GOSPORT BOROUGH COUNCIL

MEDIUM TERM FINANCIAL STRATEGY

2010/11-2014/15

CONTENTS

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1. 0 INTRODUCTION AND OBJECTIVES

1.1 Introduction

The Medium Term Financial Strategy (MTFS) contains details of the main challenges affecting the Council's finances over the next few years and indicates how the Council will respond to these. It provides the overall framework for the financial investment in services from 2010 to 2015. Updated and reviewed annually, the MTFS helps to ensure that the Council's financial resources are targeted to achieve the strategic priorities and values contained within the Council's Corporate Plan.
It contains sections covering:

- Revenue – the running costs of General Fund services (affecting Council Tax levels),
- Housing Revenue Account – A statutory account which is primarily financed from Council House rents,
- Capital - the Council's plans for investment in assets used to provide benefit over more than 1 year,
- Treasury Management – management of cash flows, borrowing and investing,
- Budgeting; and,
- Risk Management.

The MTFS also provides a link to other financially related strategies including the Capital Strategy, Asset Management Plan, Treasury Management Strategy and Workforce Development Strategy.

1.2 The Council's Mission

The MTFS plays a key role in helping achieve the Council's mission of 'To work with our community to improve everyone's quality of life and deliver a sustainable future for the Borough.' by providing an efficient, effective and robust financial framework which will enable the Council to focus resources on its stated priorities.

1.3 Objectives of the Strategy

The main objectives of the Medium Term Financial Strategy are:-

To help ensure that the Council's financial resources are sufficient to achieve its stated objectives within the Corporate Plan including strategic priorities and core values;

To seek to minimise net debt and maximise income in order to provide investment in economic and efficient services within Council Tax increases below the level that might result in the possibility capping by the Government;

To ensure that the Council maintains an adequate level of General Reserves to both meet unforeseen events and help reduce vulnerability to significant fluctuations in Council Tax levels;

To provide both a link and framework to other financially related strategies;

To provide a single document to communicate the financial aims and objectives to staff and stakeholders alike;

To provide a projection of resource requirements over a 5 year period.

2.0 REVENUE

General Fund Base Budget 2010/11

2.1 The current year's budget is divided into the following services:

Gosport Borough Services	Gross Expenditure £'000	Gross Income £'000	Net Budget £'000
Environmental Health Services	2,016	193	1,823
Parks and Leisure Activities	3,370	921	2,449
Housing Services	23,008	22,163	845
Council Housing	11,084	11,350	-266
Refuse Collection	1,825	292	1,533
Town Planning & Development	2,571	766	1,805
Transportation	2,394	729	1,665
Other Services and Expenses	9,504	6,630	2,874
Sub-Total	55,772	43,044	12,728
Net transfer to Balances	116	0	116
TOTAL	55,888	43,044	12,844

2.2 The net budget for 2010/11 is 1% lower than that for 2009/10, resulting in the Borough's Council Tax rates remaining unchanged. This can be seen from the following table:-

Gosport-Percentage Council tax increase for 2010/11

Council's additional budget needs	1.9%
Government Grant variation	-0.6%
Transfer from reserves	-2.2%
	-0.9%
Changes to Collection Fund balance	0.9%
	0.0%

2.3 **Revenue Budget Projections 2011/12-2014/15**

The following table shows a forecast of the revenue budget for the next four years and takes into account any significant variations in income and expenditure that are presently known or anticipated. It must be recognised that this projection represents a central forecast and may be subject to considerable variation for a number of reasons such as changes in demand for Council services, new or amended Central Government legislation (including the Government Grant Settlement) and the external economic environment in which the Council has to operate. However, it is essential that this analysis is undertaken and updated as necessary in order that any potential budget problems or opportunities are quickly identified and the appropriate action undertaken.

A variation in the forecasts of only £55,000 would affect the Borough's Council Tax rates by 1%. Major risks to the forecasts are detailed in the Council's Budget Book and include variations in demand for statutory services (such as concessionary travel and homelessness), reduced income from Government Grants and reduced income from fees, charges and interest receipts. The projections are believed to be prudent but are particularly susceptible to political decisions on public spending levels by the incoming Government in response to the national economic situation. The projections assume that Government funding through Revenue Support Grant (RSG) will be frozen until 2013/14 and only increase by 2% in 2014/15 and that Government area-based grants and specific grants due to end after 2010/11 will not be continued beyond that year. (A 1% variation in RSG equates to 1.3% in the Borough's Council Tax rates).

