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Gary Ridley Chief Executive

20th May 2008

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 28th MAY 2008** at **6.00 P.M.**

AGENDA

Page No.

1. Apologies for absence.
2. Declarations Of Interest

Members are invited to declare any personal and/or prejudicial interests in matters appearing on the agenda and the nature of their interest.

Members should use either of the following declarations:

Personal Interest – to be used where a Member will be remaining and participating in the debate and any vote:

I have a personal interest in agenda item (...) regarding the report on (...) because I am (...)

Personal and Prejudicial Interest – to be used where a Member will be withdrawing from the room for that item:

I have a personal and prejudicial interest in agenda item (...) regarding the report on (...) because I am (...)

Officers are also invited to declare any interest in any matters appearing on the agenda.

NOTE: Members are requested to complete the enclosed declarations form and, after declaring interests verbally, to hand the form in to the Committee Administrator.

3. To consider the Minutes of the last Meeting of the Committee held on 5th March 2008, as a true record.

Copies attached

- | | | |
|-----|---|---------|
| 4. | To consider the report of the Land Disposals Sub-Committee held on 17 th April 2008. | 1 |
| 5. | To consider the report of the Land Disposals Sub-Committee held on 15 th May 2008. | 2 - 5 |
| 6. | To consider the treasury management activity (October 2007 – March 2008). | 6 - 11 |
| 7. | To consider the debt management framework. | 12 - 15 |
| 8. | To consider the Authority's policy relating to Minimum Revenue Provision. | 16 – 17 |
| 9. | To consider a local code of corporate governance for Wear Valley District Council. | 18 – 31 |
| 10. | To consider a request for financial support to rebuild Hunwick Community Centre. | 32 – 33 |
| 11. | To consider an application from the Community Fund from Willington Cricket Club. | 34 |
| 12. | To consider the post of PC Support Assistant.* | 35 - 36 |
| 13. | 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 agenda item 12 will be taken in the closed part of the meeting, in accordance with paragraph 2 of Part 1 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 Bowser, Mrs Burn, Ferguson*, Grogan, Harrison, Hayton, Kay, Kingston, Mairs, Mowbray, Murphy, Miss Ord, Mrs Pinkney, J Shuttleworth, Stonehouse, Taylor and Mrs Todd*.

*Ex-officio, non-voting capacity

Chair: Councillor Harrison

Deputy Chair: Councillor Mairs

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

DECLARATIONS OF INTEREST FORM

NAME AND DATE OF COMMITTEE	AGENDA ITEM NUMBER	NATURE OF INTEREST AND REASONS	PRINT NAME	SIGNATURE



CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report the Land Disposal Sub Committee meeting held on 17th April 2008.

**MEMBERS OF THE
SUB-COMMITTEE**

Councillors Mrs Burn, Hayton and Taylor

ALSO PRESENT

A Coates, Legal Services Manager
S Elliot, Administration Officer

**LAND TO THE WEST OF DENT STREET, TINDALE CRESCENT, BISHOP
AUCKLAND**

Members considered a request to for an option agreement and disposal of land to the West of Dent Street, Tindale Cresent.

In response to Members, the Legal Services Manager confirmed the land was not to be developed for residential purposes.

Councillor Mrs Burn, seconded by Councillor Taylor, moved the report.

RESOLVED

that the request to purchase the land at 29 Darlington Road, West Auckland, as detailed in Annexes B - D of the report, be refused.

Officer responsible for the report
Gary Ridley
Acting Chief Executive
Ext 368

Author of the report
Stuart Elliot
Administration Officer
Ext 341



CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Land Sub-Committee held on 15th May 2008

SUB-COMMITTEE

MEMBERS OF THE Councillors Hayton and Mairs

ALSO PRESENT

Mr & Mrs Barker – Applicants

A Coates, Legal Manager

Mrs J Lawton, Senior Committee Administrator

LAND ADJACENT TO 11 QUARRY FARM CLOSE, HUNWICK

The Senior Committee Administrator advised that a quorum had not been achieved, therefore should the meeting proceed, a resolution would not be an option, the decision of the Sub-Committee would instead be put as a recommendation to the next meeting of the Central Resources Committee. All those present were happy to proceed on those terms.

Election Of Chair

Following nomination from Councillor Hayton, Councillor Mairs took the Chair.

Summary of the Report

The Legal Manager detailed the report and the applicants request to purchase a parcel of land adjacent to 11 Quarry Farm Close, Hunwick for garden extension purposes. He advised that the Strategic Director of Environment and Regeneration had stated that the sale of the land and a planning application for change of use to garden land could be supported provided the means of enclosure did not exceed 1.8 metres in height.

The Strategic Director for the Community offered no objection to the sale so long as the purchaser became responsible for future maintenance of the land.

The Legal Manager advised that three letters of objection had been received and he had addressed all issues raised.

The sale of the land would produce a capital receipt and a reduced maintenance cost for the Authority.

To conclude, the Legal Manager advised that it was recommended the land be sold to Mrs Barker subject to:

- Valuation being agreed with, or given by, the District Valuer;
- The applicant being responsible for the erection and future maintenance of the boundary structure which was to be no more than 1.8 metre high;
- That the applicant obtain planning permission for change of use of the land from open space to garden and the erection of the boundary structure;
- That the applicant be responsible for the Council's legal and valuation fees.

Applicants Case

In line with the Council's policy of public speaking at the Committee meeting, Mrs Barker took the opportunity to speak in support of her application. She clarified that the main reason for wishing to purchase the area was to extend her garden, but also should she choose to extend and improve her property in the future as many neighbouring residents had done, it would allow her to create an alternative access route from the front.

She advised that the area of land in question was in an awkward and steep position and in her opinion was of no recreational benefit in its current state. It was a haven for litter which she endeavoured to keep tidy and she also mowed the area of land as it was difficult for the Council's maintenance team to get to with their large machines. The area was also used for dog fouling which owners failed to clean up. The area occupied a position that could not be seen from the main road or viewed easily from neighbouring residences.

