

**To: Leader and Members of the Executive Board  
(Councillors Humphreys, Chambers, Davey, Farrell, Gosling, Hayfield, Phillips, Simpson, Smith and D Wright)**

**For the information of other Members of the Council**

**For general enquiries please contact David Harris, Democratic Services Manager, on 01827 719222 or via e-mail - [davidharris@northwarks.gov.uk](mailto:davidharris@northwarks.gov.uk).**

**For enquiries about specific reports please contact the officer named in the reports.**

**The agenda and reports are available in large print and electronic accessible formats if requested.**

## **EXECUTIVE BOARD AGENDA**

**18 SEPTEMBER 2017**

The Executive Board will meet in the Committee Room at the Council House, South Street, Atherstone, Warwickshire on Monday 18 September 2017 at 6.30pm

### **AGENDA**

- 1 Evacuation Procedure**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Disclosable Pecuniary and Non-Pecuniary Interests**

4 **Minutes of the meeting of the Board held on 19 June 2017** - copy herewith to be agreed as a correct record and signed by the Chairman.

5 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members. Questions should be submitted by 9.30am 2 working days prior to the meeting. Participants are restricted to five minutes each. If you wish to put a question to the meeting please contact David Harris on 01827 719222 or email [democraticservices@northwarks.gov.uk](mailto:democraticservices@northwarks.gov.uk) .

## **ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)**

6 **Financial Statements 2016/17** - Report of the Deputy Chief Executive

**Summary**

The Annual Financial Statements have to be signed by the Responsible Financial Officer (the Deputy Chief Executive) and approved by a full Board of the Council by the end of September 2017. This report presents the audited Financial Statements.

The Contact Officer for this report is Sue Garner (719374)

7 **External Auditors' Report** - Report of the Deputy Chief Executive

**Summary**

The main purpose of this report is to inform Members of the External Auditors' report to those charged with governance.

The Contact Officer for this report is Sue Garner (719374).

8 **Financial Strategy 2018-2022** - Report of the Deputy Chief Executive

**Summary**

This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2021/22, and suggests a detailed budget approach for the 2018/19 General Fund Budget.

The Contact Officer for this report is Sue Garner (719374)

9 **Grant to Parish Councils** - Report of the Deputy Chief Executive

**Summary**

The report proposes to stop grant payments to Parish Councils, with regard to the Council Tax Support scheme.

The Contact Officer for this report is Sue Garner (719374)

10 **Council Tax Support Scheme 2018/19** - Report of the Assistant Chief Executive (Community Services)

**Summary**

This report outlines the recommended Council Tax Support (CTS) Scheme for 2018/19.

The Contact Officer for this report is Bob Trahern (719378)

11 **Economic Review** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report advised Members of an economic review undertaken with Nuneaton and Bedworth Borough Council and Hinckley and Bosworth Borough Council.

The Contact Officer for this report is Steve Maxey (719438).

12 **Review of Area Forum Working** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report makes recommendations to the Board regarding Area Forums, following the recent debate at full Council and subsequent meeting of the Area Forum Task and Finish Group.

The Contact Officer for this report is Steve Maxey (719438).

- 13 **Public Speaking at the Planning and Development Board/ Substitutes for all Boards** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

The Council has experienced public speaking at Planning and Development Board meetings for a few years now and Members are asked to consider a slight revision to the scheme. Members are also asked to endorse a 1pm deadline on the day of a meeting for substitutes at all Boards.

The Contact Officer for this report is David Harris (719222).

- 14 **HS2 Update and Consultation** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report seeks Member approval for a joint consultation response with Warwickshire County Council and to update Members on issues relating to HS2.

The Contact Officer for this report is Steve Maxey (719438).

- 15 **Unauthorised Encampments Protocol** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report asks Members to adopt the Unauthorised Encampments Protocol.

The Contact Officer for this report is Steve Maxey (719438).

- 16 **Local Government Ombudsman Annual Review 2016/17** – Report of the Chief Executive

**Summary**

This report informs the Board about the results of the Local Government and Social Care Ombudsman Annual Review 2016/17. The report highlights the number of complaints and enquiries considered by the Ombudsman relating to the Council and the outcome of their determinations. The report also provides some context information about the compliments and complaints received via the Council's corporate Compliments and Complaints Procedure.

The Contact Officer for this report is Robert Beggs (719238).



- 17 **Bretts Hall Play Area – Use of Urgent Business Powers** – Report of the Assistant Director (Leisure and Community Development)

### **Summary**

This report seeks the Board's endorsement of action taken under the Chief Executive's Urgent Business Powers to contract a play equipment supplier to undertake the previously approved work at Bretts Hall Recreation Ground, Ansley Common, and asks Members to approve an increase in the Capital Programme budget through which to carry out this work.

The Contact Officer for this report is Simon Powell (719238).

- 18 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April to June 2017** – Report of the Chief Executive and the Deputy Chief Executive

### **Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2017.

The Contact Officer for this report is Robert Beggs (719238).

- 19 **Residents Satisfaction with Communication Survey 2017 Results**  
- Report of the Assistant Director (Corporate Services)

### **Summary**

This report provides members with the results of the Communication Survey carried out in July 2017 and makes recommendations for decisions, based on the results, in some areas.

The Contact Officer for this report is Linda Bird (719327).

- 29 **Corporate Narrative** - Report of the Assistant Director (Corporate Services)

### **Summary**

This report provides Members with the final draft of the 'Corporate Narrative' developed as one of the agreed actions from the Council's Communications health check, carried out by the Local Government Association (LGA).

The Contact Officer for this report is Linda Bird (719327).

- 21 **Minutes of the meeting of the Safer Communities Sub-Committee held on 18 July 2017** copy herewith to be received and noted.
- 22 **Minutes of the meetings of the Special Sub-Group held on 20 June, 11 July and 15 August 2017 (copies herewith)** to be received and noted.
- 23 **Minutes of the meeting of the Local Development Framework Sub-Committee held on 11 September 2017 (to follow)** to be received and noted.
- 24 **Exclusion of the Public and Press**

**Recommendation:**

**That under Section 110A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

## **EXEMPT INFORMATION (GOLD PAPERS)**

- 25 **Communications Resourcing** - Report of the Assistant Director (Corporate Services)

The Contact Officer for this report is Linda Bird (719327).

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE EXECUTIVE BOARD

19 June 2017

Present: Councillor Humphreys in the Chair

Councillors Chambers, Davey, Farrell, Gosling, Hayfield, Phillips, Simpson, Smith and D Wright

Councillors Bell and Lea were also in attendance.

#### 1 **Declarations of Personal or Prejudicial Interest.**

Councillor Hayfield declared a non-pecuniary interest in Minute No 11 Payroll System and took no part in the discussion or voting thereon.

Councillor Humphreys declared a non-pecuniary interest in Minute No 18 Land Issues left the meeting and took no part in the discussion or voting thereon.

#### 2 **Minutes of the meeting of the Board held on 7 February 2017.**

The minutes of the meeting of the Board held on 7 February 2017, copies having been circulated, were approved as a correct record and signed by the Chairman.

#### 3 **External Audit Plan 2016/17**

The Deputy Chief Executive informed Members of the External Auditors' plan for their work related to the 2016/17 financial year. Avtar Sohail from Ernst & Young LLP was in attendance.

#### **Recommended:**

**That the contents of the External Auditors' report be noted.**

#### 4 **Capital Programme – 2016/17 Final Position**

The Assistant Director (Finance and Human Resources) updated Members on the final position of the 2016/17 Capital Programme and highlighted those schemes which had not progressed as quickly as expected and which were recommended to be carried forward into the 2017/18 Capital Programme.

