

Open

Cabinet

Agenda

6.00 pm
Tuesday, 20th September 2011
Civic Hall
Civic Centre
New Street
Stourport-on-Severn



Cabinet

The Cabinet Members and their responsibilities:-

Councillor J-P Campion	Leader of the Council
Councillor M J Hart	Deputy Leader, Environmental Services
Councillor N J Desmond	Resources and Transformation
Councillor T L Onslow	Community Well-Being
Councillor J Phillips	Place-Shaping

Scrutiny of Decisions of the Cabinet

The Council has one Scrutiny Committee that has power to investigate policy issues and question members of the Cabinet who have special responsibility for a particular area of the Council's activities. The Cabinet also considers recommendations from this Committee.

In accordance with Section 10 of the Council's Constitution, Overview and Scrutiny Procedure Rules, and Standing Order 2.4 of Section 7, any item on this agenda may be scrutinised by the Scrutiny Committee if it is "called in" by the Chairman or Vice-Chairman of the Overview & Scrutiny Committee and any other three non-Cabinet members.

The deadline for "calling in" Cabinet decisions is 4th October 2011.

Councillors wishing to "call in" a decision on this agenda should contact Sue Saunders, Committee/Scrutiny Officer, Civic Centre, Stourport-on-Severn. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

Urgent Key Decisions

If the Cabinet needs to take an urgent key decision, the consent of the Scrutiny Committee Chairman must be obtained. If the Scrutiny Committee Chairman is unable to act the Chairman of the Council or in his/her absence the Vice-Chairman of the Council, must give consent. Such decisions will not be the subject to the call in procedure.

Declarations of Interest - Guidance Note

Code of Conduct

Members are reminded that under the Code of Conduct it is the responsibility of individual Members to declare any personal or personal and prejudicial interest in any item on this agenda. A Member who declares a personal interest may take part in the meeting and vote, unless the interest is also prejudicial. If the interest is prejudicial, as defined in the Code, the Member must leave the room. However, Members with a prejudicial interest can still participate if a prescribed exception applies or a dispensation has been granted.

Section 106 of the Local Government Finance Act 1992

If any Member is two months or more in arrears with a Council Tax payment, they may not vote on any matter which might affect the calculation of the Council Tax, any limitation of it, its administration or related penalties or enforcement.

For further information: -

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Sue Saunders, Committee/Scrutiny Officer, Civic Centre, Stourport-on-Severn. Telephone: 01562 732733

Documents referred to in this agenda may be viewed on the Council's website - www.wyreforestdc.gov.uk/council/meetings/main.htm

Wyre Forest District Council

Cabinet

Tuesday 20th September 2011

The Earl Baldwin Suite, Duke House, Clensmore Street, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Declarations of Interest In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any personal or personal and prejudicial interests in the following agenda items. Members should indicate the action they will be taking when the item is considered. Members are also invited to make any declaration in relation to Section 106 of the Local Government Finance Act 1992. (See guidance note on cover.)	
3.	Minutes To confirm as a correct record the Minutes of the meeting held on the 19th July 2011.	7
4.	CALL INS a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
5.	Items Requiring Urgent Attention To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
6.	Public Participation In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 9 am on Monday 12 th September 2011. (See front cover for contact details).	

7. Place-Shaping		Julian Phillips
7.1	<p>Wyre Forest District Local Development Framework (LDF) Potential sites for Gypsies, Travellers and Travelling Showpeople</p> <p>To consider a report from the Director of Planning and Regulatory Services which informs Members of the need to ensure appropriate pitch provision is provided for Gypsies, Travellers and Travelling Showpeople within the District and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 19th September 2011. (Recommendations to follow)</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>	10
8. Leader of the Council		John-Paul Campion
8.1	Leader's Announcements	-
9. Resources & Transformation		Nathan Desmond
9.1	<p>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2010/11</p> <p>To consider a report from the Director of Resources which provides a review of the treasury management activities for 2010/11, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 8th September 2011.</p>	18
9.1(a)	<p>To consider the recommendations from the Overview and Scrutiny Committee meeting held on 8th September 2011.</p>	32
9.2	<p>Budget Monitoring First Quarter 2011/2012</p> <p>To consider a report from the Director of Resources that outlines the monitoring of the Revenue Budget and Capital Programme in accordance with the Local Government Act 2003.</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>	33
10. Place-Shaping		Julian Phillips
10.1	<p>Shared Land Drainage Service</p> <p>To consider a report from the Director of Planning and Regulatory Services which Cabinet to agree proposal to develop a shared Land Drainage service across Wyre Forest, Redditch and Bromsgrove District Councils, that incorporates watercourses and flooding work and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 8th September 2011.</p>	39
10.1(a)	<p>To consider the recommendations from the Overview and Scrutiny Committee meeting held on 8th September 2011.</p> <p><i>The appendix to this report has been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>	42

<p>10.2</p> <p>10.2(a)</p>	<p>Wyre Forest District Local Development Framework, Site Allocations and Policies and Kidderminster Central Area Action Plan DPDs: Preferred Options Consultation - Representations</p> <p>To consider a report from the Director of Planning and Regulatory Services which asks Cabinet to agree Officer responses to the representations received on the Site Allocations and Policies DPD and Kidderminster Central Area Action Plan DPD Preferred Options Papers as set out at Appendices 1-3 to this report and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 8th September 2011.</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>	<p>43</p> <p>47</p>
<p>10.3</p> <p>10.3(a)</p>	<p>Wyre Forest District Local Development Framework (LDF) Churchfields Masterplan Supplementary Planning Guidance: Responses to Draft Consultation Paper and Final Masterplan for Adoption</p> <p>To consider a report from the Director of Planning and Regulatory Services which seeks Cabinet's approval of the responses to representations received and the recommended amendments arising from consultation, to the Draft Supplementary Planning Document for adoption by Council on 28th September 2011 and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 8th September 2011.</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>	<p>48</p> <p>52</p>

<p>11. Recommendations from Committees</p>		
<p>11.1</p>	<p>Recommendations from Overview & Scrutiny Committee 8th September 2011</p> <ul style="list-style-type: none"> • Recording Equipment, Blogging and Social Media Review Panel 	<p>53</p>
<p>12.</p>	<p>To consider any other business, details of which have been communicated to the Director of Legal and Corporate Services before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	

13.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.</p>	
-----	--	--

Part 2

Not open to the Press and Public

14.	<i>Resources & Transformation</i>	<i>Nathan Desmond</i>
14.1	<p>Contract for Provision of a Managed Service for Temporary Staff</p> <p>To consider a report from the Director of Resources which asks Cabinet for approval to enter into a procurement exercise.</p>	54
15.	<p>To consider any other business, details of which have been communicated to the Director of Legal and Corporate Services before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	

WYRE FOREST DISTRICT COUNCIL

CABINET

THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET,
KIDDERMINSTER

19TH JULY 2011 (6.00 PM)

Present:

Councillors: J-P Campion, N J Desmond, M J Hart, T L Onslow and J Phillips.

Observers:

There were no members present as observers.

CAB.14 Apologies for Absence

There were no apologies for absence.

CAB.15 Declarations of Interest

No declarations of interest were made.

CAB.16 Minutes

Decision: The minutes of the Cabinet meeting held on 21st June 2011 be confirmed as a correct record and signed by the Chairman.

CAB.17 Call Ins

No decisions had been called in since the last Cabinet meeting.

CAB.18 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.19 Leader's Announcements

Members were advised that the political balance had changed due to the Independent Member on the Council joining the Labour Group. The revised political balance had been circulated but this would not be presented to Council as the overall percentage had not changed.

CAB.20 St. Georges Hall, Bewdley

A report was considered from the Director of Planning and Regulatory Services which recommended to Council that the Treasury Management Strategy Statement 2011/12 and Annual Investment Strategy 2011/12 be amended to enable cash flow support of up to £50k be made available to support the refurbishment/extension of St. George's Hall, Bewdley.

Agenda Item No. 3

An amended recommendation was circulated to Members which asked for approval of a scheme that would provide cash flow support for capital projects.

Members perceived that the project was worthwhile and if the recommendations were agreed at Council, it would speed up the process of supporting cash flow.

Decision:

Recommended to Council:

- 1. The Treasury Management Strategy Statement 2011/12 and Annual Investment Strategy 2011/12 be amended to enable cash flow support of up to £50k to be made available to support the refurbishment/extension of St George's Hall, Bewdley.**
- 2. Approval be given to establish a scheme to provide cash flow support for similar local community capital projects in line with the localism agenda. The broad parameters of the scheme being;**
 - Total limit of scheme £250,000 at any one time;**
 - No more than £100,000 to support to any one community group;**
 - Viable business case required to be provided to support any proposal;**
 - Cabinet to determine any such applications following consideration by the Treasury Management Review Panel.**

CAB.21 Options Appraisal – Revenues and Benefits Service

A report was considered from the Director of Resources which asked for approval of the results of the Revenues and Benefits Service: Options Appraisal and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 7th July 2011.

Members were informed that as part of the budget proposals agreed in February 2011, £150,000 had to be saved from the revenues and benefits service from April 2012. There were a couple of options available to the Council and it was considered that to keep the service in-house was the best option to the Council. It was felt that this option would also keep redundancies to a minimum and cause the least disruption to users across the Wyre Forest area. All staff had been consulted on the options and it was believed that option 1 was their preferred choice.

Members were happy to approve option 1 and were pleased that staff had shown commitment to the role they played in the revenues and benefits service. Staff were thanked for their involvement and the positive feedback they had made.

Members perceived that Shared Services would continue to part of service delivery but it was something the Council should embrace.

The Chairman of the Overview and Scrutiny Committee added that a full discussion had taken place at the Scrutiny Committee on 7th July 2011 and Members had agreed that the in-house option was the right way to proceed.

Decision: Approval be given to the Revenues and Benefits Service to remain in-house, whilst transforming the service through “System Thinking” and homeworking to become more effective and efficient.

CAB.22 Contract for the Provision of 4 x Tipper Trucks and 2 x Small Vans

A report was considered from the Director of Resources that sought approval to enter into a procurement exercise to purchase 4 tipper trucks and 2 small vans.

Decision:

- 1. The procurement exercise for the purchase of 4 tipper trucks and 2 small vans using the Yorkshire Purchasing Organisation’s (YPO) Vehicle Framework Agreement should be entered into.**
- 2. The evaluation model set out at paragraph 4.3 of the report to Cabinet should be used in evaluating responses to the mini-competition exercise conducted through the Framework.**
- 3. Delegated authority be granted to the Director of Resources to award the Contract to the highest scoring supplier following the evaluation model agreed at 2 above.**

The meeting closed at 6.22 pm.