Mrs Barker went on to say that with the addition of the land to her garden she would landscape the area having no immediate intentions of building on it. A one metre strip of land would be retained along the path side stopping a tunnel effect being created. The boundary structure would be the same as the existing one in accordance with the restrictions and recommendations. The placing of the boundary structure one metre from the path would also benefit us as the path was in such an elevated position giving a goldfish bowl effect, thus her garden and conservatory was constantly overlooked. Acquiring the land would therefore provide more privacy and security to her.

The boundary structure along the rear of the area was no more than 3 metres in length and would be no more than 1.8 metres high. Its form would be consistent with the current structure. The erection of the fence at the rear of the land would not in any way restrict access onto the private road nor would it encroach onto it, therefore allowing vehicles to pass and be parked as they currently were. The path and the entrance to the private road was well illuminated by a street lamp and also had the added benefit of security lighting at the side of a property at the opposite side.

Mrs Barker concluded by saying that she hoped the Sub-Committee would agree with the opinion of the Strategic Directors and support her application.

Decision

The Sub-Committee noted and considered all of the evidence which had been presented to them both written, and verbally at the meeting. Following discussion, the Sub-Committee:

RECOMMENDED

to the Central Resources Committee, that the land hatched black on the plan (Annex A) be sold to Mrs. Barker subject to the following conditions:

1. Valuation be agreed with, or given by, the District Valuer;
2. the Applicant to be responsible for the erection and future maintenance of the boundary structure which was to be no more than 1.8 metres high;
3. the Applicant to obtain planning permission for change of use of the land from open space to garden and the erection of the boundary structure;
4. the Applicant be responsible for the Councils legal and valuation fees.

Officer responsible for the report
Gary Ridley
Acting Chief Executive
Ext 368

Author of the report
Jocasta Lawton
Senior Committee Administrator
Ext 501

CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Acting Chief Executive
TREASURY MANAGEMENT ACTIVITY (OCTOBER 2007 – MARCH 2008)

purpose of the report

1. To inform Members of the treasury management activity between October 2007 and March 2008.

background

2. In accordance with the Council's approved treasury management strategy, Members receive a report every six months on treasury management activity. Annex A to this report sets out the treasury management activity for the period 01 October 2007 to 31 March 2008.

conclusion

3. The treasury management activity has been conducted as outlined in the Authority's treasury management strategy.
4. The Council's treasury management position remains stable in terms of:
 - (i) It's levels of external debt
 - (ii) It's maturity profile of it's debt
 - (iii) It's investment levels
 - (iv) The security of it's investment levels

RECOMMENDED that Members note the report.

Officer responsible for the report

Gary Ridley
Acting Chief Executive
Ext 368

Author of the report

Stuart Reid
Assistant Director – Finance & I.T.
Ext 258

CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Acting Chief Executive **DEBT MANAGEMENT FRAMEWORK**

purpose of the report

1. To report on the effectiveness and efficiency of debt management within the Resource Management Department during 2007/08.

background

2. The Council approved an updated debt management framework in July 2006. The framework set out the recovery procedures and customer service standards in relation to the following debts which are recovered by the Resource Management Department:

- Council Tax
- National Non-domestic Rates
- Housing Benefit Overpayments
- Sundry Debts

3. It also stated a report would be provided annually to Members on the effectiveness of recovery procedures during the previous year including an assessment of the costs associated with that recovery.
4. A new criterion included within the 2008 Use of Resources assessments carried out by the Audit Commission also states:

“The Council’s targets for income collection and recovery of arrears stretch performance and their achievement is monitored with appropriate corrective action taken during the year to achieve the targets.”

2007/08 results

5. The results shown in Table 1 are split into debt created in 2007/08 and debt relating to previous years. These are shown below with comparison against target and accompanying comment. Targets have been set to maintain high performance.

Table 1

Type of Debt	Indicator	2006/07 Actual	2007/08 Target	2007/08 Actual	2008/09 Target	Comment
Sundry Debts	Percentage of current year debt collected	95%	96%	96%	96%	This shows in year collection is effective
	Percentage of prior year debt collected	98%	98%	99%	99%	This shows effective collection of prior year debt
Council Tax	Percentage of current year debt collected	99.5%	99.1%	99.4%	99.3%	Performance amongst best nationally of all district Authorities
	Percentage of prior year debt collected	99.8%	99.8%	99.7%	99.8%	Non-collection is minimal
NNDR	Percentage of current year debt collected	99.4%	99.4%	99.7%	99.2%	Performance top quartile nationally of all district Authorities
	Percentage of prior year debt collected	99.6%	99.8%	99.6%	99.6%	Non-collection is minimal and often due to company liquidations
Housing & Council Tax Benefit Overpayments	Percentage of all years debt collected as a proportion of debts raised in current year	86%	85%	81%	85%	Performance top quartile nationally of all district Authorities
	Percentage of all years debt collected as a proportion of all debt outstanding	48%	55%	39%	45%	Performance top quartile nationally of all district Authorities

cost effectiveness

6. The cost effectiveness of the debt management function is assessed via the following targets:

Table 2

Type of Debt	Indicator	2007/08 Target	2007/08 Actual	2008/09 Target
Council Tax	Cost/dwelling	£15	£15	£16
NNDR	Cost/business	£45	£42	£42
Sundry Debts	Cost/invoice	£11	£10	£11
Housing Benefit Overpayments	Cost/invoice	£34	£32	£32
Council Tax	Percentage of Council Tax customers who pay by direct debit	65%	67%	68%
NNDR	Percentage of NNDR customers who pay by direct debit	54%	58%	58%