**Recommended:**

- a That the level of expenditure incurred to the end of March 2017 against the 2016/17 Revised Capital Programme be noted;**
- b That the requests to carry forward schemes identified in column 6 of Appendix A to the report of the Assistant Director (Finance and Human Resources) be approved and added to the 2017/18 Capital Programme; and**
- c That following recent events the Council issues a statement of reassurance in respect of its housing stock.**

**5 Capital Accounts 2016/17**

The Board was informed that the Capital Accounts for 2016/17 had been prepared. Members were invited to approve the methods of funding used.

**Recommended:**

**That the methods of funding to meet capital expenditure incurred in 2016/17 be approved.**

**6 Earmarked Reserves 2017/18**

The Deputy Chief Executive reported on the level of reserves at 31 March 2017. Members were asked to approve the proposed use of reserves in 2017/18.

**Recommended:**

**That the reserves held at 31 March 2017, and the planned use of reserves in 2017/18 be approved.**

**7 Annual Governance Statement 2016/17**

The Deputy Chief Executive reported on the Annual Governance Statement setting out the arrangements the Council had put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. Members were asked to approve the Statement and Improvement Plan.

**Recommended:**

- a That the Annual Governance Statement for 2016/17, attached as Appendix A to the report of the Deputy Chief Executive be approved; and**
- b That the Improvement Plan, attached as Appendix C to the report be approved and progress against the plan be reported to Board.**

**8 Financial Statements 2016/17**

The Deputy Chief Executive reported on the Annual Financial Statements for 2016/17 and Members were asked to agree a suggested course of action.

**Resolved:**

**That the position on the General Fund and Housing Revenue Account at 31 March 2017 be noted.**

**9 100% Business Rates Consultation**

The Deputy Chief Executive reported that the Government had indicated its intention to introduce 100% retention of Business Rates in the 2019/20 financial year. A consultation paper had been issued on the design of the reformed system and the Board was advised of the response that had been sent.

**Recommended:**

**That the report and response be noted.**

**10 Local Authority Trading Company**

The Deputy Chief Executive requested authority to investigate the establishment of a Local Authority Trading Company.

**Recommended:**

- a That a report is commissioned in line with paragraph 2.7 of the report of the Deputy Chief Executive; and**
- b That a supplementary estimate for the sum in paragraph 2.8 of the report be agreed.**

11 **Payroll System**

The Board was asked to approve a supplementary estimate of £5,970 in 2017/18 in connection with the payroll system.

**Recommended:**

**That a supplementary estimate of £5,970 be approved.**

12 **Council Tax Resolution – 22 February 2017**

The Chief Executive sought guidance from Members on how they wished to proceed with the resolution from Council to report on growth items listed in the proposed amendment by Labour which formed part of the Council Tax resolution for 2017/18. The report set out current action being taken in relation to a number of issues connected to the growth proposals.

**Recommended:**

**That the position set out part 3 of the report be noted.**

13 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2016 to March 2017**

The Chief Executive reported on the progress with the achievement of the Corporate Plan and Performance Indicator targets applicable to Executive Board for April 2016 to March 2017.

**Resolved:**

**That the report be noted.**

14 **Minutes of the meeting of the Safer Communities Sub-Committee held on 14 March 2017**

The minutes of the meeting of the Safer Communities Sub-Committee held on 14 March 2017 were received and noted.

15 **Minutes of the meetings of the Special Sub-Group held on 14 February, 7 March and 23 May 2017**

The minutes of the meetings of the Special Sub-Group held on 14 February, 7 March and 23 May 2017 were received and noted.

16 **Exclusion of the Public and Press**

**Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Schedule 12A to the Act.**

17 **Implementation of the LGA's Communications Health Check Report.**

The Assistant Director (Corporate Services) reported that the Local Government Association (LGA) had carried out a communications health check for the Council in November 2016. The Board was informed of the proposed actions being taken to implement a number of the LGA's recommendations and Members were asked to consider the strategy and resourcing implications.

**Recommended:**

**That the proposals set out in the report of the Assistant Director (Corporate Services) be approved in principle and that a further more detailed report be submitted to a future meeting of the Board.**

Councillor D Wright in the Chair

18 **Land Issues**

The Board was invited to consider the financial implications relating to the land ownership issues at Sheepy Road, Atherstone.

**Recommended:**

**That a budget be established as set out in the report of the Assistant Director (Streetscape) and the Assistant Chief Executive & Solicitor to the Council to meet the potential cost of any future legal action.**

David Humphreys  
Chairman

## **Agenda Item No 6**

### **Executive Board**

**18 September 2017**

#### **Report of the Deputy Chief Executive**

#### **Financial Statements 2016/17**

### **1 Summary**

- 1.1 The Annual Financial Statements have to be signed by the Responsible Financial Officer (the Deputy Chief Executive) and approved by a full Board of the Council by the end of September 2017. This report presents the audited Financial Statements.

#### **Recommendation to the Board**

**That the 2016/17 Financial Statements shown in Appendix A be approved.**

### **2 Introduction**

- 2.1 The publication of the Financial Statements is a statutory requirement, with a statutory timetable. For the 2016/17 financial year, the Authority is required to prepare its accounts by 30 June and to publish them by 30 September.

### **3 2016/17 Financial Statements**

- 3.1 A report was brought to the June meeting of this Board, which gave a summary of the position on both the General Fund and Housing Revenue Account (HRA) at 31 March 2017. The out-turn position was better than expected in the revised estimates for the General Fund and worse than expected for the Housing Revenue Account.

### **4 Audit of the Financial Statements**

- 4.1 The accounts are closed on the best information available at the end of March, which in some instances requires the use of estimates. As the auditors are required to look at transactions that have taken place since the end of the year, and in some instances agree adjustments to the Statements, the Statements may change following the audit.
- 4.2 The financial statements have been audited by the Council's external auditors, Ernst & Young LLP, with just a small amount of audit work still to be completed.



- 4.3 No changes were needed to the main statements within the accounts. However within the disclosure notes to the statements, some additional detail was required in the Expenditure and Income Analysis. The amended statements are attached as Appendix A.

...

## **5 Report Implications**

### **5.1 Finance and Value for Money Implications**

5.1.1 The actual position reported for both the General Fund and Housing Revenue Account for 2016/17 impacts upon future years. The General Fund balance totals £3,814,214 at 31 March 2017, whilst the Housing Revenue Account amounts to £3,321,215. These figures are unchanged from those reported in June.

5.1.2 Significant pressures for increased costs in future years continue. Although the Council has a number of additional reserves, these are earmarked for particular purposes. Savings will still be needed in the General Fund in order to preserve the level of general balances, whilst at the same time maintaining the quality of services and coping with additional responsibilities.

5.1.3 The level of balances on the Housing Revenue Account has continued to improve. However some of this improvement is to compensate for the loss of future rental income, following the sale of council houses due to changes in the Right to Buy regulations.

### **5.2 Environment and Sustainability Implications**

5.2.1 The Council has remained within its overall budgets for the 2016/17 year. This will assist in allowing the Council to manage its expected shortfall in resources, and minimise disruption to essential services.

### **5.3 Risk Management Implications**

5.3.1 The risks of unanticipated changes affecting the financial position of the Council are minimised by the use of the financial strategy, as well as continual assessment, monitoring and reporting of any new financial impact affecting the Council.

The Contact Officer for this report is Sue Garner (719374).

## Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
Executive Board	Sue Garner	Financial Statements 2016/17	June 2017
Executive Board	Sue Garner	General Fund Budget and Setting the Council Tax 2016/17	February 2016
Resources Board	Nigel Lane	Housing Revenue Account Estimates 2016/17	January 2016

# NORTH WARWICKSHIRE BOROUGH COUNCIL

## FINANCIAL STATEMENTS

2016/17

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We would welcome any comments or suggestions you have about this publication. Please contact Sue Garner, Assistant Director (Finance and Human Resources).