WYRE FOREST DISTRICT COUNCIL**CABINET**
20TH SEPTEMBER 2011**Wyre Forest District Local Development Framework (LDF)**
Potential sites for Gypsies, Travellers and Travelling Showpeople

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	All
CORPORATE PLAN PRIORITY:	All
CABINET MEMBER:	Councillor J Phillips
DIRECTOR:	Director of Planning and Regulatory Services
CONTACT OFFICER:	Mike Parker – Ext 2500 Mike.Parker@wyreforestdc.gov.uk
APPENDICES:	<p>Appendix 1 – Assessment of potential sites for Gypsies, Travellers and Travelling Showpeople, Final Report, Baker Associates, August 2011</p> <p>Appendix 2 – Map identifying initial site search within the District.</p> <p>Appendix 3 – Location plans and assessment of sites proposed to be subject to public consultation</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request (see front cover for details)</i></p>

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet Members of the need to ensure appropriate pitch provision is provided for Gypsies, Travellers and Travelling Showpeople within the District. As Members will already be aware, the Council has consulted on two Development Plan Documents (DPD) - the Kidderminster Central Area Action Plan DPD and the Site Allocations and Policies DPD – the consultation responses to both are due to be considered by Cabinet on 20th September 2011. In order not to cloud consideration of those DPDs with consideration of sites to allocate for the Gypsy and Traveller and Travelling Showpeople community, the allocation of new sites for Gypsies, Travellers and Travelling Showpeople did not form part of the Site Allocations and Policies DPD consultation thus far carried out. Instead, and in order to focus attention, a separate consultation devoted entirely to possible sites for Gypsies, Travellers and Travelling Showpeople is proposed. This will then be joined with the Site Allocations and Policies DPD going forward.
- 1.2 This report also seeks the Cabinet's approval to undertake public consultation on a range of proposed sites for Gypsies, Travellers and Travelling Showpeople, using as its basis the findings of an 'Assessment of Potential Sites for Gypsies, Travellers and Travelling Showpeople' carried out by Baker Associates on behalf of Wyre Forest District Council.

- 1.3 The Council's Local Development Framework Review Panel considered the proposal at its meeting on 5th September and then reported to the Council's Overview & Scrutiny Committee on 8th September; however, the matter was deferred from that meeting to a separate meeting to be held on 19th September. Cabinet will receive the recommendations from the Overview & Scrutiny Committee for consideration at this meeting.

2. RECOMMENDATION

The Cabinet is asked to DECIDE:

- 2.1 The sites to be included in the public consultation on potential new sites for Gypsies, Travellers and Travelling Showpeople.**

and that

- 2.2 delegated authority be given to the Director of Planning and Regulatory Services to approve the final format of the consultation papers.**

3. BACKGROUND

Gypsies, Travellers and Travelling Showpeople – understanding the requirements

- 3.1 The Government introduced a Circular in 2006 to address the planning requirements of Gypsies and Travellers. The Circular (01/2006) emphasises the importance of ensuring that members of the Gypsy and Traveller communities have the same rights and responsibilities as every other citizen. Its main intention is to create and support sustainable and inclusive communities where Gypsies and Travellers have fair access to suitable accommodation. Providing sufficient caravan pitches for Gypsies and Travellers will not only meet their legitimate rights for a decent home but will reduce the number of unauthorised encampments and development and the conflict they cause and make enforcement more effective.
- 3.2 The Government also introduced a Circular in 2007 to address the planning requirements for Travelling Showpeople. The main purpose of the Circular is to recognise the traditional way of life of Travelling Showpeople, to create and support sustainable and inclusive communities and to increase the number of travelling Showpeople sites in suitable locations.
- 3.3 Although the Circulars are still in force, the Government announced in 2010 the intention to change planning policy relating to Gypsies, Travellers and Travelling Showpeople. In April 2011, the Government began this process by publishing a consultation on "Planning for Traveller Sites" which proposes the introduction of a new Planning Policy Statement (PPS) to replace the current Circulars. The District Council have prepared a response to this consultation which was endorsed by Cabinet in June this year.

- 3.4 Despite the anticipated revised guidance, the Government's objective remains for local planning authorities to meet the needs of Gypsies, Travellers and Travelling Showpeople through the identification of land for sites, with the focus of this being through locally generated policy. The proposed Planning Policy Statement is identical in many ways to the provisions in the 2006 and 2007 Circulars and will reinforce this ambition and will require Local Planning Authorities to use a robust evidence base to establish need; set pitch and plot targets to address accommodation needs; identify specific sites in their Development Plan that will enable the continuous delivery of sites for at least 15 years from the date of adoption; and identify sufficient specific deliverable sites to deliver site need in the first five years of the adoption of the relevant policy.
- 3.5 Wyre Forest District Council has already started to put this into place with the adoption of the Core Strategy DPD in December 2010. The Core Strategy sets the strategic policy for considering sites for Gypsies, Travellers and Travelling Showpeople. It also includes a commitment for the authority to ensure that sufficient sites are allocated for Gypsies, Travellers and Travelling Showpeople. This commitment to identify and allocate sufficient sites forms the basis of the rest of this report.

Understanding the need for Pitches – Gypsies and Travellers

- 3.6 Before identifying what the need for Pitches is within the District it is important to understand what constitutes a 'Pitch'. Gypsy and Traveller sites are made up of a number of caravan pitches and associated facilities. Although there is no national definition of what size a pitch should be, a general guide contained in 'Designing and Gypsy and Traveller Sites' states that *"an average family pitch must be capable of accommodating an amenity building, a large trailer and touring caravan...drying space for clothes, a lockable shed...parking space for two vehicles and a small garden"* (Para 7.12). On average, usage is approximately 1.7 caravans per pitch.
- 3.7 The commitment to providing pitches to meet the needs of Gypsies, Travellers and Travelling Showpeople is clearly outlined in National Planning Policy as well as in Local Planning Policy. The Core Strategy used evidence prepared in the 2008 Gypsy and Traveller Accommodation Assessment to ascertain the need for future pitch provision. The findings of this study, which are included in the Core Strategy, were for a total of 30 pitches to be allocated within Wyre Forest District by 2013.
- 3.8 However, given that the authority needs to allocate sites to meet the longer term plan period, an understanding of future pitch requirements is also required. Members may recall that during the preparation of the Regional Spatial Strategy (RSS) for the West Midlands an Interim Statement on Gypsies, Travellers and Travelling Showpeople was produced. To inform the preparation of this an evidence base study was prepared which was reported to Members at the Community and Regeneration Scrutiny Committee on 4th March 2010 (Agenda Item 8). This document provided a range of options to consider for future pitch requirements and was based on a number of different scenarios. Given the evidence that was contained within this technical document it was considered that the preferred option for the District was Option 2, which was for a total of 35 pitches to be allocated up until 2017. This approach was supported by Members and conveyed to the West Midlands Regional Assembly in response to the proposed Interim Policy Statement.

Agenda Item No. 7.1

- 3.9 The final version of the Interim Policy Statement did not, however, take into account the District Council's comments and recommended a total of 42 pitches be allocated within the District by 2017. However, as the intention is for the RSS to be revoked, and because the Interim Policy Statement was never examined independently, the weight to be given to the Statement is considered to be open to some debate. Therefore, given the proposed abolition of the RSS and the Government's ambition for more localised decision making, it is considered worthwhile revisiting the work undertaken to underpin the Interim Policy Statement. Taking this all into account it is considered that the option supported by the District Council originally, which was for 35 pitches until 2017, should be the preferred target to plan for. This target is underpinned by evidence and was supported by Members and so would fit more closely with the Government's ambition to ensure local accountability and decision-making based on robust evidence.
- 3.10 Although the pitch provision can be understood more clearly up to 2017, the target in which to plan for after this date is less clear. An indicative target for new pitch provision post 2017 was included within the RSS Phase 3 Policy Statement and it is proposed that this figure should be used as an indicative target to plan for. It is proposed that this figure will then be reviewed through an updated needs assessment to be undertaken in 2016. However, in order to ensure that the 'shelf life' of the Core Strategy is not unduly curtailed by this, it is proposed that a reservoir of sites to meet future needs will be allocated and released should the need be forthcoming and proved in future years.
- 3.11 The breakdown of the need for new pitches is therefore as follows:

Time Frame	Number of Pitches	Source
2006 - 2013	30 (23 net of sites approved since 2006)	Adopted Core Strategy
2013 - 2017	5	RSS Phase 3 Interim Policy Statement Options Generation
2017 – 2022	15	Indicative target included within the Phase 3 Policy Statement

- 3.12 As the plan period runs from 2006 it is important to include any sites that have been given permission since this time. A total of 7 Gypsy pitches have been given permission since 2006, which means that the allocation requirement until 2013 drops to 23, as indicated in the table above.

Understanding the need for pitches – Travelling Showpeople

- 3.13 The needs of Travelling Showpeople are different to Gypsies and Travellers. Their sites often combine residential, storage and maintenance uses. Typically a site contains areas for accommodation, usually caravans and mobile homes, and areas for storing, repairing and maintaining vehicles and fairground equipment. These combined residential and storage sites are known as plots.
- 3.14 Although Travelling Showpeople travel for extended periods they require a permanent base for storage of equipment and for residential use during the winter. These plots or yards are also occupied throughout the year, often by older people and families with children, for example.

- 3.15 The Gypsy and Traveller Accommodation Assessment (GTAA) undertaken in 2008 also considered the requirements for Travelling Showpeople. Although the GTAA did not identify a specific current need or requirement for additional plots in the District, there is an existing established site through lawful use at Long Bank, Bewdley. As part of the Core Strategy, Officers met with the family that reside at Long Bank as the landowner of the site has asked them to vacate. There is therefore a specific current need for one family plot to be allocated within the District through the Local Development Framework process.

4. KEY ISSUES

Identifying Potential Sites – Baker Associates Study 2011

- 4.1 In order to ensure that the District Council was meeting its requirement to allocate sufficient sites and due to the potential sensitivities and difficulties in identifying new sites for Gypsies, Travellers and Travelling Showpeople, consultants Baker Associates were appointed to undertake a study in 2011. This assessment would allow the consultants to give an independent view on the current situation within the District and to identify potential sites that, in their view, would be suitable to be allocated for future pitch provision. The final report produced by Baker Associates can be viewed at Appendix 1.
- 4.2 The assessment that was carried out followed a detailed nine stage methodology:
1. Inception Meeting
 2. Information Gathering
 3. Understanding needs and requirements
 4. Identifying site assessment criteria
 5. Identifying potential sites
 6. Initial site screening
 7. Detailed site assessment
 8. Investigation, policy and delivery issues
 9. Recommendations
- 4.3 Some of the main elements of this assessment involved consultation with key stakeholders including Gypsies, Travellers and their relevant support organisations, Travelling Showpeople and Town and Parish Councils. The consultants also visited the existing Gypsy and Travelling Showpeople sites within the District to understand the current situation for the families residing there.
- 4.4 The main aim of this assessment, however, was to identify sites that were considered suitable for allocation as future Gypsy, Traveller or Travelling Showpeople sites. The first element of this was to identify a long list of sites that could be assessed further in order to ensure that as many sites as possible could be considered from the outset. The long list of sites came from a number of sources which included:
1. Existing unauthorised sites and sites subject to temporary/personal permission
 2. Expansion of existing sites
 3. Caravan Parks
 4. Public sector land
 5. Available land for housing
 6. Land identified through consultation
 7. Housing allocations