7. Direct debit is the most convenient form of payment for the customer and is also the most cost efficient to administer for the Council. The proportion of Council Tax and NNDR customers paying by direct debit continues to increase. However, due to legislative change which means that owners of empty properties are now liable for NNDR for the first time, it is unlikely that the percentage of NNDR payers using direct debit will increase in 2008/09.
8. The success of the Council in increasing Council Tax customers paying by that method was acknowledged by BACS by the receipt of a national award. This form of payment will continue to be promoted at every opportunity whilst maintaining other avenues of payment where demand remains.
9. In relation to debts owed to the Authority, individual debts below £2 are not billed apart from statutory debts e.g. wayleaves. For debts below £40, formal recovery action is not usually undertaken in respect of Council Tax and NNDR debts due to the costs involved.
10. Debtor circumstances are always taken into account and the likelihood of recovery action being successful before formal recovery action is taken. This is monitored as part of the judgement in determining whether debts be written off.
11. The cost of the Council's Recovery section that is responsible for collection of Council Tax and NNDR was £175,000 in 2007/08. This represents the immediate cost of those debts not being paid on time. In addition, if the Council does not receive income immediately it is owed, it is unable to invest these monies prior to their use.

performance monitoring

12. All appropriate staff are aware of the targets set. Performance is regularly discussed at team meetings and reported to Members as part of the monitoring of the departmental service plans. Collection rates are calculated and monitored on a monthly basis.
13. Budget holders responsible for the finances of each service receive reports on a monthly basis to allow them to control expenditure. Major variances from the budget are reported to members on a quarterly basis.

equality and diversity implications

14. The Council aim to treat all sections of the community in a fair and non-discriminatory manner in respect of debt collection. An assessment of our policies and procedures in this regard was undertaken. Changes made include highlighting the availability of support agencies such as Citizens Advice Bureaux on official documentation and the translation of documents into other languages upon request.

RECOMMENDED that Members note the report and agree the targets for 2008/09 shown in Table 1 and paragraph 5.

Officer responsible for the report

Stuart Reid
AD – Finance & I.T.
Ext 258

Author of the report

Stuart Reid
AD – Finance & I.T.
Ext 258

CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Acting Chief Executive **MINIMUM REVENUE PROVISION**

purpose of the report

1. To seek Member approval on the Authority's policy relating to Minimum Revenue Provision.

background

2. Under regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, Local Authorities are required to charge to their revenue account a provision relating to their debt. This amount (termed MRP) is akin to the repayment of a proportion of the loan debt which the Council has outstanding.
3. Until recently, the method of calculating this charge was laid down in statute. The Council makes appropriate provision within its revenue budget to cover such a cost.
4. Recent changes to the regulations mentioned in paragraph 2 now provide the Authority with 4 different options for calculating this charge to take effect retrospectively from 1st April 2007. The Authority is now also required under statute to prepare an annual statement of their policy on making MRP for submission to full council.

annual mrp statement

5. The four options set out are:
 - Option 1: Regulatory Method
 - Option 2: CFR Method
 - Option 3: Asset Life Method
 - Option 4: Depreciation Method
6. Options 3 and 4 can only be used in conjunction with unsupported borrowing. This refers to borrowing for which the cost is not funded by Government grant. The Council has not undertaken such borrowing and has no plans to do so.
7. Option 2 would result in additional cost to the Council in 2007/08 and 2008/09 for which no budget provision has been made. Consequently, for capital expenditure

incurred during 2007/08 and 2008/09, the Council will follow Option 1 which continues existing practice. This is consistent with the amounts set aside during the budget process. It is also the option selected by all other Authorities within County Durham.

RECOMMENDED that Members approve the Minimum Revenue Provision (MRP) Statement shown within the report

Officer responsible for the report

Gary Ridley
Acting Chief Executive
Ext 368

Author of the report

Stuart Reid
AD Finance & I.T.
Ext 258

CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Acting Chief Executive **LOCAL CODE OF CORPORATE GOVERNANCE**

purpose of the report

1. To seek approval from members for a local code of corporate governance for Wear Valley District Council.

background

2. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) states that each council should establish their own local code of corporate governance.

corporate governance

3. CIPFA and SOLACE believe that Local Authorities have four key roles to perform namely: -
 - i) To promote the formation of effective partnerships and provide leadership for and with the support of the community.
 - ii) To deliver high quality local services whether directly or by any other means.
 - iii) To perform a stewardship role that protects the interests of the public and uses resources efficiently.
 - iv) To deliver citizenship and local democracy.
4. In order to satisfy the Council's responsibilities to perform these roles it needs in place an effective Code of Corporate Governance. The six core principles which should be contained within a local code are: -
 - i) Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.
 - ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - iii) Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

- v) Developing the capacity and capability of members and officers to be effective.
- vi) Engaging with local people and other stakeholders to ensure robust public accountability.

annual governance statement

- 5. The Council is now required by statute to prepare an Annual Governance Statement (AGS) to accompany its statutory accounts. This replaces the previous requirement to produce a Statement of Internal Control. The purpose of the AGS is to set out the governance framework by which the Authority is directed and controlled.
- 6. A key component of the AGS is to demonstrate compliance with the Council's local code of governance. The Council currently does not have a single document that consolidates its existing governance framework. Such a code should be consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.
- 7. As well as complying with statutory requirements, the inclusion of a local code of corporate governance as part of the AGS will contribute positively to our 2007/08 Use of Resources assessment conducted by the Audit Commission. The code consolidates existing practice which is currently set out in a variety of documents and does not alter the governance arrangements of the Council. The proposed code is attached as Annex C.

legal implications

- 8. CIPFA/SOLACE requires each Authority to have a local code of corporate governance to form part of the evidence to support their annual governance statement.

financial implications

- 9. There are no financial implications.

human resource implications

- 10. As this is a consolidation of all areas of corporate governance into one document, there are no human resource implications.

RECOMMENDED that members approve the local code of corporate governance for Wear Valley District Council as per Annex C.