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# ***Deputy Chief Executive's Narrative Report***

## **1. An Introduction to North Warwickshire**

The Borough of North Warwickshire is a predominantly rural area, with over half of the area within the Green Belt. Towns and villages range in size from Atherstone parish with 8,000 residents to Seckington with just 51. However its location gives North Warwickshire a strategic position on the transport network, including easy access to the M6, M42 and M6 Toll, West Coast Mainline and Birmingham and East Midlands airports. As a result there are major logistics sites within the area.

Economic connections go in a number of directions: towards greater Birmingham, South Staffordshire, Leicestershire and Coventry, as well as within the county of Warwickshire. There isn't major unemployment within the Borough, although skills shortages in some areas have been identified.

Despite the strategic location, we have significant issues with communication and access within the Borough itself - there is an underlying issue with Broadband access and rural transport. An ageing population and financial constraints also impact on this.

### **Statistics Relating to North Warwickshire**

- The Borough covers **110 square miles**
- A resident population of around **62,500**, with White British the major ethnic group
- **£44 million** of business rates are collected annually - only £2 million of this is kept by the Council
- Council tax of **£34 million** is collected annually - only £4.1million of this is kept by the Council
- We have **31** play areas and **24** sports pitches
- A current recycling rate of **48.73%**
- We dealt with **891** planning applications in 2016/17
- We manage and maintain **2,661** council houses
- We issued **845** licences
- There are **71** industrial units available for small businesses
- We run **3** leisure centres and **1** swimming pool
- Refuse is collected from **27,918** domestic properties and **383** trade properties

## **2. Council Performance**

North Warwickshire has 17 wards, with the Council consisting of 35 Councillors who represent those wards. Following elections in May 2015, there was a change in political control of the Council, from Labour to Conservative. The new Council agreed a Vision Statement in September 2015:

*'Protecting the rurality of North Warwickshire, supporting its communities and promoting the wellbeing of residents and businesses.'*

Six priorities for achieving that vision were agreed, with a corporate plan for 2016/17 to take those priorities forward. Some actions taken during the year are set out below:

### ***Responsible Financial & Resources Management***

- Savings of £739,220 were taken out of the budget prepared for 2017/18, in line with the financial strategy
- Continued work around the collection of council tax, council house rents and the recovery of housing benefit overpayments
- The corporate debt framework was reviewed

### *Creating Safer Communities*

- Promoted the safeguarding of children, young people and adults
- Worked on projects to reduce rural crime
- Used mobile CCTV cameras to help gather evidence of reported incidents

### *Protecting Our Countryside and Heritage*

- The draft Local Plan went out for consultation, with around 2,000 representations received
- Design champions worked to ensure the best achievable designs are implemented and developed

### *Improving Leisure and Wellbeing Opportunities*

- Promotion of cycling, through the International Women's Cycle Race and related activities
- Commissioned a strategic review of leisure provision within the Borough
- The recruitment of 2 Green Space Officers, who are working on improving the Council's recreation areas and open spaces

### *Promoting Sustainable and Vibrant Communities*

- Worked with public, voluntary and business partners to deliver ongoing food related projects, including health related activities
- Continued to promote and develop affordable housing in the Borough

### *Supporting Employment and Business*

- Encouraged new active rural businesses to take advantage of funding available through the new LEADER programme
- Improved broadband access for both residents and businesses through the roll out of the Broadband UK Project

### **What's next?**

- The identification of savings of £550,000 for inclusion within the 2018/19 budget
- To promote the Borough Care service to increase customer take up and to shape the service for the future
- Continue work with the County Council and other agencies on a review of car parking in the Borough, to include on and off street car parking
- To work with public, voluntary and business partners to deliver on-going food related projects to support individuals and community organisations
- Continue the roll out of the Broadband UK (BDUK) project
- Work with partner organisations across the West Midlands for the benefit of North Warwickshire – the Council is part of the West Midlands Combined Authority as a non-constituent member.
- To implement the results of the strategic review of the Council's leisure facilities
- To tackle fly tipping through joint working and increased promotion, monitoring and enforcement
- To complete the new build schemes for affordable housing.

### **Resident / Satisfaction Surveys**

An annual survey of council tenants is undertaken to assess their satisfaction with their homes, the service they receive and their locality. Although there were small dips in a few service areas, the survey in 2016/17 showed 88% satisfaction with the service provided by the Council and 85% satisfaction with the overall quality of homes.

The Council operates a complaints and compliments process. During 2016/17, 58 complaints and 61 compliments were received. This compared to 73 complaints and 79 compliments the previous year.

### 3. Financial Performance

North Warwickshire has faced significant financial challenges for a number of years due to reductions in funding from central government, together with cost pressures within services and greater volatility in financing.

We operate a Medium Term Financial Strategy for General Fund services, which covers the current year and the following three years. This strategy includes a requirement to find efficiencies and savings in our base budget position year on year. This ensures that we maintain enough general reserves in case we are faced with unexpected expenditure.

Since the Council moved to a self financing system for its council housing stock in 2013, we have used a 30 year Business Plan to manage the Housing Revenue Account. As a minimum the Plan is updated on an annual basis, with further revisions carried out if needed.

#### Revenue Spending in 2016/17

##### *General Fund Services*

These are all the services we provide except for our own council housing stock, which is funded and accounted for separately. We originally planned to spend £9.04 million after allowing for expected income generated by services. We continued to include some funding towards the introduction of faster broadband within North Warwickshire in the budget. The table below shows the actual spending against our plans.

	Planned Spending £000	Actual Spending £000
Community & Environment	5,283	5,216
Executive Services	580	540
Planning & Development	242	270
Licensing	(4)	(3)
Resources	2,572	2,439
Contingencies	177	-
Revenue spending on Capital Projects	119	119
Payments to Parish Councils	71	70
<b>Total Spending</b>	<b>9,040</b>	<b>8,651</b>

We planned to fund this spending mainly through council tax, government grant and business rates. We took the decision not to increase council tax in 2016/17, continuing to leave it at 2011/12 levels.

	Expected Funding £000	Actual Funding £000
Council Tax	4,261	4,261
Revenue Support Grant	899	899
New Homes Bonus	972	972
Business Rates	2,109	2,109
Interest on Balances	180	140
Use of Balances	619	270
<b>Total Funding</b>	<b>9,040</b>	<b>8,651</b>

The main changes from the planned budget relate to:

- Reduced staffing costs. In addition to savings arising from the normal turnover of staff, we review all vacancies as they arise and have kept some posts vacant whilst we carry out service reviews;
- There has been no requirement to use the contingency sum set aside; and
- Investment income has reduced due to lower than expected rate of return on investments.

### ***Housing Revenue Account (HRA)***

We are required to account separately for our own council housing stock, so this account shows the income and expenditure during the year on our Council housing.

Spending on services includes the day to day costs of managing and maintaining the stock. The Revenue Account also contributes to capital spending on planned refurbishment works and covers the borrowing costs of loans taken out to acquire the stock.

	Planned Spending £000	Actual Spending £000
Management Services	1,953	1,846
Repair Services	3,066	3,097
Cost of Borrowing	3,061	3,061
Capital spending on properties	3,504	3,527
Provision for Bad Debts	174	31
Income set aside in general balances for future spending	375	532
<b>Total Spending</b>	<b>12,133</b>	<b>12,094</b>

Spending on the Council's own housing stock is **not** paid for from Council Tax. It is mainly funded from the rents paid by tenants.

	Expected Funding £000	Actual Funding £000
Rents from housing, garages and shops	11,965	11,953
Service charges	88	112
Interest on Balances	80	29
<b>Total Funding</b>	<b>12,133</b>	<b>12,094</b>

The main changes from the planned budget relate to:

- General underspends on premise related costs, supplies and service costs and bank charges;
- The Supporting People service ended, along with related funding;
- There has been a reduction in rental income due to new homes being acquired/let later than budgeted for and a higher level of void properties;
- Good rent collection levels have meant a lower contribution is needed to the bad debt provision; and
- Low interest rates have meant less interest earned on balances held by the Housing Revenue Account.