- 4.5 This site search resulted in a total of 86 potential sites being identified. (A map detailing the location of these sites can be seen at Appendix 2).
- 4.6 Following the identification of these sites, the consultants assessed each one to ascertain in broad terms whether or not they were available and suitable for this particular use. Availability of sites was identified in the assessment as a key criterion because of the emphasis given in the new spatial planning system of being able to demonstrate site deliverability. Each of the sites was assessed under set criteria and those that did not receive a 'red' outcome (i.e. issues that were considered to be insurmountable at this particular time) were considered further at Stage 2. Details of the full Stage 1 assessment are included in the main report, as well as a table identifying why sites were rejected.
- 4.7 Stage 2 of the site assessment involved a more detailed assessment of suitability issues and an examination of achievability issues on the remaining sites. Potential capacity and delivery issues were also investigated at this stage. As part of the Stage 2 assessment a landscape, and where relevant, a Green Belt assessment was also carried out.
- 4.8 The assessment at Stage 2 resulted in a total of 15 sites being identified as potentially being suitable to consider for future allocation. Although not all of these sites would be required to meet the future need within the District, they help to provide a basis for public consultation in order to ensure that the most suitable sites are selected and subsequently allocated. The list of sites that are proposed to be subject to consultation, as recommended by the Baker Associates report, are as follows:

Site Ref (Taken from Baker Report)	Site Location	Settlement	Potential Number of Pitches
BEW001*	Land North of Habberley Road	Bewdley	4
BEW002*	Site at Stourport Road	Bewdley	15
BLA001	Former Blakedown Nurseries	Blakedown	10
CLO001*	Yard south of A456	Clows Top	15
COOK0002	Land at Lawnswood	Cookley	5
FAIR0001	Land off Lowe Lane	Fairfield	12
GJAL	Former school site, Sion Hill	Kidderminster	10
KID0011*	Lea Castle Hospital Site	Kidderminster	15
STO0004	Land adjacent Nunn's Corner	Stourport-on-Severn	4
STO0006	Land off Wilden Top Road	Wilden	4
STO0018	Saiwen	Stourport-on-Severn	3
STO0019	The Gables Yard	Stourport-on-Severn	3
STON0001*	Former Depot	Stone	15
UUBE	Open land north of Sutton Park Rise	Kidderminster	15
WR104458*	Redundant farm, St. John's Road	Stourport-on-Severn	15

* Sites with potential for Travelling Showpeople

- 4.9 The location plans and site assessment sheets that accompany this table are available to view at Appendix 3.
- 4.10 Although these sites have been identified through the study, it is also proposed to consult on whether or not other landowners, who were not originally identified, would want their sites to be considered further for Gypsy, Traveller or Travelling Showpeople use. This may mean that other sites are assessed at a later stage, depending on the feedback received from the consultation.
- 4.11 There also remains the potential for new sites to come forward via the Development Control process during the adoption of the Site Allocations and Policies DPD and any sites would have to be judged on their merits, taking into account the availability of sites, the need for new pitches to be provided and the adoption status of the DPD. Once adopted, the DPD will have much greater weight as a policy document for determining planning applications.

Next Steps - Consultation

- 4.12 Subject to Cabinet approval, it is proposed that the consultation on the provision of new sites for Gypsies, Travellers and Travelling Showpeople will be undertaken for 6 weeks, starting in October 2011. The sites selected for consultation will be based on the report undertaken by Baker Associates, but it will be for Cabinet to decide the final list of sites to be included in the consultation. The consultation process will also provide the opportunity for respondents to suggest alternative sites, which would then have to be considered accordingly.
- 4.13 The consultation will be advertised in the local press and information on the consultation distributed to those properties that do not receive free newspapers. Copies of the consultation documents will be made available to view in the following locations:
- District Council's website
 - Kidderminster, Stourport-on-Severn and Bewdley Hubs
 - Kidderminster, Stourport-on-Severn and Bewdley Libraries
- 4.14 Additionally, it is proposed to follow the consultation principles set out in the Development Control protocol to send letters to any adjacent occupiers who might be affected by the proposals and may wish to comment.
- 4.15 Officers will also be available to discuss the consultation through the duration of the 6 weeks via e-mail, telephone or by meetings at request.
- 4.16 After the consultation closes the responses will be collated and summarised and will then be used to help inform the selection of the preferred sites for allocation. It is anticipated that the final list of sites to be included in the proposed Site Allocation and Policies DPD will be determined in early 2012. This will then be included as part of the next stage of the Site Allocations and Policies DPD, which is due to be published in 2012.

5. FINANCIAL IMPLICATIONS

- 5.1 The costs of preparing the study and publishing the sites for consultation can be met from within existing budgets.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The new site allocations will form part of the Site Allocations and Policies DPD. DPDs need to be prepared in accordance with the requirements of the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Development) (England) Regulations 2004 as amended by The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008.

7. RISK MANAGEMENT

- 7.1 In the absence of allocated sites the District Council may run the risk of being unable to resist unauthorised encampments becoming authorised. It also may result in more planning appeals at a greater cost to the Authority.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 An equality impact screening test has been carried out, which shows that the proposals will not have any negative impact on equality. In fact, the allocation of sites would have a positive impact for one of the largest ethnic minority groups within the District.

9. CONCLUSION

- 9.1 The Cabinet is asked to agree the list of possible sites for Gypsy and Traveller and Travelling Showpeople to be included in the public consultation on proposed new sites for Gypsies, Travellers and Travelling Showpeople as part of the Site Allocations and Policies DPD.

10. CONSULTEES

- 10.1 None.

11. BACKGROUND PAPERS

- South Worcestershire Housing Market Area Gypsy & Traveller Accommodation Assessment (February 2008).
- Community and Regeneration Scrutiny Committee, 4th March 2010 (Agenda Item 8).
- West Midlands RSS Interim Policy Statement, Provision of new accommodation for Gypsies, Travellers and Travelling Showpeople, 2010.
- Adopted Core Strategy (December 2010).

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

**Annual Report on Treasury Management Service and
Actual Prudential Indicators 2010/11**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PLAN PRIORITY:	Delivering Together with Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland Ext. 2100 David.buckland@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Treasury Activity 2010/11

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide a review of the treasury management activities for 2010/11, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2. RECOMMENDATIONS

The Cabinet is recommended to:

- 2.1 **Approve the actual 2010/11 prudential and treasury indicators in this report.**
- 2.2 **Note the annual treasury management report for 2010/11.**

3. BACKGROUND

- 3.1 This Council is required, through regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2010/11.
- 3.2 During 2010/11 the following reports were approved:
- The annual treasury strategy in advance of the year (Council 24 February 2010, followed by a further update to Council 1st December 2010 for the period 1 January 2011 to 31 March 2011).
 - A mid year treasury update report (Cabinet 16 November 2010).
- 3.3 In addition, the Council is required to provide an annual report following the year end, describing the activity compared to the strategy. This report satisfies this requirement.

3.4 Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

3.5 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Treasury Management Review Panel, reporting to Cabinet before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 24 January 2011 in order to support Members' scrutiny role.

4. KEY ISSUES

4.1 During 2010/11, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2009/10 Actual £'000	2010/11 Original £'000	2010/11 Actual £'000
Actual capital expenditure	6,147	10,991	4,735
Capital Financing Requirement	1,697	4,539	2,959
Borrowing / (investments)	(13,144)	(13,132)	(17,744)
External debt	35	1,368	31
Investments:			
• Longer than 1 year*	3,848	5,288	2,748
• Under 1 year	9,331	9,212	15,027
• Total	13,179	14,500	17,775

*Investments at 31st March 2010 & 2011 include Icelandic investments at impaired values.

Actual capital expenditure in 2010/11 was lower than originally anticipated mainly due to slippage in the New Headquarters and Housing Assistance Schemes.

4.2 Other prudential and treasury indicators are to be found in Appendix 1. The Director of Resources also confirms that internal prudential borrowing was only undertaken for a capital purpose and the statutory borrowings limit (the authorised limit), was not breached.

4.3 The financial year 2010/11 continued the challenging environment of previous years; low investment returns and continuing counterparty risk.

4.4 The full annual review can be found at Appendix 1. This provides greater detail on the treasury activity for 2010/11 along with other relevant information.

5. FINANCIAL IMPLICATIONS

5.1 The Financial Implications are contained within paragraphs 4.1, and Appendix 1.

6. LEGAL AND POLICY IMPLICATIONS

6.1 Legal and Policy Implications are contained within paragraph 13.1 of Appendix 1.

7. RISK MANAGEMENT

7.1 Risk Management is contained within paragraphs 13.2, 13.3, 13.4 and 13.5 of Appendix 1. As demonstrated within this report the current economic position is very erratic; as a result, the risk is managed by more frequent and detailed reviews supported by the Treasury Management Panel. The Council will continue to invest with only those institutions which have the necessary credit ratings in order to preserve the Council's Capital.

8. EQUALITY IMPACT ASSESSMENT

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

9. CONCLUSION

9.1 The Cabinet is asked to approve the Recommendations contained within Paragraph 2.

10. CONSULTEES

10.1 Corporate Management Team.
Sector, Treasury Management Consultants.
Treasury Management Review Panel.

11. BACKGROUND PAPERS

11.1 Treasury Management Strategy 2010/11 approved by Council on 24th February 2010.

11.2 Updated Treasury Management Strategy 2010/11 approved by Council on 1st December 2010.

APPENDIX 1TREASURY ACTIVITY 2010/11**1. Introduction**

1.1 This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- Reporting of the required prudential and treasury indicators;
- Overall treasury position identifying how the Council has utilised prudential borrowing, and the impact on investment balances;
- Summary of interest rate movements in the year; and
- Detailed investment activity.

2. The Council's Capital Expenditure and Financing 2010/11

2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£'000	2009/10 Actual	2010/11 Estimate	2010/11 Actual
Capital Expenditure	6,147	10,991	4,735
Resourced by:			
• Capital receipts	4,077	6,091	2,128
• Capital grants	1,630	1,406	766
• Revenue	139	98	12
Unfinanced capital expenditure	301	3,396	1,829

3. The Council's Overall Borrowing Requirement

3.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2010/11 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

- 3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council. The internal borrowing option has been used for 2010/11.
- 3.3 **Reducing the CFR** – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
- 3.4 The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
- 3.5 The Council's 2010/11 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2010/11 on 24th February 2010, with a revision to the Policy approved on 1st December 2010.
- 3.6 The Council's CFR for the year is shown below, and represents a key prudential indicator.