Officer responsible for the report

Gary Ridley
Acting Chief Executive
Ext 368

Author of the report

John Redfearn
Internal Audit Manager
Ext 445

CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Acting Chief Executive HUNWICK COMMUNITY CENTRE – APPLICATION FOR FUNDING

purpose of the report

1. To seek Members' views on a request for financial support to rebuild Hunwick Community Centre.

background

2. Hunwick Community Centre is owned by Durham County Council (DCC). 50% of the building is rented to Hunwick Community Association (HCA) for a peppercorn rent. The HCA have encouraged a variety of activities from the facility such as a nursery, crèche and holiday play scheme for under 7's.
3. The centre also hosts adult activities such as aerobics, community library and craft classes. It is also used by the local health service to provide flu injections, local coaches to provide football and dance sessions as well as a variety of social events.

building condition

4. The HCA have expressed concern about the state of the building. In particular, they claim that the heating is dangerous, riddled with asbestos and the electricity supply frequently fails.
5. The HCA has discussed these issues with DCC on a number of occasions. However, no funding has been made available to improve the building.

financial request

6. Representatives of the HCA have met with the now ex-Chief Executive following which the HCA have submitted a letter requesting financial support from the District Council. Specifically, they are seeking funds to demolish the current building and replace it with a new facility which will house current activities and allow the expansion into new community activities such as a cyber café, language classes and film nights.

author's comments

7. The cost of demolition and replacement would be in excess of £250,000 and potentially much higher dependent upon the specification. The Council's Community Fund which is used to provide financial support to one off community projects or activities undertaken by individuals does not have the funding to support an initiative of this scale.
8. The Council has not set aside any other funds within its 2008/09 capital programme to undertake such refurbishment for such funding. Any such expansion of the Council's capital programme would require the formal consent of DCC under the business as usual protocols established to assist in the preparation of the new unitary Authority.
9. It is unclear at this stage what plans DCC have for the Community Centre. They are due shortly to carry out a health and safety audit on the building. Funding towards any new build / refurbishment would be premature until the completion of that audit and DCC's plans have been confirmed given their ownership of the building.
10. Members should also consider the availability of other facilities within the village e.g. Home Dene Common Room and assess whether in discussion with DCC there is scope to concentrate community activity at one site. It appears that a number of community groups have already re-located their activities to the Common Room.

RECOMMENDED that Members' views be sought.

Officer responsible for the report

Gary Ridley
Acting Chief Executive
Ext 368

Author of the report

Stuart Reid
Assistant Director – Finance & I.T.
Ext 258

CENTRAL RESOURCES COMMITTEE

28 MAY 2008

Report of the Acting Chief Executive

**APPLICATION FOR A CONTRIBUTION FROM THE COMMUNITY FUND FROM
WILLINGTON CRICKET CLUB**

purpose of the report

1. To allow Members to consider a request from Willington Cricket Club for a donation from the Community Fund.

background

2. Willington Cricket Club operates 8 teams including a ladies and junior teams. They have 10 junior members playing in county junior squads and host representative games for Durham County Ladies and the England Deaf side. They are seeking funding for 2 items:
 - To re-surface/tarmac the road leading up to the clubhouse which is currently uneven and provides difficult access for the disabled. The estimated cost is £2,000.
 - To support the purchase of an outfield cutter to make sure the field is maintained in such a way that it is a safe environment for all players. The estimated cost is £3,000.
3. The club are seeking £5,000 towards the total cost of the items. They do have some internal funding which they will also use to assist in meeting the total cost although they have not specified how much. They have received funding of between £120 - £500 from the Council's community fund in previous years.

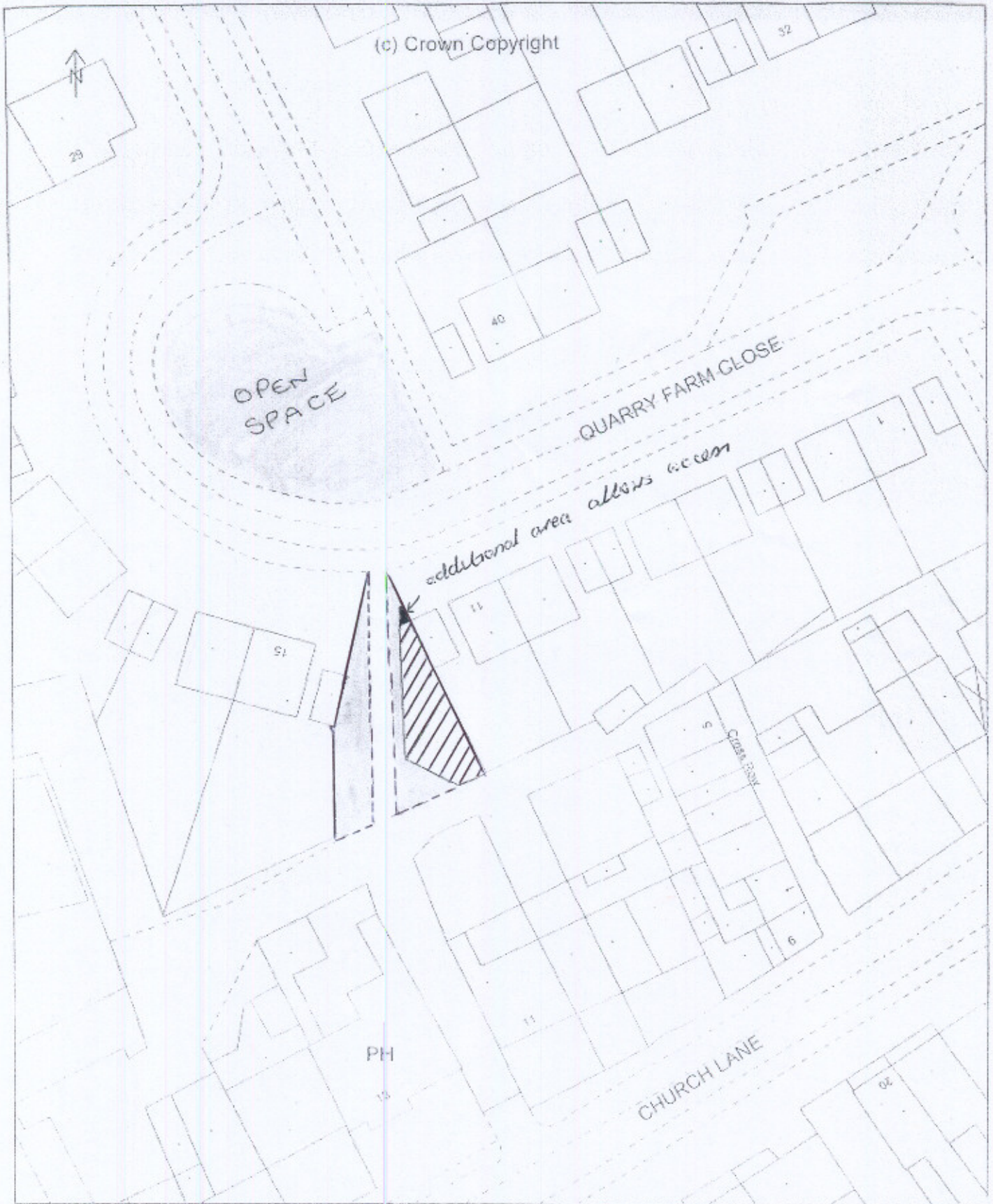
RECOMMENDED that Members instructions are requested.