## Revenue Reserves

At the end of the year our total revenue reserves amounted to £17.561 million. These are shown below:

	General Fund £000	HRA £000
General balances – held for unexpected future events	3,814	3,321
Capital reserves – held for spending on assets with a lasting value	1,197	3,794
Earmarked reserves –held for specific purposes or activities	3,899	1,536
<b>Total</b>	<b>8,910</b>	<b>8,651</b>

## Capital Spending

Alongside our day to day costs we spend money on assets such as buildings, vehicles, and equipment and computer systems. We assess capital requirements in outline terms over a ten year period each February, to ensure that we manage capital resources appropriately. As we have a shortfall of capital resources compared to assessed needs, this allows us to target resources towards the highest priorities. At the same time we produce a detailed three year programme, although the emphasis is on year one of the programme.

The 2016/17 capital programme shown below includes schemes from 2015/16 which were rolled forward due to timing issues. Actual spend in the year is also shown, together with commitments made which will be settled in 2017/18.

	Capital Programme £000	Spending in 2016/17 £000	2016/17 Commitments to Be Paid in 2017/18 £000
Council Housing – existing stock	4,564	3,212	1,142
Council Housing – new build	4,895	4,097	799
General Fund buildings	351	331	-
General Fund play areas and recreation grounds	85	56	30
General Fund vehicles	175	164	-
General Fund - IT and equipment	169	146	2
Private sector housing	518	265	-
<b>Total Spending</b>	<b>10,757</b>	<b>8,271</b>	<b>1,973</b>

Funding for capital spending that we received in the year included receipts from the sale of 'Right to Buy' council housing, government grants towards private sector disabled facility adaptations and contributions from some partners for specific schemes.

We used some of this to fund the spending in 2016/17. The remaining funding used in 2016/17 came from reserves earmarked for capital, revenue funding and borrowing.

## Collection Fund

We collect business rates of £44 million from businesses within our area, which is kept in a separate account called the Collection Fund. Following business rate localisation introduced in 2013, the Council has to set aside a provision for future successful ratepayer appeals



against rateable valuations. This is our most significant provision, amounting to £5.017 million. At the 31 March 2017 we had 268 appeals outstanding.

As we collect business rates on behalf of the Government and Warwickshire County Council, as well as ourselves, only 40% of this provision is shown on our balance sheet.

### **Balance Sheet**

The Balance Sheet includes pension costs to meet International Financing Reporting Requirements. We show the assets and liabilities relating to retirement benefits we are responsible for as an employer, so that we show the true cost of our responsibilities. A net pension asset indicates that contributions have effectively been overpaid relative to the future benefits earned to date by our employees. A net liability shows an effective underpayment. Our fund liability has increased by £1.966 million in the year.

The pension fund is valued fully every three years. The last full valuation took place as at March 2016 and showed that the pension fund was 82% funded. Our contribution rate is being increased gradually, with the long term aim of achieving a 100% funding level. A further full valuation will take place as at March 2019, and will indicate whether the current level of increases is still suitable.

Despite the challenges faced by the Council, we are continuing to maintain a strong balance sheet:

	31 March 2016 £000	31 March 2017 £000
Non current assets	143,737	163,156
Net current assets – debtors, stock and cash less short term liabilities	8,839	8,533
Long term liabilities and provisions	(80,450)	(80,831)
<b>Net assets</b>	<b>72,126</b>	<b>90,858</b>
Represented by: Useable reserves	25,778	23,107
Represented by: Unusable reserves	46,348	67,751

### **Financial Challenges in 2017/18**

The Medium Term Financial Strategy was updated during the year. The four year Funding Settlement announced in December 2015 has been used to give the expected level of funding from central government. Savings targets within the Strategy were also updated to reflect expected funding and spending pressures. The reductions needed for 2017/18 were found before the year started, and included with the approved budget. The latest version of the Strategy requires further savings of £1.45 million over the following three years, with a target of £0.55 million to be found in 2017/18 ready for inclusion within the 2018/19 budget.

The latest revision of the HRA Business Plan anticipates a surplus of £63.3 million at the end of the 30 years, after capital spending on existing properties and new build of £167 million. However the Plan does not include payments that will need to be made to central government to reimburse housing associations for Right to Buy sales of their stock. We are still waiting for details of the payments that will be required but anticipate they will have a major impact on our current Business Plan.

The projected capital resources over the next ten years will require the Council to continue with its policy of including only currently essential General Fund schemes in its expected programme. If we are to carry out other desirable work, we will need to continue to find additional sources of funding. It may be necessary to rationalise existing properties held.

#### 4. People

We currently employ 487 people in full time and part time contracts. The make-up of our people is shown below:

Gender: Male 43%, Female 57%

Ethnicity: White 52%, Unknown 48%

Age: 24 and under 10%, 25-34 15%, 35-49 34%, 50-65 37%, 65 and over 4%

Declared Disability: Yes 1%, No 25%, Unknown 74%

In addition we use casual staff to cover activities such as leisure coaching sessions.

#### 5. Principal Risks and Uncertainties

A risk management strategy is in place to identify and evaluate risks. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.

The Council identifies both strategic and operational risks. Strategic risks are reviewed by the Senior Management Team, whilst operational risks are identified within services. The risk management process was audited in January 2016, and identified no major concerns in relation to the Council's approach.

The top risks from our risk register are shown below:

##### *Strategic*

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
Impact on the Borough of the HS2 project	Loss of open spaces and community assets, transport and property valuation issues, air and noise pollution	Member of a Local Authority group lobbying the government and seeking mitigation, as well as becoming a qualifying authority
Insufficient corporate capacity to deal with all the issues facing the Council	Seen as a failing authority, with a poor public image. Potential impact on resources and service delivery	Identification of priorities, with regular review of tasks and capacity
The Council is unable to recruit, motivate and retain appropriately qualified staff	Service delivery would be affected	Continued good terms and conditions for staff. Use of shared working arrangements and partnerships
Expected efficiency savings and service improvements are not delivered whilst maintaining resilience	Adverse impact on service delivery	Use of a medium term financial strategy, with savings identified in advance and healthy balances maintained
Inadequate resources to maintain the Council's capital assets	Poorly maintained and potentially dangerous buildings	Long term capital programme with spending needs identified. Review of assets, with disposal where appropriate.
The instability of the Business Rates system	Impact on the Council's resources, leading to reduced services	Contingency held which can be used to offset short term losses. Regular monitoring / forecasting
The impact of the Duty to Cooperate on the Borough	Rural nature of the Borough affected	An approved Core strategy. Active engagement with other Councils

## Operational

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
Reduced or no market for recyclable materials	A significant increase in the costs of the recycling service could lead to an inability to maintain the service at current levels and may impact on the provision of other services.	Ongoing discussions with local waste management companies. Latest material contracts have maximum gate fees and profit share element. Use of partnerships and joint procurement of contracts, which are regularly reviewed.
Failure to maintain the Council's tree stock to an appropriate safety standard	Injury to members of the public and staff. Damage to property.	System to manage customer contacts and address urgent works. New arrangements to provide more capacity and resilience have been implemented
A major out of hours environmental incident not responded to	An unsafe, illegal and ongoing situation not dealt with.	Agreed procedure for contacting relevant staff. Some contractual obligation but loosely drawn.
North Warwickshire considered a low priority for the use of policing resources	Levels of crime and disorder increase and the public lose confidence in the Police. Fear of crime increases within local communities. No grant is received and the opportunity to enhance community safety is lost.	NWBC member representation on the Police and Crime Panel. Use of a North Warwickshire Safer Communities Programme.
Loss of external funding support for service provision	Reduction in services to the public	Partnership working and the appointment of an Engagement and Funding Officer

## Explanation of Accounting Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2017. It is made up of core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which in turn is underpinned by International Financial Reporting Standards.