PROJECTED GENERAL FUND BUDGET FOR THE YEARS TO 2014/15
(AT CURRENT PRICES)

		(£'000)			
		2011/12	**20012/13**	**2013/14**	**2014/15**
A	2010/11 Base Budget	12,844	12,844	12,844	12,844
B	Revenue Increases				
	Major Contract re-tendering	300	300	300	300
	Reserves and one-off savings	226	226	226	226
	Grants	423	423	423	423
	Other	2	7	12	17
		951	956	961	966
C	Additional Financing Charges *****	-	197	237	304
D	(A+B+C)	13,795	13,997	14,042	14,114
E	Less Revenue Decreases				
	Local Elections	53	-	53	-
	Leisure Centre running costs	-	80	80	80
	Priddy's Hard	-	50	50	50
	Succession/restructuring	150	350	400	400
	Revenue Streams	50	80	80	80
		253	560	663	610
F	**PROJECTED BUDGET TOTALS** (D-E)	13,542	13,437	13,379	13,504

*****Arising from the Capital Programme and accounting requirements

2.4 Action will be taken to cut the projected budget totals in order to reduce the required Council Tax rises to an acceptable level that will avoid capping in coming years. The reductions necessary to the Council's projected General Fund budget to achieve Council Tax increases of 2.5% (below likely capping level) incorporating latest inflation projections amount to approximately £1M over the next 4 years, including £662,000 in 2011/12. These figures assume inflation affecting the Council's net budget requirements of approximately 2% in 2011/12 and 2012/13 and approximately 3% in the following two years. A variation of 1% on inflation assumptions impacts on the Borough's Council Tax rates by approximately 2%, largely due to the expected inflexibility of Government grant funding as national budget deficits are addressed. It is probably inevitable that difficult choices will have to be made regarding service levels and fees & charges as further efficiency savings are unlikely to generate sufficient cashable savings to bridge the projected funding gap.

General Fund Working Balance

2.5 A key objective of the Strategy is:-

'To ensure that the Council maintains a realistic level of General Reserves to both meet unforeseen events and help stabilise annual fluctuations in Council Tax Levels'

2.6 The Council's Working Balance minimum prudent target level of 7% of net expenditure was dropped from 2009/10 and the balance frozen at £890,000. It had previously required budget contributions and use of council tax collection fund surpluses in order to maintain the percentage link. Although still very low compared to most local authorities, £890,000 is considered to be adequate, subject to the regular review of budget risk. This approach eases pressure on Council Tax levels slightly and allows a faster build up of the Revenue Financing Reserve for application to spend-to save initiatives etc.

2.7 Gosport's working balance remains in the lowest quartile compared to other local authorities. This is considered appropriate as the Council is conscious that the balance represents local taxpayers' funds set-aside and not directly contributing to service provision.

Revenue Financing Reserve

2.8 The Revenue Financing Reserve (RFR) is a provision available for general use, although it is particularly targeted at:-
-reducing exposure to risk by helping to underwrite uninsurable risks and by saving premiums where self insurance is undertaken;
-helping to ensure that variations in annual maintenance requirements can be adequately financed
-helping achieve efficiencies by providing funding for spend-to-save initiatives.

2.9 It is considered that maintaining a viable RFR is an essential element for improved management of the Council's finances. In order to achieve this, the approved Council policy is that the RFR will receive General Fund Contributions from year end savings, a base budget contribution and Council Tax Collection Fund surpluses (subject to the working balance first being maintained at an appropriate level).

3. HOUSING REVENUE ACCOUNT

Housing Revenue Account (HRA)

3.1 The HRA comprises expenditure and income relating to stock of over 3,200 Council dwellings and the provision of services to tenants. This includes management and the repair and maintenance of stock and the rent and income from other sources such as housing subsidy.

3.2 The determination of future expenditure patterns relies upon the following key elements:

- Repair and maintenance needs of the stock
- Meeting the decent homes and post decent standards
- Aspirations of the tenants
- Rent convergence
- The resources available.