Officer responsible for the report

Gary Ridley
Acting Chief Executive
Ext 368

Author of the report

Stuart Reid
Assistant Director – Finance & I.T.
Ext 258



Land adjacent to 11 Quarry Farm Close, Hunwick

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TREASURY MANAGEMENT ACTIVITY

The table below shows the borrowing activity which took place between October 2007 – March 2008.

1. **Borrowing - Activity 01.10.2007 – 31.03.2008**

	<u>Balance as at 01.10.07</u> £000	<u>New Loans</u> £000	<u>Principal Repaid</u> £000	<u>Balance as at 31.03.08</u> £000
Public Works Loans Board				
Fixed Rate Loans	32,041	2,000	550	33,491
Bank of Scotland				
Lender Option/Borrower Option (LOBO)	6,500	0	0	6,500
Dexia Credit				
Lender Option/Borrower Option (LOBO)	3,000	0	0	3,000
Barclays				
Lender Option/Borrower Option (LOBO)	0	2,000	0	2,000
Temporary Loan				
Variable Rate Loan	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>41,542</u>	<u>4,000</u>	<u>550</u>	<u>44,992</u>

Total interest for the full financial year to 31 March 2008 was £2.3m. This gives an average 'pool' rate of interest of 5.54%.

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

	£m	%
Interest Due 2007/08 - Fixed Rate Loans	2.3	100

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

£2,000,000 @ 4.60% - Maturity Date 16th April 2057

PWLB loans redeemed to 31 March 2008:

None

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

		<u>Av. %</u>	<u>Balance 31.03.2008</u> £000
Maturing within	1 year	10.3	1,100
	1 - 2 years	10.1	869
	2 - 3 years	10.0	715
	3 - 4 years	9.8	522
	4 - 5 years	9.7	445
	5 - 6 years	9.5	212
	6 - 10 years	9.5	415
	10 - 15 years	9.5	375
	15+ years	5.1	28,838
	Total	5.8	33,491

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 1 October 2007 – 31 March 2008

	<u>Balance as</u> <u>at 01.10.07</u>	<u>New</u> <u>Investments</u>	<u>Principal</u> <u>Recalled</u>	<u>Balance as</u> <u>at 31.03.08</u>
	£000	£000	£000	£000
Co-operative Bank	1,000	19,900	18,435	2,465
Nationwide Building Society	2,000	0	0	2,000
Halifax	2,000	0	0	2,000
Barclays Bank	2,000	0	0	2,000
Northern Rock	2,000	0	2,000	0
Alliance & Leicester	2,000	0	2,000	0
Britannia Building Society	2,000	0	2,000	0
Yorkshire Building Society	2,000	0	0	2,000
West Bromwich	2,000	3,000	2,000	3,000
Anglo Irish	2,000	1,000	500	2,500
Newcastle Building Society	1,000	1,500	1,500	1,000
Abbey	2,000	0	2,000	0
Skipton	2,000	0	0	2,000
Bank of Scotland	1,500	9,500	11,000	0
Allied Irish	1,500	0	0	1,500
Yorkshire Bank	2,000	0	1,000	1,000
Bank of Ireland	2,000	0	0	2,000
Bradford and Bingley	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
	31,000	37,900	42,435	26,465

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

The investments with the Building Societies are placed for periods between 1 month and 24 months, 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 £3 million that can be invested with any one institution.

The average rate of interest received on these Approved Investments was approximately 6.0%.

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 did not occur in 2007/08), 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 31 March 2008 is as follows:

		£000
<u>Fixed Rate Funding</u>	PWLB	33,491
	LOBOS	11,500
	Temp. Loan	1
	Total	44,992

Total temporary investments are £26.5m as at 31 March 2008.

4. Profile of Debt Outstanding as at 31 March 2008

<u>Source of Loan</u>	<u>%</u>	<u>Range of Interest Rates Payable as at 31.03.2008</u>	<u>Total Outstanding as at 31 March 2008</u>
		£000	
LOBOS		3.70 - 4.75	11,500
Public Works Loan Board		3.90 - 10.75	33,491
Total			44,991

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 fluctuated during the six month period as follows:

01/10/07 - 07/12/07	5.75 %
08/12/07 - 08/02/08	5.50 %
09/02/08 - 31/03/08	5.25 %

Prudential Indicators

The results for 2007/08 are as follows:

(i) Capital Finance Costs as % of Net Revenue Stream

	EST.	ACTUAL
	%	%
General Fund	1.4	1.3
Housing Revenue Account	15.2	15.2

(ii) Estimated Incremental Impact of Capital Investment

	EST.	ACTUAL
	£	£
Rent	50.66	50.66
Council Tax	201.80	201.80

(iii) Estimated Capital Expenditure

	EST.	ACTUAL
	£m	£m
General Fund	2.53	2.71
Housing Revenue Account	4.30	7.06

(iv) Estimated Capital Financing Requirement

	EST.	ACTUAL
	£m	£m
General Fund	13.65	14.25
Housing Revenue Account	30.30	33.04

(v) Authorised Limit

	EST.	ACTUAL
	£m	£m
Overall	56	56

(vi) Operational Boundary

	EST.	ACTUAL
	£m	£m
Overall	54	54

6. **Temporary Loans**

No temporary loans were made during the period

**WEAR VALLEY DISTRICT COUNCIL
LOCAL CODE OF CORPORATE GOVERNANCE**

1. INTRODUCTION

Governance is about how Local Government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance leads to good management, good performance, good stewardship of public money, public engagement and, ultimately, good outcomes for citizens and service users.