A Glossary of key terms can be found at the end of the statements.

The **Core Statements** are:

The **Comprehensive Income and Expenditure Statement** – this records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by Board, reflecting the way the Council's budgets are built up. Expenditure represents a combination of:

- Services and activities that the Council is required to carry out by law (statutory duties) such as street cleaning, planning and registration; and
- Discretionary expenditure focused on local priorities and needs such as the Borough Care service or leisure activity.

The bottom half of the statements deals with corporate transactions and funding.

The **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable' which must be set aside for specific purposes.

The **Balance Sheet** shows the value of our assets, liabilities, cash balances and reserves at the year end date. Our net assets (assets less liabilities) are matched by the reserves we hold.

The **Cash Flow Statement** shows the reasons for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long term liabilities).

The **Supplementary Financial Statements** are:

The **Notes** to these financial statements provide more detail about the Council's accounting policies and individual transactions.

The **Housing Revenue Account** which separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.

The **Collection Fund** summarises the collection of council tax and business rates, and the redistribution of the majority of that money to Warwickshire County Council, Warwickshire Police Authority and central government.

The **Annual Governance Statement** which sets out the controls we have in place to ensure we run our business effectively and legally, and can properly account for our use of public money .

**C J Brewer** CPFA

Deputy Chief Executive, North Warwickshire Borough Council

# STATEMENT OF RESPONSIBILITIES, ISSUE AND APPROVAL DATE

## The Council's Responsibilities

The Council is required to:

- 1) Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In North Warwickshire Borough Council that officer is the Deputy Chief Executive.
- 2) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- 3) Approve the Statement of Accounts.

## The Deputy Chief Executive's Responsibilities

The Deputy Chief Executive is responsible for the preparation of North Warwickshire Borough Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statements of Accounts the Deputy Chief Executive has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Deputy Chief Executive has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Issue Date

In accordance with the Accounts and Audit Regulations 10(2) I certify that the Statement of Accounts 2016/17 give a true and fair view of the financial position of the Council at the reporting date and of its income and expenditure for the year ended 31 March 2017.

All known material events that have occurred up to and including this date, which relate to 2016/17 or before have been reflected in the accounts.

Signed: .....

Date: .....

C J Brewer CPFA, Deputy Chief Executive

## North Warwickshire Borough Council Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council analysed into "usable reserves" (those that can be applied to fund expenditure or reduce local taxation) and "unusable reserves" (unrealised gains and losses and accounting adjustments). The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund balance and Housing Revenue Account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants/Conits Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2015</b>	<b>4,289</b>	<b>5,546</b>	<b>1,979</b>	<b>5,662</b>	<b>4,690</b>	<b>1,536</b>	<b>9</b>	<b>23,711</b>	<b>15,522</b>	<b>39,233</b>
<u>Movement in reserves during 2015/16</u>										
Total Comprehensive Income and Expenditure	6,302	-	23,199	-	-	-	-	29,501	3,392	32,893
Adjustments between accounting basis and funding basis under regulations (note 5)	(5,068)	-	(20,565)	-	928	-	(3)	(24,708)	24,708	-
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>1,234</b>	<b>-</b>	<b>2,634</b>	<b>-</b>	<b>928</b>	<b>-</b>	<b>(3)</b>	<b>4,793</b>	<b>28,100</b>	<b>32,893</b>
Transfers to/from Earmarked Reserves (note 6)	(1,439)	322	(1,824)	215	-	-	-	(2,726)	2,726	-
<b>Increase/(Decrease) in 2015/16</b>	<b>(205)</b>	<b>322</b>	<b>810</b>	<b>215</b>	<b>928</b>	<b>-</b>	<b>(3)</b>	<b>2,067</b>	<b>30,826</b>	<b>32,893</b>
<b>Balance at 31 March 2016 carried forward</b>	<b>4,084</b>	<b>5,868</b>	<b>2,789</b>	<b>5,877</b>	<b>5,618</b>	<b>1,536</b>	<b>6</b>	<b>25,778</b>	<b>46,348</b>	<b>72,126</b>
<b>Balance at 1 April 2016</b>	<b>4,084</b>	<b>5,868</b>	<b>2,789</b>	<b>5,877</b>	<b>5,618</b>	<b>1,536</b>	<b>6</b>	<b>25,778</b>	<b>46,348</b>	<b>72,126</b>
<u>Movement in reserves during 2016/17</u>										
Total Comprehensive Income and Expenditure	(584)	-	15,327	-	-	-	-	14,743	3,989	18,732
Adjustments between accounting basis and funding basis under regulations (note 5)	578	-	(13,589)	-	(73)	-	(6)	(13,090)	13,090	-
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>(6)</b>	<b>-</b>	<b>1,738</b>	<b>-</b>	<b>(73)</b>	<b>-</b>	<b>(6)</b>	<b>1,653</b>	<b>17,079</b>	<b>18,732</b>
Transfers to/from Earmarked Reserves (note 6)	(264)	(772)	(1,206)	(2,083)	-	-	-	(4,325)	4,325	-
<b>(Decrease)/ Increase in Year</b>	<b>(270)</b>	<b>(772)</b>	<b>532</b>	<b>(2,083)</b>	<b>(73)</b>	<b>-</b>	<b>(6)</b>	<b>(2,672)</b>	<b>21,404</b>	<b>18,732</b>
<b>Balance at 31 March 2017 carried forward</b>	<b>3,814</b>	<b>5,096</b>	<b>3,321</b>	<b>3,794</b>	<b>5,545</b>	<b>1,536</b>	<b>-</b>	<b>23,106</b>	<b>67,752</b>	<b>90,858</b>

# North Warwickshire Borough Council

## Comprehensive Income and Expenditure Statement for the Year Ended 31 March 2017

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation and rents. Councils raise taxation and rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Movement in Reserves Statement and the Expenditure and Funding Analysis (note 27).

2015/16	2015/16	2015/16		2016/17	2016/17	2016/17
Restated	Restated	Restated				
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
691	(70)	621	Executive Board	875	(211)	664
8,469	(3,012)	5,457	Community and Environment Board	8,312	(3,093)	5,219
1,657	(1,441)	216	Planning and Development Board	1,707	(2,308)	(601)
127	(136)	(9)	Licensing Committee	128	(129)	(1)
19,203	(16,611)	2,592	Resources Board – Services	19,594	(17,417)	2,177
413	(515)	(102)	Resources Board – Recharged Services	510	(484)	26
11,696	(14,139)	(2,443)	Resources Board – Housing Revenue Account	11,718	(13,352)	(1,634)
<b>42,256</b>	<b>(35,924)</b>	<b>6,332</b>	<b>COST OF SERVICES</b>	<b>42,844</b>	<b>(36,994)</b>	<b>5,850</b>
1,293	(313)	980	Other Operating expenditure (Note 7)	1,457	-	1,457
3,259	(2,809)	450	Financing and investment income and expenditure (Note 8)	3,655	(3,238)	417
1,465	(9,622)	(8,157)	Taxation and non-specific grant income (Note 9)	716	(9,778)	(9,062)
<b>48,273</b>	<b>(48,668)</b>	<b>(395)</b>	<b>Deficit /(Surplus) on Provision of Services</b>	<b>48,672</b>	<b>(50,010)</b>	<b>(1,338)</b>
-	(20,374)	(20,374)	Surplus or Deficit on revaluation of Property, Plant and Equipment	-	(14,234)	(14,234)
-	-	-	Impairment losses on non-current assets charged to the Revaluation Reserve	-	-	-
-	-	-	Surplus or Deficit on revaluation of Available for Sale Financial Assets	-	(11)	(11)
-	(8,732)	(8,732)	Actuarial gains/losses on pension assets / liabilities	840	-	840
-	<b>(29,106)</b>	<b>(29,106)</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>840</b>	<b>(14,245)</b>	<b>(13,405)</b>
<b>48,273</b>	<b>(77,774)</b>	<b>(29,501)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>49,512</b>	<b>(64,255)</b>	<b>(14,743)</b>

