Each department should set targets for the reduction of debt in their Departmental Strategies and Plans.

Each type of debt outlined in 1 above should be recovered following guidelines/procedures which have been agreed by Members and which support the principles as outlined in 3 above.

7. **EXTERNAL SERVICE PROVIDERS**

The Authority will use the services of certificated bailiffs as appropriate. The contract will be re-tendered or re-negotiated at least every 3 years to ensure that value for money is being obtained.

8. **REPORTING**

The relevant Strategic Director shall report at least annually to the relevant Committee on debt management within his Department. Such information should include the performance measures as outlined in 6 above.

9. **STAFF AWARENESS**

This document will be made available, via e-mail, to all staff within the Authority.

10. **COST EFFECTIVENESS**

The cost effectiveness of the debt management function will be assessed via the following targets:

Type of Debt	Indicator	2006/07 Target	2007/08 Target	2008/09 Target
Council Tax	Cost/dwelling	15	15	15
NNDR	Cost/business	45	45	45
Sundry Debts	Cost/invoice	5	5	5
Housing Benefit Overpayments	Cost/invoice	28	28	28
NNDR	Percentage of NNDR customers who pay by direct debit	52	54	56
Council Tax	Percentage of Council Tax customers who pay by direct debit	62	65	67

In relation to debts owed to the authority, individual debts below £10 are not pursued through standard recovery processes. Furthermore, it is unlikely that debts for relatively small sums will be pursued by legal means due to the amount of staff time involved in chasing the debt.

For debts below £50, the debtor circumstances will be taken into account and the likelihood of recovery action being successful before formal action is taken. This will be monitored via the write off process. The above shows continuous improvement in relation to cost effectiveness.

The 2006/07 estimated cost of the Council's Recovery section that is responsible for council tax and NNDR is £190,000. This represents the cost of those debts not being paid on time.

11. **DEBT WRITE OFF**

The authority to write off debt below £1,000 is vested with officers except for certain circumstances where they may write off debt greater than £1,000. The Director of Resource Management will write off debts only when he is satisfied that all avenues of recovery have been exhausted, or where it would be uneconomic to pursue. Above this limit, write off will be reported to the Central Resources Committee.

12. **DECISION MAKING AND DOCUMENTATION**

All decisions made in respect of:

- Identifying amounts owed to the Authority.
- Instigating recovery action.
- Write off.

shall be made after staff have satisfied themselves that all relevant regulation, statutes and codes have been adhered to.

Each Chief Officer should determine the documentation that should be retained for audit/reference purposes and the length of time of retention.

13. **ANTI POVERTY**

Whilst we are seeking to maximise the financial position of the authority staff will, whilst doing this, take account of the circumstances of each individual debtor.

In cases of financial difficulty staff will ensure the debtor is receiving all benefits to which they are entitled and will advise the debtor regarding the availability of:

- Housing and Council Tax benefit
- Other state benefits
- Debt advice from the Citizens Advice Bureau.

Arrangements will be made by staff for a benefits health check to be carried out for the debtor or an appointment made with a debt advice worker at the Citizens Advice Bureau or the debt advice worker for Dales & Valley Homes.

14. **CORPORATE GOVERNANCE**

This Authority is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the debt management framework and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This document will be made available to the public.