CFR £'000	31 March 2010 Actual	31 March 2011 Original Indicator	31 March 2011 Actual
Opening balance	1,829	1,709	1,697
Add unfinanced capital expenditure (as above)	301	3,396	1,829
Less MRP	(433)	(566)	(567)
Closing balance	1,697	4,539	2,959

- 3.7 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
- 3.8 **Net borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2010/11 plus the expected changes to the CFR over 2011/12 and 2012/13. This indicator allows the Council

some flexibility to borrow in advance of its immediate capital needs in 2010/11. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

£'000	31 March 2010 Actual	31 March 2011 Original	31 March 2011 Actual
Net borrowing position	(13,144)	(13,132)	(17,744)
CFR	1,697	4,539	2,959

- 3.9 The authorised limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2010/11 the Council has maintained gross borrowing within its authorised limit.
- 3.10 The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.
- 3.11 Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2010/11
Authorised limit	£6.000m
Maximum gross borrowing position	£0.093m
Operational boundary	£0.800m
Average gross borrowing position	£0.023m
Financing costs as a proportion of net revenue stream	2.81%

4. Treasury Position as at 31 March 2011

- 4.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2010/11 the Council's treasury position was as follows:

Treasury position	31st March 2010		31st March 2011	
	Principal £'000	Average Rate	Principal £'000	Average Rate
Total Debt*	35	6.03%	31	6.17%
Fixed Interest Investments	(13,179)**	0.94%**	(17,775)**	0.85%**
Net investment position	(13,144)		(17,744)	

*Liverpool Victoria Mortgage Bonds

**Principal at 31st March 2009 & 2010 includes Icelandic investments at impaired values. The average rate achieved excludes Icelandic investments.

The maturity structure of the investment portfolio was as follows:

	2009/10 Actual £'000	2010/11 Original £'000	2010/11 Actual £'000
Investments:			
• Longer than 1 year*	3,848	5,288	2,748
• Under 1 year	9,331	9,212	15,027
• Total	13,179	14,500	17,775

* The only investments held for more than 1 year relate to impaired Icelandic deposits.

The exposure to fixed and variable rates was as follows:

	31 March 2010 Actual	2010/11 Original Limits	31 March 2011 Actual
Fixed rate (principal or interest)	100%	100%	100%

5. The Strategy for 2010/11

5.1 The expectation for interest rates within the strategy for 2010/11 anticipated low but rising Bank Rate (starting in quarter 4 of 2011) with similar gradual rises in medium and longer term fixed interest rates over 2010/11. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

5.2 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and reduce counterparty risk.

- 5.3 **Change in strategy during the year** – the strategy adopted in the original Treasury Management Strategy Report for 2010/11 approved by the Council on 24 February 2010 was subject to revision during the year due to the appointment of Sector as Treasury Management consultants to replace Butlers from 1st September 2010. A revised policy was approved by Council on the 1st December 2010 for the period 1 January 2011 to 31 March 2011 taking into account the Sector Credit Worthiness scheme.

6. The Economy and Interest Rates

- 6.1 2010/11 proved to be another watershed year for financial markets. Rather than a focus on individual institutions, market fears moved to sovereign debt issues, particularly in the peripheral Euro zone countries. Local authorities were also presented with changed circumstances following the unexpected change of policy on Public Works Loan Board (PWLB) lending arrangements in October 2010. This resulted in an increase in new borrowing rates of 0.75 – 0.85%, without an associated increase in early redemption rates. This made new borrowing more expensive and repayment relatively less attractive.
- 6.2 UK growth proved mixed over the year. The first half of the year saw the economy outperform expectations, although the economy slipped into negative territory in the final quarter of 2010 due to inclement weather conditions. The year finished with prospects for the UK economy being decidedly downbeat over the short to medium term while the Japanese disasters in March, and the Arab Spring, especially the crisis in Libya, caused an increase in world oil prices, which all combined to dampen international economic growth prospects.
- 6.3 The change in the UK political background was a major factor behind weaker domestic growth expectations. The new coalition Government struck an aggressive fiscal policy stance, evidenced through heavy spending cuts announced in the October Comprehensive Spending Review, and the lack of any “giveaway” in the March 2011 Budget. Although the main aim was to reduce the national debt burden to a sustainable level, the measures are also expected to act as a significant drag on growth.
- 6.4 Gilt yields fell for much of the first half of the year as financial markets drew considerable reassurance from the Government’s debt reduction plans, especially in the light of Euro zone sovereign debt concerns. Expectations of further quantitative easing also helped to push yields to historic lows. However, this positive performance was mostly reversed in the closing months of 2010 as sentiment changed due to sharply rising inflation pressures. These were also expected (during February / March 2011) to cause the Monetary Policy Committee to start raising Bank Rate earlier than previously expected.
- 6.5 The developing Euro zone peripheral sovereign debt crisis caused considerable concerns in financial markets. First Greece (May), then Ireland (December), were forced to accept assistance from a combined EU / IMF rescue package. Subsequently, fears steadily grew about Portugal, although it managed to put off accepting assistance till after the year end. These worries caused international investors to seek safe havens in investing in non-Euro zone government bonds.

6.6 Deposit rates picked up modestly in the second half of the year as rising inflationary concerns, and strong first half growth, fed through to prospects of an earlier start to increases in Bank Rate. However, in March 2011, slowing actual growth, together with weak growth prospects, saw consensus expectations of the first UK rate rise move back from May to August 2011 despite high inflation. However, the disparity of expectations on domestic economic growth and inflation encouraged a wide range of views on the timing of the start of increases in Bank Rate in a band from May 2011 through to early 2013. This sharp disparity was also seen in MPC voting which, by year-end, had three members voting for a rise while others preferred to continue maintaining rates at ultra low levels.

6.7 Risk premiums were also a constant factor in raising money market deposit rates beyond 3 months. Although market sentiment has improved, continued Euro zone concerns, and the significant funding issues still faced by many financial institutions, mean that investors remain cautious of longer-term commitment. The European Commission did try to address market concerns through a stress test of major financial institutions in July 2010. Although only a small minority of banks “failed” the test, investors were highly sceptical as to the robustness of the tests, as they also are over further tests now taking place with results due in mid-2011.

Chart 1: Bank Rate v LIBID investment rates

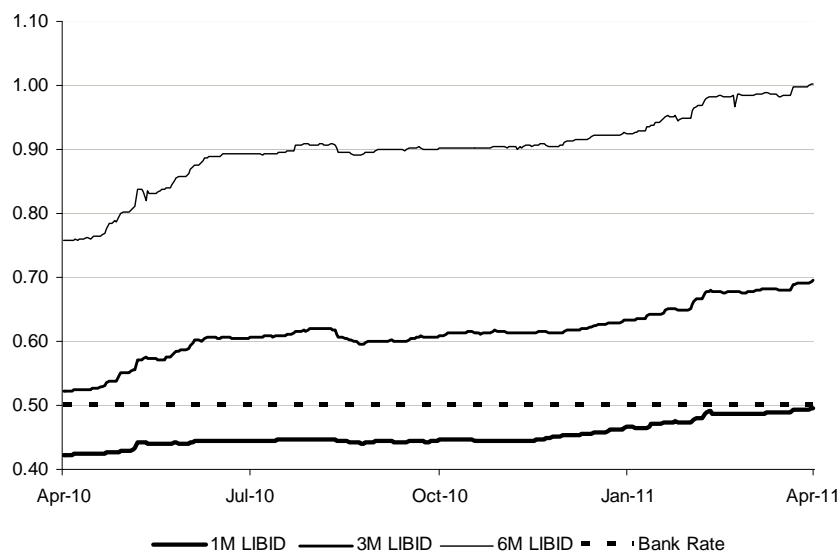
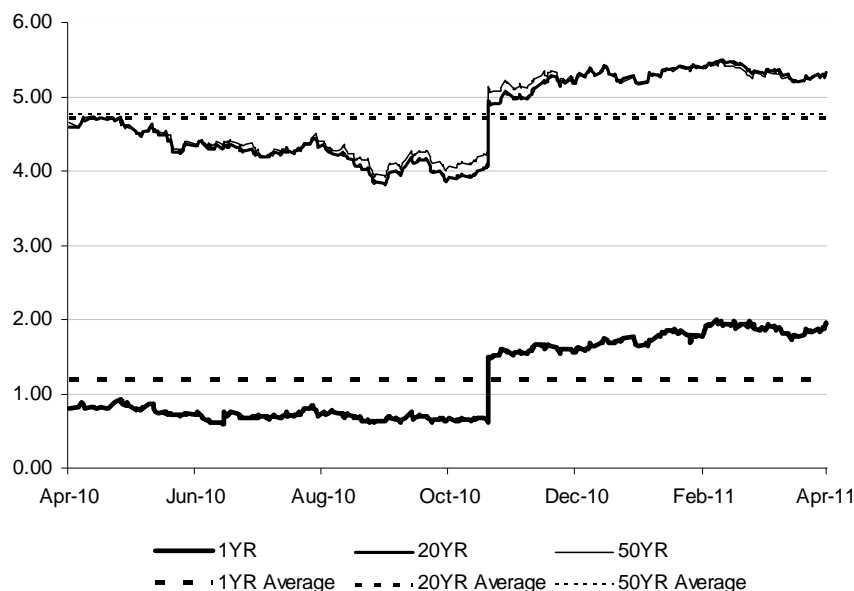


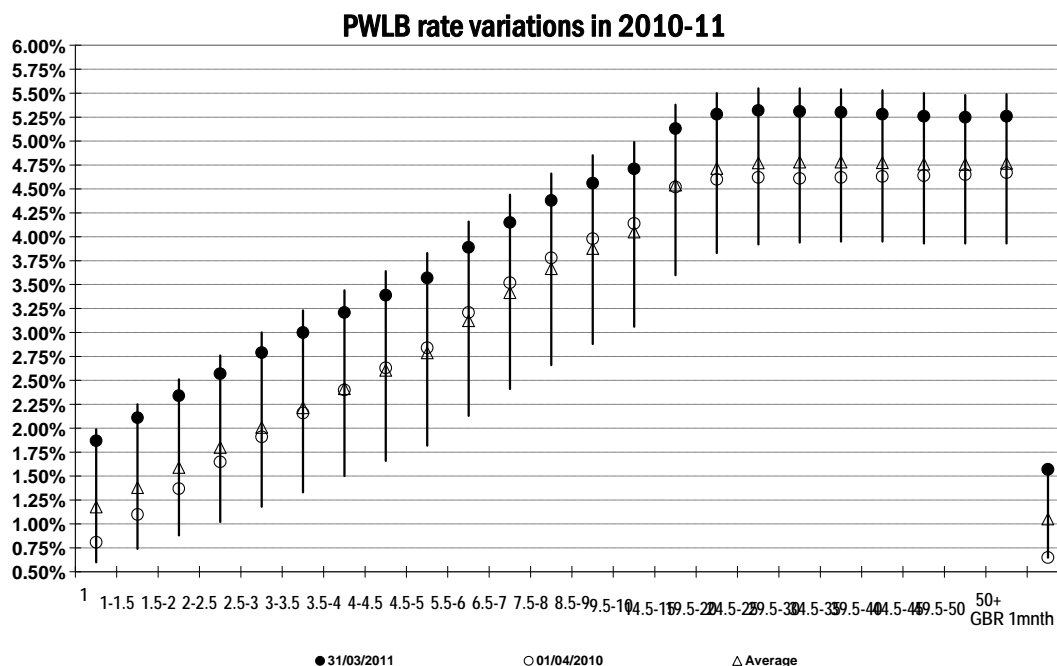
Chart 2: Average v new borrowing rates



7. Borrowing Rates in 2010/11

7.1 **PWLB borrowing rates** - the graph and table for PWLB maturity rates below show, for a selection of maturity periods, the range (high and low points) in rates, the average rates and individual rates at the start and the end of the financial year.