Balance Sheet as at 31 March 2017

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (*assets less liabilities*) are matched by the reserves held by the council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the council may use to provide services, subject to the need to maintain a prudent level of resources and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2016 £000		Note	31 March 2017 £000
134,744	Property, Plant and Equipment	10	153,943
574	Heritage Assets	11	666
7,046	Investment Property	12	7,344
238	Intangible Assets	13	203
135	Assets Held on Leases	37	-
1,000	Long Term Debtors	14	1,000
<b>143,737</b>	<b>LONG TERM ASSETS</b>		<b>163,156</b>
14,039	Short Term Investments	14/41	14,525
812	Assets held for Sale	19	812
70	Inventories	15	53
4,374	Short Term Debtors	14/17	1,080
1,359	Cash and Cash Equivalents	18	2,477
<b>20,654</b>	<b>CURRENT ASSETS</b>		<b>18,947</b>
(2,274)	Provisions	21	(2,007)
(9,541)	Short Term Creditors	14/20	(8,407)
<b>(11,815)</b>	<b>CURRENT LIABILITIES</b>		<b>(10,414)</b>
(54,989)	Long Term PWLB Loans	41	(53,539)
(135)	Other Long Term Liabilities (leases)	37	-
(25,326)	Pension Fund Liabilities	40	(27,292)
<b>(80,450)</b>	<b>LONG TERM LIABILITIES</b>		<b>(80,831)</b>
<b>72,126</b>	<b>NET ASSETS</b>		<b>90,858</b>
25,778	Usable Reserves	22	23,106
46,348	Unusable Reserves	23	67,752
<b>72,126</b>	<b>TOTAL RESERVES</b>		<b>90,858</b>

Signed \_\_\_\_\_

Date \_\_\_\_\_

C J Brewer CPFA, Deputy Chief Executive



Cash Flow Statement for the Year Ended 31 March 2017

The cash flow statement shows the changes in cash and cash equivalents of the council during the reporting year. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

2015/16 £000		2016/17 £000
(395)	Net deficit or (surplus) on the provision of services	(1,338)
(4,140)	Adjustments to net surplus or deficit on the provision of services for non cash movements (Note 24)	(2,066)
(16)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 24)	(477)
(4,551)	Net cash flows from Operating Activities	(3,881)
3,557	Investing Activities (Note 25)	3,727
1,708	Financing Activities (Note 26)	(964)
714	Net Increase or decrease in cash and cash equivalents	(1,118)
(2,073)	Cash and Cash Equivalents at the beginning of the reporting year	(1,359)
<b>(1,359)</b>	<b>Cash and Cash Equivalents at the end of the reporting year (Note 18)</b>	<b>(2,477)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. No new accounting standards have been issued, but there are some amendments to standards introduced in the code, that are relevant for 2016/17 as follows:

- Amendment to the reporting of pension fund scheme transaction costs
- Amendment to the reporting of investment concentration

The Code does not anticipate that these amendments will have a material impact on the information provided in our statements, as they are unlikely to change the information in the reported net costs of services or the Surplus or Deficit on the Provision of Services.

### 2. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in pages 65 - 78, we have had to make certain judgements about complex transactions or those involving uncertainty about future events.

We launched a Local Authority Mortgage Scheme with Lloyds Bank in February 2013, which required a payment of £1 million to Lloyds Bank. Under the scheme first time buyers wishing to buy a property in North Warwickshire only needed a 5% deposit to buy their first home, with the Council guaranteeing a further 20% for a five year period. We considered the expenditure we made on the scheme to be capital, and accounted for it as such, as it is being used to enable Lloyds Bank to give larger mortgages to applicants than they would otherwise have done.

There is another view on the interpretation of the regulations governing the accounting treatment being used for the Local Authority Mortgage Scheme. As we will get our money back, unless there are defaults on the mortgages given, an alternative approach could be to treat the expenditure as an investment. This approach would require the long term debtor shown in the accounts to be reclassified as a long term investment. We have obtained legal advice on the accounting treatment we have used which supports the treatment of the payment as capital. As with any legislation, there is a risk that current rules and regulations could be changed in a court of law. We have not applied a fair valuation to the long term debtor shown in the statements, as we have followed the detailed accounting advice we have received regarding the Local Authority Mortgage Scheme.

There is a degree of uncertainty about future levels of funding for local government. However, we have a medium term financial strategy in place which will allow us to manage any future reductions in service that may be needed. As a result we have determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

### 3. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by us about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial years are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of capital spending that will be incurred in relation to individual assets. Any unanticipated spending on assets will put a strain on the remaining capital resources available which may bring into doubt the useful lives assigned to other assets.	<p>If the useful life of assets is reduced depreciation increases and the carrying amount of the asset falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by around £90,000 for every year that useful lives had to be reduced.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	<p>The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a 1% increase in the discount rate assumption would result in a decrease in the pension liability of £18.060 million.</p> <p>However, the assumptions interact in complex ways. During 2016/17, the Council's actuaries advised that the net pension's liability had increased by £12.515 million attributable to updating the assumptions.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Provisions – NDR Appeals	<p>Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013. Local Authorities are liable for successful appeals against business rates charged to businesses in 2016/17 and earlier financial years in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31 March 2017. The estimate has been calculated using the latest Valuation Office (VAO) ratings list of appeals and the analysis of successful appeals to date when providing an estimate of total provision up to and including 31 March 2017. The Council's share of the balance of business rate appeals provisions at this date amounted to £2.007m this has decreased by £0.267m from the previous year.</p>	<p>If successful appeals increased by 10%, this would require an additional £501,732. This Council's share would be £200,693 to be set aside as a provision.</p>
Arrears	<p>At 31 March 2017, we had a balance of sundry debtors of £218,718, whilst our share of council tax and NNDR arrears amounted to £287,089.</p> <p>A review of significant balances, using a sliding scale based on age, suggested that the following impairments of doubtful debts were appropriate:</p> <ul style="list-style-type: none"> <li>- sundry debtors 21.07% (£46,090)</li> <li>- council tax 33.67% (£56,684)</li> <li>- NNDR 24.3% (£28,852).</li> </ul> <p>However in the current economic climate it is not certain that such an allowance would be sufficient.</p>	<p>If collection rates were to deteriorate, a doubling of the doubtful debts would require an additional £131,626 to be set aside as an allowance.</p>

#### 4. Material Items of Income and Expense

In overall terms the Council's housing stock increased in value during the year. Revaluation gains of £13.322 million went to the Housing Revenue Account. There were also some small gains on other properties across the Borough, of £0.502 million.

## **5. Adjustments between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure we have included in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to us to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid into and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However the balance is not available to be applied to funding HRA services.

### **Housing Revenue Account Balance**

The Housing Revenue Account balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

### **Major Repairs Reserve**

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the MRA that has yet to be applied at the year end.