HRA Business Planning

3.3 An HRA business planning model has been developed and covers all the expenditure and income areas listed below for a 10 year period.

- Rental income
- Service charge income
- Garage and other HRA income
- Void levels and rental income forgone
- Mortgage interest
- Management and maintenance expenditure
- Housing Subsidy
- Debt management costs
- Additional expenditure
- Depreciation
- Working balances.

3.4 The plan highlights some of the major issues and pressures affecting the Housing Revenue Account. In particular the level of future rent increases, maintaining adequate balance levels and supporting the costs of maintenance and improvement work on the housing stock will represent major challenges for the future.

HRA Rent Income

3.5 The Council is currently operating its rent setting policy within the national rent restructuring framework which was introduced in 2002/3.The original aim of this framework was to put all Council house rents on the same clear and transparent basis. It was expected that there would be comparability with Registered Social Landlord rents in the same area and it would take 10 years to achieve this. This has now been amended and is expected to be completed in 2014/15.

3.6 As a stock retaining authority Gosport is part of the national subsidy system. The Government bases its subsidy calculations on a notional HRA. This notional HRA makes assumptions about the rent levels this Council should be charging. There is currently a variation between the notional HRA rent level assumptions (known as the guideline rent) and actual rents charged to Gosport Council tenants. The difference currently stands at an average of £3.61 rent per week less being charged to Gosport Council tenants than is calculated within the notional HRA. The Government currently calculates that this Council charges £66.09 on average per week over 52 weeks (2010/11). The actual average charge levied by the Council is £62.48 per week..

3.7 The Grant Subsidy system requires a contribution from the HRA calculated on the assumption that this Council charges £66.09 on average per week over 52 weeks. The annual loss to the HRA through not charging tenants at guideline rent is calculated at £600,000.

3.8 It is considered essential that the gap between guideline rents and actual rents is reduced, and the HRA Business Plan assumes from 2011/12 to 2014/15 rents will increase at a percentage point above the increase in guideline rent.

Housing Revenue Account Subsidy

3.9 The Housing Revenue Account Subsidy is an assessment of the entitlement to Government support for Council housing based on calculations derived from a ‘notional’ Housing Revenue Account. In broad terms the Government takes what it believes an Authority needs to spend and deducts from this the income they believe an Authority should raise, this difference being the subsidy entitlement. This Authority’s ‘notional’ income is greater than its notional expenditure, meaning this Authority makes a payment in respect of negative subsidy to the Government.

3.10 The housing subsidy settlement for the financial year 2010/11 shows a increase of £326,000 payable to Central Government. This means that this Council will now pay £3.524M in subsidy which equates to £0.34 in every £1 collected. A 3.1% average rent increase has been approved and will enable maintenance expenditure on Council homes to continue at similar levels and increase the balance of reserves by £266,000 to £649,000.

Housing Revenue Account working balance

3.11 The HRA working balance is a reserve of the Housing Revenue Account and is “ring fenced” for this purpose.

3.12 The HRA balance as at 31 March 2009 was £490,000. The balance is significantly lower than the target figure of approximately £800,000 (based on £250 per property)

3.13 Further expenditure pressures on the Housing Revenue Account have resulted in an estimated reduction of the balance in 2009/10 to £384,000 (although it is currently expected that this will increase to around £649,000 by 31 March 2011 as outlined above). It is important that the balance is maintained at the target level in the medium to longer term.

Improvement and Repairs

3.14 The Housing services Asset Management Strategy and Action plan 2008 was submitted to Housing Board on 21 January 2009. It is recognised that the full aspirations of this strategy cannot be achieved when taking into account current and predicted Capital resources (as included in the Housing Revenue Account Business Plan).

3.15 A report is submitted in March each year to Housing Board detailing the Housing Repairs Programme including the capital investment that can be afforded towards addressing the aims of the Asset Management Strategy.

HRA Subsidy Reform

3.16 The Government released a prospectus titled 'Council Housing:A Real Future' in March 2010 following consultation on HRA reform at the end of October 2009, The consultation period for this document closes on 6th July 2010.