7.2 Variations in most PWLB rates have been distorted by the October 2010 decision by the PWLB to raise its borrowing rates by about 0.75 – 0.85% e.g. if it had not been for this change, the 25 year PWLB at 31 March 2011 (5.32%) would have been only marginally higher than the position at 1 April 2010.



PWLB BORROWING RATES 2010/11 for 1 to 50 years

	1	1.5-2	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
01/04/2010	0.810%	1.370%	1.910%	2.400%	2.840%	4.140%	4.620%	4.650%	0.650%
31/03/2011	1.870%	2.340%	2.790%	3.210%	3.570%	4.710%	5.320%	5.250%	1.570%
HIGH	1.990%	2.510%	3.000%	3.440%	3.830%	4.990%	5.550%	5.480%	1.570%
LOW	0.600%	0.880%	1.180%	1.500%	1.820%	3.060%	3.920%	3.930%	0.650%
Average	1.177%	1.590%	2.009%	2.413%	2.788%	4.050%	4.771%	4.756%	1.052%
Spread	1.390%	1.630%	1.820%	1.940%	2.010%	1.930%	1.630%	1.550%	0.920%
High date	07/02/2011	07/02/2011	07/02/2011	07/02/2011	09/02/2011	09/02/2011	09/02/2011	09/02/2011	07/03/2011
Low date	15/06/2010	12/10/2010	12/10/2010	12/10/2010	12/10/2010	31/08/2010	31/08/2010	31/08/2010	01/04/2010

8. Borrowing Outturn for 2010/11

8.1 Treasury Borrowing

During 2010/11 the Director of Resources managed the debt by the use of temporary cash flow funds and did not utilise external borrowing.

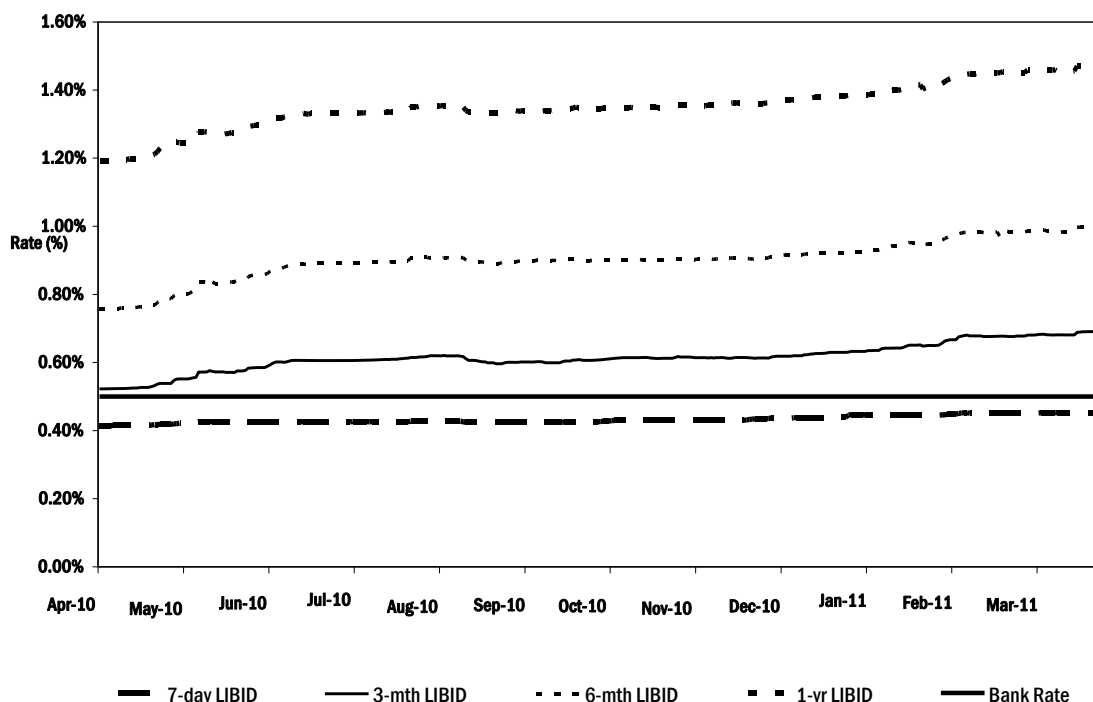
9. Investment Rates in 2010/11

9.1 The tight monetary conditions following the 2008 financial crisis continued through 2010/11 with little material movement in the shorter term deposit rates. Bank Rate remained at its historical low of 0.5% throughout the year, although growing market expectations of the imminence of the start of monetary tightening saw 6 and 12 month rates picking up.

9.2 Overlaying the relatively poor investment returns was the continued counterparty concerns, most evident in the Euro zone sovereign debt crisis which resulted in rescue packages for Greece, Ireland and latterly Portugal. Concerns extended to the European banking industry with an initial stress testing of banks failing to calm counterparty fears, resulting in a second round of testing currently in train. This highlighted the ongoing need for caution in treasury investment activity.

	Overnight	7 Day	1 Month	3 Month	6 Month	1 Year
01/04/2010	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
31/03/2011	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
High	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
Low	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
Average	0.43%	0.43%	0.45%	0.61%	0.90%	1.35%
Spread	0.03%	0.04%	0.07%	0.17%	0.24%	0.28%
High date	31/12/2010	30/03/2011	31/03/2011	31/03/2011	31/03/2011	31/03/2011
Low date	01/04/2010	01/04/2010	01/04/2010	01/04/2010	01/04/2010	01/04/2010

Investment Rates 2010-11



10. Investment Outturn for 2010/11

- 10.1 Investment Policy – the Council’s investment policy is governed by CLG guidance, which was been implemented in the annual investment strategy approved by the Council on 24th February 2010 and the 1st December 2010. These policies set out the approach for choosing investment counterparties, based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The Sector Credit Worthiness Policy introduced further layers of check and subtle changes to the Butlers scheme.
- 10.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 10.3 Resources – the Council’s longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council’s core cash resources comprised as follows, and met the expectations of the budget:

Balance Sheet Resources (£'000)	31 March 2010	31 March 2011
Balances	2,976	3,398
Earmarked reserves	1,963	2,688
Provisions	195	206
Usable capital receipts	11,887	10,104
Total	17,021	16,396

- 10.4 **Investments held by the Council** - the Council maintained an average balance of £16.391m of internally managed funds. The internally managed funds earned an average rate of return of 0.85%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.43%. External Interest received totalled £138,586 compared to the revised budget of £107,990.

11. Performance Measurement

- 11.1 One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The Council’s performance indicators were set out in the Annual Treasury Strategy.
- 11.2 This service has set the following performance indicator:
- Investments – Internal returns (0.85%) above the 7 day London Interbank Bid (LIBID) rate (0.43%)
- 11.3 Sector established a regional benchmarking group in April 2011. The group comprises seven Local Authorities; 2 County Councils and 5 District Councils, and the group meets twice a year. Quarterly performance reports are prepared by Sector. The purpose of the benchmarking group is to compare Security of Capital,

Liquidity and Yield (SLY - risk and return), aiming to maximise return in line with each authority's individual risk appetite.

- 11.4 Sector reported that the results of the benchmarking group at 31st March 2011 were that the Weighted Average Maturity (WAM) was 23 days and the Risk Factor was 4.6 (1 being the lowest, 7 being the highest). By comparison, the Council's yield was the 4th highest in the group. The risk factor was the highest, although it should be noted that some members of the group invest in the DMO (AAA) only, with a risk factor of 1 and a return of 0.25%.

12. Icelandic Bank Defaults

- 12.1 As has been widely reported, this Council had £9m invested in Icelandic banks at the time of their collapse in October 2008.
- 12.2 The position on recovery of the £9m of Icelandic investments that were frozen in October 2008 is that, at 31st March 2011, a total of £3.150m had already been received (35%).

Financial Institution	Principal Invested £	Principal Repaid at 31/03/11 £	Recovery at 31/03/11 %	Estimated Total Recovery %
Landsbanki	3,000,000	0	0	94.85
Kaupthing Singer & Freidlander	5,000,000	2,650,000	53	82.00
Heritable Bank	1,000,000	500,960	50	90.00
Total	9,000,000	3,150,960	35	87.17

The Council has received further distributions after 31st March 2011 bringing total principal repayments to £3.463m as at 30th June 2011.

- 12.3 The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The U.K. Government is working with the Icelandic Government to help bring this about. At the current time, the process of recovering assets is still ongoing with the administrators. The Local Government Association is co-ordinating the efforts of all UK authorities with Icelandic investments. Members will be periodically updated on the latest developments on these efforts.
- 12.4 As reported at Council on 27th July, 2011, we and other local authorities are awaiting the verdict of the Icelandic Supreme Court in relation to a challenge the preferred status that the Council currently has on the Landsbanki deposit of £3m.

We have now had confirmation that as expected the appeal will be during September this year and will be held on the 14th & 15th. Representatives from Local Government including Stephen Jones, Director of Finance at the Local Government Group will be present during the appeal, the result of which is expected in early October. Following this appeal there is no further right to have the decision reviewed. As soon as any information is available then I will share this immediately with Council.

13. Regulatory Framework, Risk and Performance

- 13.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:
- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
 - The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2009/10);
 - Statutory Instrument (SI) 3146 2003, as amended, developed the controls and powers within the Act;
 - The SI requires the Council to undertake any borrowing activity with regard to the CIPFA) Prudential Code for Capital Finance in Local Authorities;
 - The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
 - Under the Act the CLG has issued Investment Guidance to structure and regulate the Council's investment activities.
 - Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.
- 13.2 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.
- 13.3 The Council has fully co-operated with a number of internal and external reviews into the Icelandic investments, including a member Treasury Management Review Panel that showed full compliance with all approved policies and procedures.
- 13.4 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Sector, the Council's advisers, has proactively managed its treasury position.
- 13.5 Shorter-term rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

**Recommendation from Overview and Scrutiny Committee
8th September 2011**

Recommendations from the Treasury Management Review Panel

The Committee considered the recommendations from the meeting of the Treasury Management Review Panel held on the 8th September 2011.

Recommended to Cabinet:

- 1. The actual 2010/11 prudential and treasury indicators in the report be approved**
- 2. The annual treasury management report for 2010/11 be noted.**

WYRE FOREST DISTRICT COUNCIL**CABINET**
20TH SEPTEMBER 2011**Budget Monitoring First Quarter 2011/2012**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PRIORITY:	Delivering Together with Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland Ext. 2100 david.buckland@wyreforestdc.gov.uk
APPENDICES:	<p>Appendix 1 - Wyre Forest District Council General Fund Total Requirements - District Council Purposes</p> <p>Appendix 2 - Budgetary Control Reports - Revenue</p> <p>Appendix 3 - Income Generation Projection Report</p> <p>Appendix 4 - Final Capital Outturn against Programme 2010/2011</p> <p>Appendix 5 - Capital Programme 2011/12 with slippage from 2010/11</p> <p>Appendix 6 - Cabinet Proposal Progress Report</p> <p>Appendix 7 - Budget Risk Matrix</p> <p>Appendix 8 - Housing Benefit Overpayment Debt Position as at 31st March 2011</p> <p>Appendix 9 - Sundry/Property Debt Position and payment methods for debtor accounts as at 31st March 2011</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy if available on request. (See front cover for details.)</i></p>

1. PURPOSE OF REPORT

- 1.1 To monitor the Revenue Budget and Capital Programme in accordance with the Local Government Act 2003.
- 1.2 To inform members of the Housing Benefit Overpayment debt position as a 30th June 2011, summary attached as Appendix 8, together with details of performance against targets.