The Council has established this Code of Corporate Governance, which takes account of the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). This guidance can be found in their document entitled 'Delivering Good Governance in Local Government' and its accompanying guidance note.

2. DEFINITION

The Council believes that Corporate Governance is defined as being the systems, processes, cultures and values by which it directs, controls and through which it accounts to, engages with and leads its communities.

3. KEY ROLES OF THE COUNCIL

The Council recognises that its duties are wide and varied. It will strive to apply the principles of this code in any role that it performs. In particular, Council recognises and adopts the view taken by CIPFA and SOLACE that Local Authorities have four key roles to perform, namely:-

- i) To promote the formation of effective partnerships and provide leadership for and with the support of the community.
- ii) To deliver high quality local services whether directly or by any other means.
- iii) To perform a stewardship role that protects the interests of the public and uses resources efficiently.
- iv) To develop citizenship and local democracy.

The Council recognises the importance of these roles and the need to have in place an effective Code of Corporate Governance in order to meet its responsibilities.

4. **THE GOVERNANCE PRINCIPLES**

The District Council will apply six core principles in performing its key roles and other duties as a Local Authority. These core principles are:-

- i) Focusing on the role to be performed by the Council and on the desired outcome for the community in accordance with an overarching vision and action plan for the development of the local area.
- ii) Co-operation between democratically elected members and employed officers of the Council to achieve a common purpose with clearly defined functions and roles in reaching desired outcomes.
- iii) Maintaining high standards of conduct and behaviour in order to promote the Council's standards and demonstrate the values of good governance.
- iv) Taking informed and transparent decisions which are subject to effective independent scrutiny and robust risk management procedures.
- v) Developing the skills of members and officers, and ensuring that the necessary resources are available to ensure that they can work effectively.
- vi) Engaging with the residents of Wear Valley and other stakeholders to ensure a high level of public accountability.

In addition to the above principles, the Council continues to recognise that the key requirements of good governance are:-

- Accountability
- Integrity
- Openness and inclusivity

The Council will strive to ensure that the above principles and requirements are applied when it exercises its functions as a Local Authority. They will be reflected in all dimensions of the Council's business activities.

The Council will ensure that its systems and processes are monitored against the above principles and requirements to test their effectiveness in practice. Systems and processes will also be subject to review on a continuing basis to ensure that they are kept up to date.

5. **DELIVERING THE GOVERNANCE PRINCIPLES**

- i) Vision and action plan for the development of the local area.

The Council is committed to applying a coherent plan of development and advancement for the District of Wear Valley. It will focus on achieving its duties and responsibilities in a way that will promote its vision for the District. It will ensure that this vision is clearly communicated within the Council, to its stakeholders and particularly to the public whom it serves through the publication of:-

- The Sustainable Communities Plan
- The Council Plan
- Council performance

The Council will develop and exercise strategic leadership by developing and communicating the Council's vision for the community and the reasons for that vision. It will make clear the benefits that will be experienced by the Council as a whole by virtue of its policy. It will also ensure that users receive the delivery of high quality services and ensure that resources are used effectively. Service users should receive the best possible value for money.

ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.

The Council will develop and promote its purpose and mission by making proper arrangements to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the Council. It will ensure that appropriate monitoring arrangements are in place by developing robust mechanisms. Priorities and targets will be established in consultation with local communities and other key stakeholders. This will be achieved through the use of:-

- Local Strategic Partnership
- Customer Panel
- Citizens Panel
- Local Area Agreement
- The Council's web site

It will also be necessary for the Council to review its policies and vision on a regular basis by setting clear priorities and targets. There will be agreed action plans with appropriate arrangements for the review and effective implementation of the actions agreed. The Council will also ensure that users of its services are regularly consulted, particularly where policy changes are affected by government and industry recommendation or changes in the law. The following documents will be used to enforce the Council's policy and vision:-

- The Sustainable Communities Plan
- The Council Plan
- Regular meetings of Full Council
- Regular committee meetings

The Council will ensure that common policies are understood and agreed between the District Council and its partners when delivering services. The Council will establish clear channels of communication with all sections of the community and other stakeholders and will ensure proper monitoring arrangements. The Council aims to foster effective relationships with the public, private, community and voluntary sectors whilst ensuring that processes are in place to ensure their effective operation in practice. This will be achieved using:-

- The approved partnership protocol
- Community engagement strategy
- Local strategic partnership arrangements

Annually the Council will report on its activities, achievements, financial position and performance by publishing timely information which presents an objective, understandable account of the Council's activities, achievements, financial position and performance. It will make proper arrangements for the independent review of the financial and operating reporting processes. This will be achieved through:-

- Medium Term Financial Strategy
- Asset Management Plan
- The Council Plan
- The annual Statement of accounts including the Annual Governance Statement
- The annual External Audit Letter
- Inspectorate reports
- Overview and Scrutiny committee
- Full Council
- Annual report

The Council will also ensure quality of service for users by setting clear targets with plans for their achievement. These targets will be founded on the best possible advice from members and officers following the production of service plans which represent objectives, balanced and understandable assessments of current service delivery performance and plans to improve service quality. The Council will set standards and targets for service delivery on a sustainable basis including the monitoring and reporting of performance against agreed standards and targets, which may include key and local performance indicators. It will also put in place sound systems for providing management and financial information for performance management purposes via:-