### **Capital Grants Unapplied**

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2016/17	Usable Reserves						Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied		
	£000	£000	£000	£000	£000	£000	£000
<b>Adjustments to Revenue Resources</b>							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:	-	14,234	-	-	-	-	(14,234)
Pension costs (transferred to (or from) the Pensions Reserve)	(1,910)	(56)	-	-	-	-	1,966
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	1,815	-	-	-	-	-	(1,815)
Holiday pay (transferred to the Accumulated Absences Account)	8	5	-	-	-	-	(13)
Financial Instruments (transferred to the Available for sale Financial Instruments)	11	-	-	-	-	-	(11)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(692)	(2,093)	-	-	-	-	2,785
<b>Total Adjustments to Revenue Resources</b>	<b>(768)</b>	<b>12,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,322)</b>
<b>Adjustments between Revenue and Capital Resources</b>							
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	-	1,515	(1,515)	-	-	-	-
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	(16)	16	-	-	-	-
Payments to the government housing receipts pool (funded by a contribution from the Capital Receipts Reserve)	(346)	-	346	-	-	-	-
Posting of HRA resources from revenue to the Major Repairs Reserve	-	-	-	(2,377)	-	-	2,377
Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)	423	-	-	-	-	-	(423)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	119	-	-	-	-	-	(119)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>196</b>	<b>1,499</b>	<b>(1,153)</b>	<b>(2,377)</b>	<b>-</b>	<b>-</b>	<b>1,835</b>
<b>Adjustments to Capital Resources</b>							
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	1,226	-	-	-	(1,226)
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	2,377	-	-	(2,377)
Application of capital grants to finance capital expenditure	(6)	-	-	-	-	6	-
<b>Total Adjustments to Capital Resources</b>	<b>(6)</b>	<b>-</b>	<b>1,226</b>	<b>2,377</b>	<b>6</b>	<b>6</b>	<b>(3,603)</b>
<b>Total Adjustments</b>	<b>(578)</b>	<b>13,589</b>	<b>73</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>(13,090)</b>

2015/16	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
<b>Adjustments to Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:	-	20,374	-	-	-	(20,374)
Pension costs (transferred to (or from) the Pensions Reserve)	7,202	(157)	-	-	-	(7,045)
Council tax and NDR (transfers to or from the collection Fund)	(806)	-	-	-	-	806
Holiday pay (transferred to the Accumulated Absences Account)	(4)	(4)	-	-	-	8
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(1,393)	(1,283)	-	-	3	2,673
<b>Total Adjustments to Revenue Resources</b>	<b>4,999</b>	<b>18,930</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(23,932)</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	-	1,651	(1,651)	-	-	-
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	(16)	16	-	-	-
Payments to the government housing receipts pool (funded by a contribution from the Capital Receipts Reserve)	(327)	-	327	-	-	-
Posting of HRA resources from revenue to the Major Repairs Reserve	-	-	-	(1,982)	-	1,982
Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)	269	-	-	-	-	(269)
Capital expenditure financed from revenue balances (transfer to the - Capital Adjustment Account)	127	-	-	-	-	(127)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>69</b>	<b>1,635</b>	<b>(1,308)</b>	<b>(1,982)</b>	<b>-</b>	<b>1,586</b>
<b>Adjustments to Capital Resources</b>						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	380	-	-	(380)
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	1,982	-	(1,982)
<b>Total Adjustments to Capital Resources</b>	<b>-</b>	<b>-</b>	<b>380</b>	<b>1,982</b>	<b>-</b>	<b>(2,362)</b>
<b>Total Adjustments</b>	<b>5,068</b>	<b>20,565</b>	<b>(928)</b>	<b>-</b>	<b>3</b>	<b>(24,708)</b>

## 6. Transfer to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2016/17.

	Balance at 1 April 2015	Transfers Out 2015/16	Transfers in 2015/16	Balance at 31 March 2016	Transfers Out 2016/17	Transfers in 2016/17	Balance at 31 March 2017
	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>							
External funding received towards the provision of council services	765	(83)	116	798	(24)	331	1,105
One off funding set aside to progress specific council priorities	170	(73)	-	97	(2)	-	95
Contingency funding set aside to cover potential risks on areas such as VAT recovery and business rates	1,401	-	551	1,952	(932)	4	1,024
Other reserves held for revenue purposes to cover timing issues on spending	2,028	(406)	176	1,798	(457)	334	1,675
Reserves Held for Capital Spending	1,182	(614)	655	1,223	(148)	122	1,197
<b>Total General Fund Reserves</b>	<b>5,546</b>	<b>(1,176)</b>	<b>1,498</b>	<b>5,868</b>	<b>(1,563)</b>	<b>791</b>	<b>5,096</b>
<b>HRA</b>							
Housing Act Advances	5	(5)	-	-	-	-	-
Housing Repairs Reserve	337	(2,961)	3,135	511	(3,120)	3,097	488
Reserves held for Capital spending	5,320	(4,346)	4,392	5,366	(6,301)	4,241	3,306
<b>Total HRA Reserves</b>	<b>5,662</b>	<b>(7,312)</b>	<b>7,527</b>	<b>5,877</b>	<b>(9,421)</b>	<b>7,338</b>	<b>3,794</b>
<b>Total Earmarked Reserves</b>	<b>11,208</b>	<b>(8,488)</b>	<b>9,025</b>	<b>11,745</b>	<b>(10,984)</b>	<b>8,129</b>	<b>8,890</b>



## 7. Other Operating Expenditure

2015/16		2016/17
£000		£000
882	Parish council precepts	910
82	Grant to Parishes towards a loss of precept	70
327	Payments to the Government Housing Capital Receipts Pool	346
(311)	Gains on the disposal of non-current assets	131
<b>980</b>	<b>Total</b>	<b>1,457</b>

## 8. Financing and Investment Income and Expenditure

2015/16		2016/17
£000		£000
46	Interest payable and similar charges	31
1,046	Pensions interest and expected return on pension assets	890
(173)	Interest receivable and similar income	(140)
(469)	Income and expenditure in relation to investment properties and changes in their fair value	(364)
<b>450</b>	<b>Total</b>	<b>417</b>

## 9. Taxation and Non-specific Grant Income

2015/16		2016/17
£000		£000
(5,068)	Council tax income **	(5,171)
103	Non Domestic rates – Collection Fund adjustments	(1,212)
(1,744)	Non Domestic rates	(1,759)
(1,448)	Non-ring fenced government grants *	(920)
<b>(8,157)</b>	<b>Total</b>	<b>(9,062)</b>

\* Non-ring fenced government grants are shown individually in note 34.

\*\* Council Tax income includes £91,870 contribution from the collection fund in 2016/17 (a contribution of £109,040 was included in 2015/16). The Council's share of the residual balance of £20,271 is detailed in note 23 on the collection fund adjustment account. This will be adjusted in 2017/18 (£3,588 adjustment in 2016/17).

## 10. Property, Plant and Equipment

Movements in balances in 2016/17:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra-structure Assets	Community Assets	Assets under Construction	Surplus Assets	Total Property Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
As at 1 April 2016	81,656	50,763	6,397	88	124	933	66	140,027
Additions	4,123	526	310	-	13	2,708	-	7,680
Donations	-	-	-	-	-	-	-	-
Revaluation increases recognised in the Revaluation Reserve	1,438	374	-	-	-	-	-	1,812
Revaluations increases/decreases recognised in the Surplus / Deficit on the Provision of Services	9,639	4,488	-	-	-	(1,699)	-	12,428
De-recognition – disposals	(1,165)	(482)	(624)	-	-	(6)	-	(2,277)
Other movements in Cost or Valuation	659	557	-	-	-	(1,216)	-	-
<b>As at 31 March 2017</b>	<b>96,350</b>	<b>56,226</b>	<b>6,083</b>	<b>88</b>	<b>137</b>	<b>720</b>	<b>66</b>	<b>159,670</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 1 April 2016	(1,985)	(605)	(2,678)	(15)	-	-	-	(5,283)
Depreciation charge	(2,294)	(589)	(681)	(2)	-	-	-	(3,566)
Depreciation written out on revaluations recognised in the Revaluation Reserve	1,885	577	-	-	-	-	-	2,462
Impairment loss reversal recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment loss reversal recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
De-recognition – disposals	36	-	624	-	-	-	-	660
Other movements in Depreciation and Impairment	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>(2,358)</b>	<b>(617)</b>	<b>(2,735)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,727)</b>
<b>Net Book Value</b>								
<b>At 31 March 2017</b>	<b>93,992</b>	<b>55,609</b>	<b>3,348</b>	<b>71</b>	<b>137</b>	<b>720</b>	<b>66</b>	<b>153,943</b>
<b>At 31 March 2016</b>	<b>79,671</b>	<b>50,158</b>	<b>3,719</b>	<b>73</b>	<b>124</b>	<b>933</b>	<b>66</b>	<b>134,744</b>