- 1.3 To inform members of the Sundry/Property debt position as at 30th June 2011, summary attached as Appendix 9, together with details of performance against the targets.

2. RECOMMENDATIONS

The Cabinet is asked to DECIDE:-

- 2.1 **That the projected budget variations and comments outlined within this report and appendices 2 to 9 be noted.**
- 2.2 **To approve the allocation of the New Homes Bonus as identified in paragraph 3.2, allowing for the balance at this stage of £31,220 to be included within the General Fund Reserve**

3. KEY ISSUES - BUDGET MONITORING 1st QUARTER 2011/12

- 3.1 **The projected outturn at 31 March 2012 as at the end of the 1st quarter is an overspend of £84,000, which incorporates the additional Area Based Grant of £184,000. The details are in appendix 2 and the main variances are:**
- £75,000 adverse: the Council has been unable to revise planning fees due to a delay in the implementation of the new scheme by central government. It is expected that further information will be available later in the year, however this does result in a reduction in income for 2011/12.
 - £75,000 adverse: due to severe competition this Council has seen a reduction in income from Trade Waste. Working in partnership with the County Council options are being explored to provide further recycling options which would hopefully improve the situation.
 - (£100,000) favourable: even though Base Rates are at historic lows, the returns for 2011/12 are likely to be better than originally forecast; due in the main to capital sums being spent later than originally forecast.
 - (£58,000) favourable: in respect of pay and general administrative savings projected to year end.
- 3.2 In addition to the items listed above, it has now been confirmed that the Council will be receiving New Homes Bonus of £258,420, for 2011/12. As part of the production of the Financial Strategy a prudent estimate of £150,000 was assumed and included within the budget. This therefore means that there are additional resources of £108,420 over an above the budget for 2011/12. It is proposed that these resources should be used to support initiatives and projects which support the principles of the New Homes Bonus and in line with the Council's priority of supporting Economic Development. Therefore, it is suggested at this stage to include the schemes listed below into the 2011/12 budget and allow at this stage the balance of £31,220 to be taken into the General Fund Reserve.
- £25,000 – contribution towards the Eastern Gateway evidence base in support of the ReWyre initiative;
 - £13,500 – contribution towards the cost of the South Housing Market Needs Assessment;
 - £8,000 – contribution towards the Local Enterprise Partnerships Capacity Building initiative;

Agenda Item No. 9.2

- £1,000 – representing the Council's costs towards the West Midlands European Service, run by West Midlands Councils
 - £15,000 – working in partnership with Worcestershire County Council to gather evidence in advance of the introduction of the Community Infrastructure Levy;
 - £14,700 – Town Centre regeneration financial viability assessments.
- 3.3 A copy of the Income Generation Projection Report for the first quarter is enclosed as **Appendix 3**. Overall, income is projected to be broadly in line with the amounts assumed in the budget.
- 3.4 The final Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2010/11 is enclosed as **Appendix 4**. Spending was generally in line with budget although expenditure on some schemes has slipped into 2011/12.
- 3.5 The updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2011/12, including slippage from 2010/11 is enclosed as **Appendix 5**. Spending for the first quarter was generally in line with the budget. Payments to the contractor for the New Headquarters will commence in Quarter “.
- 3.6 A Progress Report of Cabinet Proposals approved at Council on the 23rd February for 2011/12 is shown in **Appendix 6**. Progress on most of these is satisfactory and savings are forecast to be achieved in line with targets, but in some cases progress is below target as noted in the progress report.
- 3.7 The Budget Risk Matrix has been reviewed to reflect the current assessment of risk. A copy is enclosed for information as **Appendix 7**.
- 3.8 The key issues relating to Housing Benefit Overpayments are as follows (further details available at **Appendix 8**).
- Total housing benefit expenditure is estimated to be £31.2 million in 2011/12 (29.1 in 2010/11), an increase of 6.70% compared to the previous year.
 - Total Housing Benefit Overpayments debt as at 31st March 2011 **represents only 3.1% of housing benefit expenditure**. The total debt has increased by £211,800 or 21.8% compared to the position a year earlier.
 - Within this overall figure, debts outstanding for less than 3 months have increased by £17,545 or 10.22%.
 - Debts outstanding for more than 3 months have increased by £194,232 or 24.29%.
- 3.9 The key issues relating to Sundry/Property Debtors are as follows (further details available at **Appendix 9**):
- The Council raised over £2.5 million in debtor invoices during the period to 31st March 2011. During the same period **only £6,498 has been written off, which is less than 0.3% of the debt raised**.
 - As at 31st March 2011, there were a total of £257,288 of debts which are more than 6 months old. That means that the Council has collected 90% of debts raised within 6 months.
 - The council has introduced two Local Performance indicators for debtor management

Agenda Item No. 9.2

Property Debtor Arrears as a percentage of Annual Rent Roll – 12.3% in 2010-11 compared with 10.50 in 2009/10.

Non-Property Debts – debts outstanding over 24 months old as a percentage of total debt outstanding – 3.9% in 2010-11 compared to 4.02% in 2009-10.

3.10 The position on **investments** is as follows. At 30th June 2011, the Council had £12.145 m (excluding Icelandic Investments) on deposit with various institutions. This is monitored by the Treasury Management Review panel twice yearly, with additional reporting as necessary. During the first quarter of 2011 the Council's Treasury advisors Sector has revised its assumptions in relation to investment returns expected as the Bank Base Rate remains at the historic low of 0.5%. Based on current market indicators, the prediction is that this low rate may remain in place until mid 2012.

3.11 As reported to Cabinet on the 21st June, 2011, guidance for accounting for potential losses (impairment) from the Icelandic investments (update to LAAP Bulletin 82) was issued on the 17th May 2011. This statutory guidance resulted in a reversal of the potential principal loss (impairment) in relation to the KSF investment of £550,000. Further notification was received from the administrators of the Heritable Bank on the 28th July, 2011 reporting an improvement in the projected return for this £1m investment from a base case return to creditors of 79 to 85 pence in the pound, to 86 to 90 pence in the pound. We await accounting guidance to calculate the exact impact but this is likely to improve the predicted return on this investment by around £50K.

As reported at Council on 27th July, 2011, we and other local authorities are awaiting the verdict of the Icelandic Supreme Court in relation to a challenge the preferred status that the Council currently has on the Landsbanki deposit of £3m.

The Council have now had confirmation that as expected the appeal will be during September this year and will be held on the 14th & 15th. Representatives from Local Government including Stephen Jones, Director of Finance at the Local Government Group will be present during the appeal, the result of which is expected in early October. Following this appeal there is no further right to have the decision reviewed. As soon as any information is available this will be shared immediately with Council.

3.12 The position on recovery of the £9m of Icelandic investments that were frozen in October 2008 is that, at 30th June, a total of £3.463m had already been received (38%).

Financial Institution	Principal Invested £	Principal Repaid to Date £	% Recovery to Date	Estimated Total Recovery %
Landsbanki	3,000,000	0	0	94.85
Kaupthing Singer & Freidlander	5,000,000	2,900,000	58	82.00
Heritable bank	1,000,000	563,460	56	90.00
Overall Total	9,000,000	3,463,460	38	87.17

3.13 No variance is included in respect of Pensions as any increase in costs is unlikely to take place in 2011/12 and information relating to local government is not yet available. However this significant area will continue to be monitored closely and any changes reported as part of the new Medium Term Financial Strategy in due course.

4. FINANCIAL IMPLICATIONS - BUDGET MONITORING 1ST QUARTER 2011/2012

- 4.1 A copy of the Council's approved Revenue Budget is enclosed as **Appendix 1** for Members' information.
- 4.2 The continuing effects of the economic recession and the decline of the global economy may have an overall adverse impact on the budget, although this should be offset by savings in pay and administrative costs. While the report suggests that we will achieve an underspend overall, close monitoring by the Director of Resources and all Directorates will continue, with reports to Cabinet as part of the ensuing Budget process.
- 4.3 Housing Benefits overpayments – the council needs to monitor performance as it receives from the Department of Work and Pensions benefit subsidy on those payments which are identified as overpayments. The rate of subsidy varies dependent on the classification of the overpayment. In addition should the Council recover the full or any part of an overpayment then those recovered monies can be retained by the Council.
- 4.4 Sundry/Property Debt - There are no direct financial implications associated with this report.

5. LEGAL AND POLICY IMPLICATIONS

- 5.1 The Local Government Act 2003 (sections 25–29) placed new duties on Local Authorities on how they set and prioritise budgets.
- 5.2 Section 28 places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been deterioration in the Authority's financial position, the Authority must take such action as it concludes necessary. The Cabinet currently reviews the Budget on a quarterly basis.
- 5.3 The Audit Commission make an assessment based on the annual programme of external audit work. The focus is on ensuring there are proper arrangements in place for securing financial reliance and that the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

6. RISK MANAGEMENT

- 6.1 The budget risk matrix in appendix 6 is regularly reviewed and updated. Regular monitoring of expenditure and other financial information mitigates risk for the Council.

7. EQUALITY IMPACT ASSESSMENT

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

8. CONCLUSIONS/ACTION

- 8.1 The information contained within Appendices 2, 3, 4, 5, 6, 7 and 8 provides Members with an overview of financial trends within the period to 30th June 2011.
- 8.2 A further report identifying the updated position for 2011/12 from the revised budget will be submitted to the Cabinet as part of the budget process.

9. CONSULTEES

- 9.1 Corporate Management Team.
- 9.2 Cabinet.

10. BACKGROUND PAPERS

Council 23rd February 2011.
Cabinet Report on Final Accounts 2010/11 21st June 2011.
Cabinet Financial Strategy 2011/2014 10th January 2011.

WYRE FOREST DISTRICT COUNCIL

CABINET
20th SEPTEMBER 2011

Shared Land Drainage Service

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	A Better Environment for Today & Tomorrow
CORPORATE PLAN PRIORITY:	Delivering together with less
CABINET MEMBER:	Councillor J Phillips
DIRECTOR:	Director of Planning & Regulatory Services
CONTACT OFFICER:	Kate Bailey – Strategic Housing Services Manager
APPENDICES:	Appendix 1 - Business Case <i>The appendix to this report has been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

1. PURPOSE OF REPORT

- 1.1 To agree the proposal to develop a shared Land Drainage service across Wyre Forest, Redditch and Bromsgrove District Councils, that incorporates watercourses and flooding work.