- The Council Plan
- Service plans
- Performance management framework
- Overview and Scrutiny Committee reports
- Budgetary control procedures
- Internal audit
- Value for Money comparisons

Effective arrangements will be put in place to identify and deal with failures in service delivery. The Council will consult users of the Council services on a regular basis

and respond to poor performance identified from key and local performance indicators. It will also react to any concerns raised through performance management processes or internal audit reports quickly and effectively. It will put in place arrangements for the effective implementation of agreed actions and submit appropriate reports to the Overview and Scrutiny Committee. These arrangements will be evidenced by:-

- The Council Plan
- Overview and Scrutiny Committee reports
- Budgetary Control procedures
- Service Plans
- Performance management framework
- Internal audit

As it is important to ensure that processes are in place to measure and review value for money and performance effectively, the Council will put in place sound mechanisms for providing management information for performance management purposes. The Council will also ensure that procurement practices reflect the national procurement strategy and that appropriate external funding will be secured. The Council will use the following to achieve this:-

- Performance management framework
- Overview and Scrutiny Committee reports
- Service plans
- The Council Plan
- Use of Resources assessment
- Performance Improvement Teams
- Procurement strategy

iii) Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

The Council will work to ensure good working relationships between elected members of the Council and their officers. It is acknowledged that both members and officers need to work together to achieve a common purpose with clearly defined functions and roles.

It will ensure effective leadership throughout the Council by clarifying the roles and responsibilities of members and officers and the methods of Scrutiny that apply to both. It will also promote a constructive working relationship between officers and members and ensure that the responsibilities of officers and members are carried out to a high standard. It will also be necessary to ensure that relationships between the Council, its partners are clearly understood so that each knows what is expected from the other.

The Council sets out clear statements covering the respective roles and responsibilities of its members and officers through developing and maintaining a scheme of delegated or reserved powers. These are contained within the Council's Constitution and take account of relevant legislation. The Constitution is regularly

monitored and updated as required. Members and officers will be properly trained for their role and have access to all relevant information, advice and resources to enable them to carry out their roles.

The following therefore assist in promoting this principle:-

- The Constitution
- Performance management framework
- Financial Regulations and Standing Orders
- Job descriptions/specifications
- Records of decisions and supporting materials.

The Chief Executive is the responsible and accountable officer for all aspects of operational management and so the roles of the Leader and the Chief Executive must be mutually negotiated, understood and maintained.

The Council's Constitution also provides for the employment of statutory officers including a Monitoring Officer and Section 151 Officer. These officers shall be responsible for carrying out their statutory obligations and will work within the terms of the Constitution. The Council has also developed protocols to ensure effective communication between members and officers in their respective roles.

The Constitution also sets out the terms and conditions for managing the remuneration of members and officers. In particular, the roles and responsibilities of all officers together with their terms of remuneration are defined by their pay and conditions of employment, the job descriptions and specifications attached to that employment. The Council will scrutinise and monitor the roles and duties of members and officers to ensure that they are carried out effectively and efficiently. This will be done by providing management information on performance. The Council will also set out the precise terms of reference for the Scrutiny function.

Members and officers will be provided with advice and guidance on their legal status and responsibility through high quality legal advice provided by the legal services section. They will also be given suitable training to allow them to perform their roles.

The Council is committed to establishing high standards of conduct and behaviour, both on the part of members and officers. It seeks to promote an open and honest culture with full accountability which shows no fear or favour to any person on grounds of disability, sex or sexuality, race or for any other reason.

The Council will lead by example in demonstrating high standards of conduct and effective governance and ensure that the Council's values are implemented and effective.

The Council's leadership sets a tone for the Council by creating a climate of openness, support and respect by:-

- Ensuring that standards of conduct and personal behaviour are clearly defined for members and officers and are communicated through codes of conduct and protocols.

- Putting in place arrangements to ensure that members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with stakeholders; and that appropriate processes are in place to ensure that they continue to operate in practice.

This is evidenced by:-

- Members and Officers' Codes of Conduct
- Anti Fraud and Corruption Policy
- Complaints procedures
- Performance management framework
- Personal Development Review and Plans
- Confidential Reporting Policy
- The Constitution
- Induction and Training

Monitoring the effectiveness of these values in practice and their application by members and officers of the Authority is achieved by developing and maintaining shared values, including leadership values for the Council, and staff that reflect public expectation and communicate these to members, staff, the community and partners. Also, arrangements have been made to ensure that systems and processes are designed to appropriate ethical standards and monitored for their effectiveness in practice, such as:-

- Members and Officers' Codes of Conduct
- Overview and Scrutiny Committee
- Monitoring Officer
- Personal Development Reviews and Plans
- Induction and training

The values of the District Council are implemented in the performance of its duties and through its day to day activities by the continued maintenance of an effective standards committee, using the Council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council and agreeing a set of values against which decision making and actions can be judged in respect of partnerships. They are contained within:-

- The Constitution
- Committee structure
- Committee terms of reference
- Protocols
- Standards Committee

- iv) Taking informed and transparent decisions which are subject to effective scrutiny, and managing risk.

The District Council is committed to making informed and transparent decisions on the basis of sound expert advice which are subject to effective scrutiny. It is also fully committed to minimising risk to the public and the Authority.

The Council will:-

- be open, honest and transparent in its decision making processes and act on the outcome of any constructive scrutiny.
- Secure high quality information, advice and guidance to ensure that services are delivered effectively and are appropriate.
- Ensure that effective risk management procedures are in place and are used in the decision-making process.
- Use the powers bestowed on the District Council by law to their full potential for the benefit of the public.