3.17 The consultation document considers the possibility of the Council coming out of the subsidy system in return for a one off allocation of debt . If this initiative proceeds the Council will no longer be required to pay back a significant proportion of its rental income to the Government as part of the annual subsidy process. It will however have to finance the debt charges arising from the reallocated debt. Consideration of any such offer is likely to be extremely complex and, if accepted will potentially have major implications for both the Housing Revenue Account and the Council as a whole.

3.18 The Consultation Document indicates a number of possible terms and assumptions applying to the subsidy reform proposed which may or may not be amended prior to any final offer put forward.

3.19 In appraising any confirmed offer the Council will construct a 30 year business plan showing the projected income and expenditure for the HRA including rental income, management costs, future maintenance requirements and servicing of capital debt.

4.0 CAPITAL

Capital Priorities and Selection Process

4.1 In order to ensure that the Council's Capital expenditure is targeted at achieving the Council's Priorities capital projects must be evaluated and prioritised before they are recommended for inclusion in the Draft Capital Programme which is considered by Members as part of the budget process.

4.2 Proposed schemes are assessed using the Council's Capital Scheme Proposal Form which covers a number of key areas of information including examining how the scheme will contribute to the Council's Strategic Priorities and the outputs/outcomes that will be achieved. The form also requires other important information to be detailed including that relating to the cost (both capital and associated revenue implications), funding, programming and risk associated with the project.

4.3 The projects are then considered by the Council's Management Team with particular attention to the contribution to the priorities detailed within the Corporate Plan and associated Corporate Action Statement. The Team then make recommendations to Members on which Schemes should be included as part of the Council's Capital Programme.

Prudential Framework/Impact on Revenue Account

4.4 The Local Government Act 2003 introduced major changes to the capital funding regime with effect from 1 April 2004.The previous system of controlling Councils capital expenditure by limiting borrowing through the use of credit approvals was replaced by a more flexible system based on affordability.

4.5 The prudential capital finance system (Prudential Framework) allows the Council to make its own borrowing decisions using agreed professional principles as set out in the Prudential Code to ensure that any new borrowing is affordable and prudent. It is accepted that use of the Code by the HRA will necessitate proper arrangements for debt repayment, although not currently required by statute.

4.6 The main advantages of the increased freedom to borrow under the Prudential Framework are:-

(i) The ability to bring forward capital schemes that would not otherwise have been possible to fund in the short to medium term under the previous capital financing regime.

(ii) Spend-to-Save Schemes where the cost of the borrowing associated with the capital expenditure on a Scheme can be wholly or partly met by revenue savings arising as a result of the project being carried out.

(iii) The ability to raise funding up to 3 years in advance when market conditions are favourable.

4.7 The expenditure possible under (i) will be limited by the ability of the Council to afford the revenue consequences of the borrowing undertaken. In any event, the anticipated low levels of supported borrowing, capital grants and other capital funding resources together with the national pooling of Housing Capital Receipts has resulted in an increase in the need to borrow to finance Capital Expenditure. The anticipated increase in financing charges can be seen within the projected General Fund Budget (paragraph 2.3).

4.8 Projected Expenditure

Capital Programme 2010/11- 2014/15

	2010/11 £,000	**2011/12 £,000**	**2012/13 £,000**	**2013/14 £,000**	**2014/15 £,000**
Housing (HRA)	2,324	2,250	2,250	2,250	2,250
Housing (General Fund)	770	730	430	430	430
Community & Environment	8,059	4,075	1,135	235	35
Policy & Organisation	742	321	266	250	250
Total Capital Programme	**11,895**	**7,376**	**4,081**	**3,165**	**2,965**
Major Repairs Allowance - HRA	1,824	2,200	2,200	2,200	2,200
Specific Capital Grants - GF	240	240	240	240	240
Commuted sums-GF	70				
Developer Contributions for Social Housing - GF	600	300			
Other Grants and Contributions - GF	972		750	200	
Anticipated Capital Receipts -GF	558	2,058	1,558	1,558	633
Local Resources - Prudential Borrowing - GF	7,431	2,528	(717)	(1,083)	(158)
Local Resources - Prudential Borrowing - HRA	200	50	50	50	50
Total Capital Funding	**11,895**	**7,376**	**4,081**	**3,165**	**2,965**

4.9 A significant proportion of the planned capital expenditure relates to the Community and Environment Board, the main schemes being the new Holbrook Recreation Centre and the replacement of the Landing Stage, both considered to be high priority.