2. RECOMMENDATION

The Cabinet is asked to **DECIDE** that:

- 2.1 **Wyre Forest District Council enters into arrangements to establish a new North Worcestershire Land Drainage service, along with Bromsgrove District and Redditch Borough Councils.**
- 2.2 **Wyre Forest District Council enters into arrangements with Worcestershire County Council on an agency basis to deliver the County Council’s Flooding & Water Management Act 2010 responsibilities for the North Worcestershire area and that such arrangements are embodied into the arrangements described at 2.1 above.**
- 2.3 **The Director of Planning & Regulatory Services, in consultation with the Director of Resources and the Director of Legal & Corporate Services and the Cabinet Member for Place Shaping, be given delegated authority to agree the terms of any necessary agreements for the implementation of the shared service/agency proposals and to conclude such agreements.**

- 2.4 The Director of Legal & Corporate Services be given delegated authority to undertake any necessary action relating to employee and union matters regarding the transfer of relevant employees from Redditch and Bromsgrove Councils, including any temporary arrangements under S113 of the Local Government Act 1972 in accordance with the principles of TUPE; and, in conjunction with the Director of Planning & Regulatory Services, to make any necessary staffing arrangements in relation to the provision of the new service with the Council.**
- 2.5 The Chief Executive, in conjunction with the Director of Planning & Regulatory Services, be given delegated authority to appoint the Council's other representatives to the proposed Client Management Group.**

3. BACKGROUND

- 3.1 Over the last two years the Land Drainage teams across the three authorities have begun to work more closely together as a consequence of a Flood Trainee Engineer being employed by Wyre Forest (funded jointly by the Environment Agency and WFDC), but with the remit to cover the North of the County. This post has begun to undertake activities that benefit both the Districts and County and start to meet our responsibilities through the Flood and Water Management Act 2010 (FWMA 2010).
- 3.2 The FWMA 2010 has created new challenges to the teams across the North of the County with the likelihood that it will bring additional work streams and responsibilities.
- 3.3 The current provision of the service is limited by the teams being very small and therefore lacking capacity and resilience. In addition to this, key personnel in Redditch and Bromsgrove are nearing retirement age.
- 3.4 The proposal to form a shared Land Drainage service has been agreed by the Officer and Member Transformation Boards at Redditch and Bromsgrove and, by the time this report has been considered, it is anticipated that their Executive, Cabinet and Councils will also have agreed the proposal.

4. KEY ISSUES

- 4.1 The Business Case in support of this proposal is appended to this report.
- 4.2 Amongst the key drivers for the shared service proposal has been the need to create resilience within the small teams and provide an effective response to the anticipated duties placed on Local Authorities by the FWMA 2010.
- 4.3 In parallel with the development of this shared service proposal, WFDC has separately been working with the County Council to develop an agency agreement to undertake some of the upper tier responsibilities from the FWMA 2010 and the County council will be paying a fee of £40k for the first year for this service (with future funding anticipated for at least a further two years). This agreement will support the shared service and be of benefit to the three District Councils as many functions are overlapping.

4.4 The shared service will allow the Districts to gain a wider spread of skills and knowledge across the officers, giving the potential to diversify operations and offer a more comprehensive service to the public.

4.5 In February 2011, the Council agreed a new Shared Services Strategy for 2011 onwards. This proposal meets with the new policy and it falls to Cabinet to make the final decision on whether or not to proceed.

5. FINANCIAL IMPLICATIONS

5.1 The set up costs will be met from combining the existing budgets of the three authorities. It may be possible, once restructuring has taken place, that there may be some small cost savings as a result of the merger. However, the main focus for this shared service is around creating resilience, meeting new responsibilities and sharing expertise, knowledge and skills.

6. LEGAL AND POLICY IMPLICATIONS

6.1 The legal implications will be addressed by the Legal Agreement signed by the three District Councils.

7. EQUALITY IMPACT NEEDS ASSESSMENT

7.1 An Equality Impact Needs Assessment has been undertaken and there are no adverse consequences arising from the proposal.

8. RISK MANAGEMENT

8.1 A risk assessment has been undertaken and forms part of the Business Case.

9. CONCLUSION

9.1 The Business Case has considered three options and this report supports the recommendation of the Business Case to follow Option Three and create a shared land drainage service.

10. CONSULTEES

10.1 Some initial discussions have taken place with staff likely to be affected by the changes and they are supportive of the proposal.

11. BACKGROUND PAPERS

11.1 Business case.

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

Recommendation from Overview and Scrutiny Committee
8th September 2011

Land Drainage Shared Service

The Committee considered a report from the Strategic Housing Services Manager that outlined the proposal for creating a Land Drainage Shared Service with Redditch Borough Council and Bromsgrove District Council, hosted by Wyre Forest District Council.

Recommended to Cabinet:

Wyre Forest District Council develops a shared Land Drainage Service subject to agreement from Redditch Borough Council and Bromsgrove District Council and the responsible Cabinet Member for Wyre Forest District Council is appointed onto the Client Management Group.

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

**Wyre Forest District Local Development Framework
Site Allocations and Policies and Kidderminster Central Area Action Plan DPDs:
Preferred Options Consultation - Representations**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	All
CORPORATE PLAN PRIORITY:	All
CABINET MEMBER:	Councillor J Phillips
DIRECTOR:	Director of Planning and Regulatory Services
CONTACT OFFICER:	Maria Dunn – Ext 2551 Maria.Dunn@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Site Allocations and Policies DPD Preferred Options Paper Representations Appendix 2 – Kidderminster Central Area Action Plan DPD Preferred Options Paper Representations Appendix 3 – Consultation Plan Representations <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

1. PURPOSE OF REPORT

1.1 To inform Cabinet of the representations received and the proposed officer responses to these representations on the following documents:

- Site Allocations and Policies DPD Preferred Options Paper
- Kidderminster Central Area Action Plan (KCAAP) DPD Preferred Options Paper
- Site Allocations and Policies and Kidderminster Central Area Action Plan Draft Sustainability Appraisal Report.

2. RECOMMENDATION

The Cabinet is asked to **AGREE** the:

2.1 **Officer responses to the representations received on the Site Allocations and Policies DPD and Kidderminster Central Area Action Plan DPD Preferred Options Papers as set out at Appendices 1-3 to this report.**

3. **BACKGROUND**

- 3.1 Panel Members will recall that the preferred Options Papers were reported to the Panel over a course of meetings during February and March 2011. Full Council approved the papers for consultation on 18th May 2011. A six week consultation was undertaken with key stakeholders and the wider public between Thursday 26th May and Friday 8th July 2011 in accordance with the District Council’s Adopted Statement of Community Involvement and the Consultation Plan.

Overview of Representations

- 3.2 The number of comments received were as follows:

Document	Respondents	Responses
Site Allocations and Policies DPD	72	350
Kidderminster central Area Action Plan DPD	24	167
Draft Sustainability Appraisal Report	6	17

- 3.3 A summary of the key issues raised in relation to each of the documents is set out within this report.
- 3.4 Representations were received from key stakeholders including the Environment Agency, English Heritage, Natural England and Worcestershire County Council. A number of representations were received from landowners and other interested parties in relation to specific sites. Additionally, representations were made by a number of the District’s residents.
- 3.5 The Council’s Local Development Framework Panel considered the representations at its meeting on 5th September and then reported to the Council’s Overview and Scrutiny Committee on 8th September; Cabinet will receive the recommendations from the Scrutiny Committee for consideration at this meeting.

4. **KEY ISSUES**

Site Allocations and Policies DPD Preferred Options – Key Issues

- 4.1 The majority of the consultation responses were supportive towards the document and the proposals set out within it. The key areas which have raised specific objections are:
- The allocation of the former Blakedown nurseries site for residential development which has received a number of objections from local residents raising concerns including traffic and parking issues, impact on services and more.
 - The allocation of the Lea Castle site has generated a number of positive responses relating to suggested land uses but has also generated a number of responses which express concern over the impact which development at the site may have on traffic through Hurcott village.
 - A number of landowners have objected to, or suggested amendments to, policies in relation to certain sites including the former British Sugar Site and the West Midlands Safari Park. These are set out in detail within Appendix 1 to this report.

Kidderminster Central Area Action Plan DPD Preferred Options – Key Issues

4.2 The majority of the consultation responses were supportive towards the document and the proposals set out within it. However, there were some specific points of objection and comment:

- There was concern from Henderson Global Investors that the requirement for new development on Weavers Wharf to coincide with progress on the Eastern Gateway is an unnecessary constraint. They were also concerned that the limited short term identified need for comparison retailing will act as a constraint to the development as there is demand for additional retail space.
- Asda responded to suggest that comparison goods retail should be focussed on Weavers Wharf, whilst suggesting removing wording that restricts retail growth in Churchfields to local needs, small-scale and up to a total size of 1,000sqm.
- There was an objection by Shaylor Developments to the “regimented” approach to ensuring that there is not an over-concentration of non-A1 uses on Primary Shopping Frontages.
- An objection by WM Morrison Supermarkets to their store being excluded from the Primary Shopping Area whilst an objection from Shaylor Developments suggests that all of Exchange Street should be designated a Secondary Frontage.
- WM Morrison Supermarkets also objected to the proposed Green Street/New Road Conservation Area as there is inadequate evidence base to support the designation.
- Another objection was received by WM Morrison Supermarkets regarding the nature of the uses promoted in the Heritage Processions Area and the requirement to retain buildings that are not Statutorily Listed.
- Sainsbury’s support the proposal for a bridge over the canal between Churchfields and Crossley Park but have reservations about this being multi-modal and its affect on further traffic congestion on Carpet Trades Way.
- A number of comments were received suggesting that the biodiversity potential of the canal should be strengthened in the policy wording.

Draft Sustainability Appraisal Report – Key Issues

4.3 The representation received on the Draft Sustainability Appraisal Report general relate to the following areas:

- Suggesting additional documents for the review of plan, policies and programmes which were reviewed as part of the Scoping Report. These additional documents will be reviewed and included within the Final Sustainability Appraisal Report.
- Comments on the indicators, including suggesting alternative indicators.

- Comments on the baseline data which is collected as part of the Sustainability Appraisal process and suggestions as to where additional baseline data could be included.
- Comments relating to the assessment of specific sites.

4.4 The full summaries and officer responses are set out at Appendix C to this report.

5. FINANCIAL IMPLICATIONS

5.1 The costs of preparing the DPDs will be met through the existing LDF preparation budget.

6. LEGAL AND POLICY IMPLICATIONS

6.1 DPDs need to be prepared in accordance with the requirements of the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Development) (England) Regulations 2004 as amended by The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008.

7. EQUALITY IMPACT NEEDS ASSESSMENT

7.1 Equality Impact Assessment will be undertaken on the DPDs prior to Submission.

8. RISK MANAGEMENT

8.1 The failure to secure the timely adoption of the site specific DPDs carries the risk that the remaining saved District Local Plan Policies will become increasingly out of date. This could result in decisions on planning applications being overturned on appeal.

8.2 Prior to its adoption, a DPD must be subjected to independent examination in order to check that it has complied with legislative requirements. As part of the examination, the Inspector must determine whether the plan is "sound" (i.e. that it is justified, effective and consistent with National Policy).