The above will be achieved by maintaining an effective scrutiny function which encourages constructive challenge and enhances the Council's overall performance. The Council will also develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based. It will also put in place arrangements to safeguard members and employees against conflicts of interest with appropriate processes to ensure that they continue to operate in practice. The following will evidence these arrangements:-

- Overview and Scrutiny committee
- Minutes
- Declarations of interest
- Monitoring Officer
- Codes of conduct

The Council will also ensure that effective, transparent and accessible arrangements are in place for dealing with complaints. This will be achieved using:-

- Complaints policy
- Training
- Robust processes.
- Monitoring Officer/ Customer Care Officer

Those making decisions, whether for the Council or any partners, will be provided with information that is relevant, timely and gives clear explanations of technical issues and their implications. Proper professional advice on matters that have legal or financial implications is available and will be recorded well in advance of decision making and used appropriately, as evidenced by:-

- Committee agendas and background papers
- Corporate Management Team
- Report writing protocol
- Minutes

Risk management is also embedded into the culture of the Council, with members and managers at all levels, recognising that risk management is part of their jobs. The responsibility for risk management is reflected in:-

- Job descriptions
- Induction and training
- Internal audit
- Department Service Plans
- Strategic and Departmental Risk registers
- Assurance statements

In the event that any officer, staff or contractor has concerns about the actions of the Council, effective arrangements for whistle blowing are in place to which officers, staff and all those contracting with or appointed by the Council have access. Responsibility for concerns over the actions of the Council is identified by:-

- Confidential Reporting Policy
- Induction and training
- Council website and intranet
- Internal Audit
- Overview and Scrutiny Committee

The Council recognises the limits of lawful activity and strives to use its powers for the full benefit of its communities. It recognises the limits of lawful action and observes both the specific requirements of legislation and the general responsibilities placed on Council's by public law through integrating the key principles of good administrative law into Council procedures and decision making processes. This is evidenced by:-

- Corporate Management Team
- Constitution
- Overview and Scrutiny Committee
- Legal Section
- Committee Report Protocols
- Monitoring officer
- Section 151 officer
- Internal Audit
- External Audit

v) Developing the capacity and capability of Members and Officers to be effective.

The Council encourages diversity within the Authority and believes in developing a wide range of experience throughout the organisation. It is committed to implementing a comprehensive training and development programme to ensure that each member or officer reaches their full potential.

It ensures that members and officers have the necessary skills, knowledge, experience and resources to perform their role effectively and evaluates the

performance of officers with governance responsibilities, encouraging them to expand their capabilities.

The Council also promotes new talent and skills for membership of the District Council in order to promote effective use of skills whilst balancing continuity and development by providing induction programmes tailored to individual needs and providing opportunities for members and officers to update their knowledge and skills on a regular basis. It ensures that statutory officers have the necessary skills, resources and support to perform their roles effectively and that their roles are properly understood throughout the Council. This is evidenced through:-

- Induction and training
- Contracts of employment
- Constitution

The Council also believe it is necessary to assess the skills required by members and officers and develop those skills to enable roles to be carried out effectively. Developing skills on a continuing basis will improve performance, including the ability to scrutinise and challenge and to recognise the value of outside expert advice when required.

Ensuring that effective arrangements are in place for reviewing the performance of the executive and of individual members and agreeing an action plan to address any training or development needs. This will be achieved using:

- Performance management
- Training
- Consultancy

The Council will also ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with contribute to and participate in the work of the Council, and that career structures are in place for members and officers to encourage participation and development. This will be done through:-

- Community Engagement Strategy
- Open Committee meetings
- Customer Panel
- Human Resources Strategy
- Equal opportunities policy
- Personal reviews and development plans

vi) Engaging with local people and other stakeholders to ensure robust public accountability

The Council engages with the community and stakeholders to ensure that it is accountable to the people whom it serves. It demonstrates a robust attitude towards scrutiny that encourages the participation of the local community, stakeholders and

partners in order to develop constructive relationships which hold the District Council to account. It also takes an active and planned approach to its communication with the public and its accountability to them to ensure the appropriate and effective delivery of services and uses the Human Resources Section of the Council to meet the its responsibilities to its staff.

The Council communicates clearly with members, officers, the public and stakeholders to ensure that everyone is aware of the need for accountability and to whom they owe a duty. It also has clear channels of communication with all sections of the community and other stakeholders and putting in place proper monitoring arrangements. These arrangements are evidenced by:-

- Community Engagement Strategy
- Partnership framework
- Communication strategy
- Local strategic partnership
- Constitution
- Publication of an annual report on the activity of the Council.

The Council will always hold meetings in public unless there are good reasons for confidentiality. Minutes of meetings that have taken place will be freely available and accessible. It will also ensure that appropriate arrangements are in place to enable the Council to engage with all sections of the community, recognising that there are different sections of the community who have different priorities and establishing explicit processes for dealing with these conflicting demands. The following, in addition to the above, are used to facilitate such engagement:-

- Council Plan.
- Community network arrangements
- Council website
- Surveys

Further, the Council has a clear policy on those issues which can be meaningfully consulted with the public and service users, including a feedback mechanism for those consultees to show what has changed as a result. This is achieved through the use of:-

- Community Engagement Strategy
- Partnership framework/protocols
- Community network arrangements
- Council Plan

In addition, the Council publishes an annual report outlining the Council's vision, strategic plans and financial statements, including its outcomes, achievements and the satisfaction of service users.

The Council ensures that it is open and accessible to the community, service users and its staff by making a commitment to openness and transparency in all of its

dealings (subject to the need to preserve confidentiality) through the Constitution and corporate performance plan.

This will be achieved using:

- Constitution
- Freedom of Information Act
- Council Plan

6. REVIEW AND REPORTING ARRANGEMENTS

The Council is responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The adoption of, and compliance with this Code will ensure that proper arrangements are in place to meet that responsibility.

To ensure continuing compliance with best practice as set out in the Framework the District Council will review the Code on an annual basis to provide assurance that:-

- Governance arrangements are adequate and operating effectively in practice
- Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.

The Council will also prepare an annual Governance Statement which will be incorporated within the Council's Statement of Accounts and submitted to the Overview and Scrutiny Committee for approval and to Council.