5.0 TREASURY MANAGEMENT STRATEGY

5.1 The treasury management service is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. Whilst the prudential indicators above consider the affordability and impact of capital expenditure decisions, the treasury service covers the effective funding of these decisions. There are also specific treasury prudential indicators.

5.2 The Council's activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management).

5.3 An annual strategy is required to be recommended to Council outlining the expected treasury activity for the forthcoming 3 years and a further report is produced after the year-end to report on actual activity for the year. This report includes extracts from the Treasury Management Strategy for 2010/11.

5.4 A key requirement is to explain both the risks associated with the treasury service and how those risks are to be managed.

This strategy covers:

- The Council's debt and investment projections;
- The Council's estimates and limits on future debt levels;
- The expected movement in interest rates;
- The Council's borrowing and debt strategy
- The Council's investment strategy
- Treasury performance indicators;
- Specific limits on treasury activities;
- Any local treasury issues.

5.5 **Treasury Position**

The council had net borrowing of £9.7M at 31 March 2010 which is forecast to increase significantly during both 2010/11 and 2011/12 at which point it is expected to level off before reducing as capital receipts are raised and applied to reducing debt and capital funding.

The Council's capital expenditure plans will be partially financed by external funds such as capital receipts, capital grants, external contributions and deposits. The remaining element which is not able to be immediately financed from these sources will impact on the Council's borrowing need (the Capital Financing Requirement, or CFR). This borrowing or net financing need is known as unsupported capital expenditure and must be paid for from the Council's own revenue resources. It is anticipated that the Council will need to borrow substantial amounts over the next few years in order to finance its capital programme, although some of the debt will subsequently be repaid when capital receipts are raised as the property market recovers.

A key risk of the capital funding plan is that the estimated sources of external funding are subject to confirmation and/or negotiation which may cause changes to the budgeted funding pattern. For instance, anticipated asset sales may be postponed due to the continuing impact of the recession on the property market.

Expected Movement in Interest Rates

Short-term rates are expected to continue to remain on hold. The recovery in the economy has commenced but it will remain insipid and there is a danger that early reversal of monetary ease, (rate cuts and Quantitative Easing {QE}), could trigger a dip back to negative growth and a W-shaped GDP path.

The main drag upon the economy is expected to be weak consumers' expenditure growth. The combination of the desire to reduce the level of personal debt and job uncertainty is likely to weigh heavily upon spending. Any recovery in the economy is set to be weak and protracted.

With inflation set to remain subdued in the next few years (though a sharp blip is forecast for the next few months), the pressure upon the MPC to hike rates will remain moderate. Some increase may be considered necessary in 2010/11 to counter the effects of external cost pressures (as commodity price strength filters through) and to avoid damage that sterling could endure if the UK is seen to defy an international move to commence policy exit strategies.

The outlook for long-term fixed interest rates is a lot less favourable. While the UK's fiscal burden should ease in the future, this will be a lengthy process and deficits over the next two to three financial years will require a very heavy programme of gilt issuance. The market will no longer be able to rely upon Quantitative Easing to alleviate this enormous burden.

The absence of the Bank of England as the largest buyer of gilts will shift the balance between supply and demand in the gilt-edged market. Other investors will almost certainly require some incentive to continue buying government paper.

This incentive will take the form of higher interest rates. The longer fixed interest rates will suffer from the lack of support from the major savings institutions – pension funds and insurance companies who will continue to favour other investment instruments as a source of value and performance. The shorter fixed interest rates will be pressured higher by the impact of rising money market rates. While bank purchases in this part of the market will continue to feature as these institutions meet regulatory obligations, this process will be insufficiently strong to resist the upward trend in yields.

Borrowing and Debt Strategy 2010/11 – 2012/13

The continuing uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.