9. CONCLUSION

9.1 The consultation undertaken has generated a comprehensive response from a wide range of consultees including key stakeholders and members of the public. These representations will inform the next stages in the production of the DPDs.

10. CONSULTEES

10.1 None.

11. BACKGROUND PAPERS

- Adopted Core Strategy (December 2010).
- Site Allocations and Policies DPD Preferred Options Paper (May 2011).
- Kidderminster Central Area Action Plan DPD Preferred Options Paper (May 2011).

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

**Recommendation from Overview and Scrutiny Committee
8th September 2011**

Wyre Forest District Local Development Framework (LDF): Site Allocations and Policies and Kidderminster Central Area Action Plan DPDs – Preferred Options Papers Consultation Responses

The Committee considered a report from the Principal Forward Planning Officer that sought Members' views on the responses to representations received to the Site Allocations and Policies DPD Preferred Options Paper, the Kidderminster Central Area Action Plan DPD Preferred Options Paper and the recommended amendments arising from consultation to the Draft Supplementary Planning Document.

Recommended to Cabinet:

The representations received and officer comments set out in Appendices 1-3 of the report to the Overview and Scrutiny Committee be approved by Cabinet and Council for publication.

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

**Wyre Forest District Local Development Framework (LDF)
Churchfields Masterplan Supplementary Planning Guidance: Responses to Draft
Consultation Paper and Final Masterplan for Adoption**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	All
CORPORATE PLAN PRIORITY:	All
CABINET MEMBER:	Councillor J Phillips
DIRECTOR:	Director of Planning and Regulatory Services
CONTACT OFFICER:	Daniel Boden, Ext. 2554 Daniel.Boden@wyreforestdc.gov.uk
APPENDICES:	<p>Appendix 1 – Churchfields Masterplan (Draft) Supplementary Planning Document Consultation Paper</p> <p>Appendix 2 – Summary of representations, officer comments and recommendations</p> <p>Appendix 3 – Churchfields Masterplan Supplementary Planning Document (as amended)</p> <p>Appendix 4 - Bruton Knowles Masterplan Advice Overview</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet Members of the preparation of the Churchfields Masterplan Supplementary Planning Document (SPD) and to detail the representations received from consultation undertaken on the Draft SPD from May to July 2011.
- 1.2 To seek the Cabinet’s approval of the responses to representations received and the recommended amendments arising from consultation, to the Draft Supplementary Planning Document for adoption by Council on 28th September 2011.

2. RECOMMENDATION

The Cabinet is asked to **AGREE** the;

- 2.1 **Officer responses to the representations received on the Churchfields masterplan as set out in Appendix 2 to this report.**

and;

RECOMMEND to Council that:

- 2.2 The Churchfields Masterplan (Draft) Supplementary Planning Document as amended by the recommended changes set out in Appendix 2 to the Cabinet Report be adopted as the “Churchfields Masterplan” Supplementary Planning Document, in accordance with Section 23 of the Planning and Compulsory Purchase Act 2004**
- 2.3 The Director of Planning & Regulatory Services be authorised to prepare and publish the necessary documents in accordance with Regulation 19 of the Town and Country Planning (Local Development) (England) Regulations 2004.**
- 2.4 Delegated authority be given to The Director of Planning & Regulatory Services to make any necessary presentational amendments.**

3. BACKGROUND

- 3.1 The Cabinet approved the Draft Churchfields Masterplan SPD for consultation purposes, as well as the associated Consultation Plan, at its meeting on 19th April 2011. Public consultation on the draft document began on 26th May 2011 running for a six week period until 9th July 2011. This was undertaken alongside consultation on Site Allocations and Policies and the Kidderminster Central Area Action Plan Development Plan Documents. The six-week consultation period was undertaken in accordance with the Council’s Adopted Statement of Community Involvement.
- 3.2 A total of 103 individual responses were received from 47 respondents, including local businesses, residents, statutory organisations and development stakeholders. All representations have been fully considered by officers and a summary of the responses together with officer comments and recommendations to the Cabinet are provided at Appendix 2 to this report.

4. KEY ISSUES

- 4.1 The key issues raised through the consultation process and details of how they have been addressed in the final Masterplan, are set out in the table below:

Main Issue Identified	How has it been addressed in the final masterplan
Concerns that market appraisal and viability information is lacking in the document.	Summary of market appraisal and viability assessments included within the final document. A summary viability report has been made available as an appendix to the masterplan.
Concern that the transport proposals presented are not supported by technical evidence.	The proposals regarding transport infrastructure have been caveated in the document to recognise that these are ambitions for the area but they need to be supported by technical evidence as part of more detailed proposals.
Desire for there to be increased references to flood risk, water management, and ground	A separate section dedicated to flood risk and water management is included within the document to make these references

Main Issue Identified	How has it been addressed in the final masterplan
water contamination.	
No mention of biodiversity opportunities in regard to the Staffordshire & Worcestershire Canal.	Additional guidance included to highlight the biodiversity opportunities around the canal. However, there is also recognition of the urban nature of the canal and the need to increase natural surveillance and activity along it.
Concern regarding the potential loss of the former Sladen School sports pitches.	The Kidderminster Central Area Action Plan contains a policy expecting the relocation/replacement for the loss of any playing fields.
Concern that Blackwell Street will be turned into a 'dead-end'.	The masterplan does not propose to close Blackwell Street and instead suggests that it could become a one-way street.

- 4.2 The full list of representations, together with officer comments and recommendations are provided at Appendix 2 to this report.
- 4.3 The Council's Overview and Scrutiny Committee considered the representations at its meeting on 8th September; Cabinet will receive the recommendations from the Scrutiny Committee for consideration at this meeting.

VIABILITY OVERVIEW

- 4.4 Bruton Knowles were appointed to provide commercial property advice in relation to the suitability, viability and delivery of the Masterplan proposals in the context of current market conditions. However, although the draft Masterplan was developed using ongoing viability considerations, the document itself did not contain any information.
- 4.5 The Churchfields Masterplan Supplementary Planning Document as amended, therefore, now provides additional guidance on the viability and delivery of proposals within the Masterplan area.
- 4.6 The work carried out by Bruton Knowles demonstrates that the uses proposed within the Masterplan are suitable in terms of both viability and market appeal, and currently deliver positive land values.

ADOPTION OF THE CHURCHFIELDS MASTERPLAN SUPPLEMENTARY PLANNING GUIDANCE

- 4.7 To comply with Regulation 19 of the Town and Country Planning (Local Development) (England) Regulations 2004, as soon as practical following adoption of the SPD on the 28th September, the District Council will publish the following documents:
- The SPD (as amended) (see Appendix 3)
 - Consultation Statement (Regulation 17 (1) & 18 (4) (b))
 - Adoption Statement (Regulation 19) (specifies the date the SPD was adopted and highlights the legal rights of any person aggrieved by the SPD to apply to the High Court for permission to apply for judicial review of the decision to adopt the SPD)

4.8 Copies of the Consultation and Adoption statements will be published on the Council's website, as will the SPD. They will also be placed on deposit at those locations specified in the Adoption statement. A copy of the adoption statement will be sent out to all those who were consulted on the Draft SPD.

4.9 All 47 respondents will be notified of the outcome of the Council's consideration of their representations (where a return address was provided). The Adopted SPD will also be sent out to the specific consultation bodies as detailed at Appendix 1 of the Statement of Community Involvement.

5. FINANCIAL IMPLICATIONS

5.1 The costs of preparing and publishing the Churchfields Masterplan SPD can be met from within existing budgets.

6. LEGAL AND POLICY IMPLICATIONS

6.1 SPDs need to be prepared in accordance with the requirements of the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Development) (England) Regulations 2004 as amended by The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008.

7. EQUALITY IMPACT NEEDS ASSESSMENT

7.1 The Churchfields Masterplan (Draft) SPD was subject to extensive public consultation. An equality impact screening test has been carried out, which shows that it will not have any negative impact on equality. The proposed regeneration will have positive benefits for the whole community.

8. RISK MANAGEMENT

8.1 In the absence of the SPD the District Council may run the risk of being unable to capitalise on a key regeneration area in Kidderminster and fail to maximise the value and community benefits to be derived from future planning proposals.

9. CONCLUSION

9.1 The Cabinet are asked to recommend that Council adopt the Churchfields Masterplan on 28th September, in accordance with necessary planning regulations in order to secure the comprehensive redevelopment of Churchfields.

10. CONSULTEES

10.1 None.

11. BACKGROUND PAPERS

- Adopted Core Strategy (December 2010).
- Site Allocations and Policies DPD Preferred Options Paper (May 2011).
- Kidderminster Central Area Action Plan DPD Preferred Options Paper (May 2011).
- ReWyre Regeneration Prospectus (September 2009).

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

Recommendation from Overview and Scrutiny Committee
8th September 2011

**Wyre Forest District Local Development Framework: Churchfields Masterplan
Supplementary Planning Document**

The Committee considered a report from the Principal Forward Planning Officer that sought Members' views on the responses to representations received and the recommended amendments arising from consultation to the Draft Supplementary Planning Document.

Recommended to Cabinet to recommend to Council:

- 1. The representations received and officer comments set out at Appendix 2 of the report to Overview and Scrutiny Committee be approved by Cabinet and Council for publication.**
- 2. The Churchfields Masterplan Supplementary Planning Document as amended by the recommended changes set out in Appendix 3 to the Overview and Scrutiny Report be adopted as the "Churchfields Masterplan" Supplementary Planning Document, in accordance with Section 23 of the Planning and Compulsory Purchase Act 2004.**
- 3. The Director of Planning and Regulatory Services be given delegated authority to determine the final format and presentation of the papers.**

WYRE FOREST DISTRICT COUNCIL

CABINET
20TH SEPTEMBER 2011

Recommendation from Overview and Scrutiny Committee
8th September 2011

Recommendations from the Recording Equipment, Blogging and Social Media Review Panel

In February 2011 the Chairman of the Corporate Resources Scrutiny Committee requested that a briefing paper be tabled at the March meeting of the Committee to inform Members of recent Government guidance urging Councils to permit the use of recording equipment, live blogging and social media by members of the press and public observing Council meetings. The guidance was issued in response to several high profile cases where members of the public were prevented from recording public Council meetings.

The briefing paper sought Member's comments on the issue and a review panel was established which was subsequently chaired by the Committee's co-opted Member and local blogger Tavis Pitt.

Research was carried out with other local authorities who use blogging and social media and a poll was carried out on the Council's webpage.

Recommended to Cabinet:

- a. **The Council should record and broadcast its public meetings online following the move to the new Council Headquarters.**
- b. **Video / Audio Recording of meetings by the press and public should not be allowed.**
- c. **The use of Social Media by the press and public during meetings should be permitted.**
- d. **The use of Social Media by Councillors and Officers whilst in a meeting should be prohibited.**
- e. **The use of Social Media by the Council should be encouraged.**
- f. **The use of Social Media by Councillors outside of meetings should be encouraged and guidelines and training be provided.**
- g. **Worcestershire Leadership Group be encouraged to develop a county wide media protocol for Members.**