The Borough Treasurer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

- All long-term loans (in excess of 365 days) to be raised through the PWLB, Bond Issue or Loan Receipt (1989 Housing Act).
- All short term loans (less than 365 days) to be raised through dealings on the London Money Markets using
  - Garban Harlow Ueda Limited,
  - Tradition UK Limited
  - ICAP
  - R P Martins
  - Other brokers at the discretion of the Borough Treasurer.
  - Directly via the Council's bank

Maturing investments will be required to fund the capital programme and the projected need for available cash resources will be balanced against new capital receipts and the availability of low rates of interest for long term loans through the Public Works Loans Board.

Investment Strategy 2010/11 – 2012/13

The key objectives of the Council's investment strategy are security, liquidity and yield - in that order.

- In order to limit interest rate exposure all investments are to be fixed rate transactions
- No Investments are to exceed 3 years although most will not exceed 364 days
- New investments to be placed with
  - The top three building societies (currently Nationwide, Coventry and Yorkshire)
  - The Council's bank
  - The major British banks and their wholly owned subsidiaries (Royal Bank of Scotland, HSBC, Lloyds/HBOS, Barclays and Co-op)
- Short term surplus funds are to be invested in money market funds or deposit accounts as operated by the Royal Bank of Scotland and the Bank of Scotland. These offer immediate deposit and withdrawal facilities but still at advantageous rates of interest.
- A £3m limit applies with any single group other than the Council's bank
- The main principles governing the Council's investment criteria are the security (as advised by the Council's broker) and liquidity of its investments, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity. Whilst credit ratings may be considered, undue reliance will not be placed on these.

There is a clear operational difficulty arising from the current banking situation. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness and interest rates suggests short dated investments may provide lower exposure to risk.

6.0 BUDGET STRATEGY AND PROCESS

6.1 The Council's Corporate Plan 2009-2012 details the Council's Strategic Priorities which are categorised under four main headings namely, People, Places, Prosperity and the Pursuit of Excellence.

The Corporate Action Statements (contained within the Corporate Plan) underpin the delivery of the Corporate Priorities. Any budgetary implications arising from the actions outlined in Service Improvement Plans are included within the Council's initial Draft Budget. Depending on the resource constraints affecting the Council these are either ultimately approved or, if this is not possible, the unit SIP is amended to reflect this.

6.2 Budget preparation commences annually in July and incorporates requirements resulting from Council priorities identified from Capital Strategies, Community Strategy, Corporate Plan and Best Value action plans, culminating in recommendations to Boards and Council the following January/February.

6.3 Budget preparation is "zero-based" where appropriate and new bids are minimised. Maintenance proposals are provided for according to the latest Asset Management Planning requirements.

6.4 Prudent inflation parameters are used in the build up of the initial budgets. (It should be noted that many areas of the Council's expenditure e.g. contracts, may be subject to inflationary indices that can substantially exceed general inflation.)

6.5 In the interest of sustainability, the Council will not generally budget to use one-off or short-term income (including grants) on expenditure that is properly part of its base budget requirements.

6.6 There is a need to consider and prioritise capital projects within the Capital Programme and consider affordability, including impact on local tax levels as part of the Budget Process.

6.7 Once the Council's budget is set and the precepting authorities' requirements known, the Council sets Council Tax levels for the forthcoming year. (This has to be done by 11 March).

7.0 RISK MANAGEMENT AND INSURANCE

Risk Management

7.1 The Council recognises the importance of an effective risk management process covering all aspects of the significant business risks that the authority faces. Although much has already been achieved, further development of the risk management process remains a key priority of the Council and significant resource has been earmarked for this purpose.

The Council has an agreed Risk Management Strategy in place. All capital schemes must be risk assessed as part of the approval process. In addition a risk register is in operation that assesses financial risks as part of its overall framework. Finally, a corporate risk management group meets to discuss key risk issues that influence the Council's day-to-day business and to further develop and critically review the risk management process.

The Budget report to Council and the Budget Book highlight the principal areas of risk to the budget with an assessment of likelihood and impact.

Insurance

7.2. The Council has a range of insurance policies which help safeguard against many of the higher financial risk areas particularly relating to property and public liability insurance.
The Council has recently completed the process of jointly tendering its insurance portfolio and an improvement in competition in the Local Authority Insurance market together with the Council's improving claims history has resulted in substantial insurance premium savings.

The Risk Management Group monitors recent claims to ascertain any patterns and seek appropriate preventative measures.