Comparative movements in balances in 2015/16:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra-structure Assets	Community Assets	Assets under Construction	Surplus Assets	Total Property Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
As at 1 April 2015	65,333	44,659	4,444	103	124	79	-	114,742
Additions	3,125	84	2,161	-	-	1,077	-	6,447
Donations	-	-	-	-	-	-	16	16
Revaluations increases recognised in the Revaluation Reserve	680	457	-	-	-	-	-	1,137
Revaluations increases/ decreases recognised in the Surplus / Deficit on the Provision of services	13,266	5,923	-	-	-	-	-	19,189
De-recognition – disposals	(941)	(391)	(208)	(15)	-	-	-	(1,555)
Other movements in Cost or Valuation	193	31	-	-	-	(223)	50	51
<b>As at 31 March 2016</b>	<b>81,656</b>	<b>50,763</b>	<b>6,397</b>	<b>88</b>	<b>124</b>	<b>933</b>	<b>66</b>	<b>140,027</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 1 April 2015	(1,608)	(550)	(2,373)	(18)	-	-	-	(4,549)
Depreciation charge	(1,896)	(586)	(513)	(3)	-	-	-	(2,998)
Impairment loss reversal recognised in the Revaluation Reserve	226	425	-	-	-	-	-	651
Impairment loss reversal recognised in the Surplus / Deficit on the Provision of Services	1,282	106	-	-	-	-	-	1,388
De-recognition - disposals	11	-	208	6	-	-	-	225
Other movements in Depreciation and Impairment	-	-	-	-	-	-	-	-
<b>As at 31 March 2016</b>	<b>(1,985)</b>	<b>(605)</b>	<b>(2,678)</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,283)</b>
<b>Net Book Value</b>								
<b>As at 31 March 2016</b>	<b>79,671</b>	<b>50,158</b>	<b>3,719</b>	<b>73</b>	<b>124</b>	<b>933</b>	<b>66</b>	<b>134,744</b>
<b>As at 31 March 2015</b>	<b>63,725</b>	<b>44,109</b>	<b>2,071</b>	<b>85</b>	<b>124</b>	<b>79</b>	<b>-</b>	<b>110,193</b>

## Depreciation

The following useful lives have been used in the calculation of depreciation:

Building	Assumed Life (Years)
Leisure Centres	5 – 50
Other arts/leisure venues	2
Community Centres	1 - 50
Pavilions	10 – 43
Hostels	50
Shops	3 – 50
Public Conveniences	20
Offices and Depot	20 – 50
Council Houses	40 - 50
Garages	3 - 20

### Capital Commitments

At 31<sup>st</sup> March 2017 the capital commitments outstanding totalled approximately £1.97m. £0.26m is for an energy saving programme, £0.3m is for essential works that are required to flats, £0.48m is for a replacement roof programme and a further £0.8m relates to this Authority's New Build programme. Finally £0.1m is committed towards a central heating programme and the remaining £0.03m is made up of other smaller commitments.

### Revaluations

We carry out a rolling programme that ensures all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations were carried out by the Council's internal valuer, Mr Richard Lewis (FRICS), who is a Chartered Valuation Surveyor. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The valuation methods used for each type of asset category are detailed in note 16 of the Accounting Policies section (Property, Plant and Equipment).

The significant assumptions applied in estimating the current values are:

- An adjustment factor of 40% to discount the market valuation of council houses to reflect their use for social housing;
- Valuations on properties have been split between the element relating to the land as well as the building. The building is depreciated over the useful economic life of the asset whilst land is not depreciated.

The following table shows the revaluation of property, plant and equipment over the last 5 years.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Total
	£000	£000	£000	£000	£000
Carried at historical cost	84,601	57,370	6,551	107	148,629
Valued at current value as at:					
31 March 2017	8,586	2,114	(275)	0	10,425
31 March 2016	6,585	(1,958)	(1,196)	(706)	2,725
31 March 2015	(5,498)	2,522	(287)	665	(2,598)
31 March 2014	5,855	1,000	1,211	-	8,066
31 March 2013	(3,779)	(4,822)	79	-	(8,522)
<b>Total Cost or Valuation</b>	<b>96,350</b>	<b>56,226</b>	<b>6,083</b>	<b>66</b>	<b>158,725</b>

### Effect of changes in Estimates

We have not changed any of the depreciation methods used in valuing our assets. However, the estimated useful lives of a number of assets have been reassessed and amended in 2016/17. The financial effect of any changes is detailed in the table below.

Asset Description	Original End Date	Revised End Date	Financial effect on Depreciation Charges £000
Council House Dwellings	31/03/2065	31/03/2066	(38)
Garages	31/03/2035	31/03/2036	(2)
<b>Total</b>			<b>(40)</b>

### 11. Heritage Assets

Our heritage assets are the civic regalia we hold, which consist of a number of items of gold used ceremonially by the Mayor and Lady Mayoress plus deputies. Two of these items relate to the chains of office for Atherstone Rural District Council, the predecessor of North Warwickshire Borough Council. The value of the assets is shown below.

2015/16 £000	Civic Regalia	2016/17 £000
	Cost or Valuation	
<b>535</b>	<b>Balance as at 1 April</b>	<b>574</b>
39	Revaluations	92
<b>574</b>	<b>Balance as at 31 March</b>	<b>666</b>

### Five-Year Summary of Transactions

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Civic Regalia	703	515	535	574	666

### 12. Investment Property

If we hold assets for the purpose of providing public services, then the assets are classed as property assets. However, if we hold assets with the purpose of generating revenue income, which can be used to offset the costs of other services, then these are shown as Investment Property.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2015/16 £000		2016/17 £000
(465)	Rental income from investment property	(485)
197	Direct operating expenses arising from investment property	190
(201)	Change in fair value of investment property	(69)
<b>(469)</b>	<b>Net gain</b>	<b>(364)</b>

There are no restrictions on our ability to realise the value inherent in our investment property or on our right to the remittance of income and the proceeds of disposal. We have no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2015/16 £000		2016/17 £000
6,894	<b>Balance at start of the year</b>	7,046
-	Expenditure during the year	242
-	Disposals	(13)
(50)	Transfers out of group	-
202	Net gains/(losses) from fair value adjustment in the Consolidated Income and Expenditure Statement	69
<b>7,046</b>	<b>Balance at the end of the year</b>	<b>7,344</b>

### Fair Value Hierarchy

Inputs to the valuation techniques in respect of fair value measurement in the Council's Financial Statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

### Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property

The fair value of investment property has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants and data and market knowledge gained in managing the Council's Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being classified as level 2 on the fair value hierarchy.

There has been no change in the valuation techniques used during the year for investment properties.

### Highest and Best Use

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

### 13. Intangible Assets

We account for software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. Our intangible assets relate to software licences. All software is given a finite, useful life, based on assessments of the period that the software is expected to be of use to the Council.

These assets have been amortised on a straight-line basis over their anticipated lives, the same method used for writing down our intangible assets in previous years. The

amortisation of £56,419 charged to revenue in 2016/17 was charged to the Information Services cost centre and then absorbed as an overhead across the relevant service headings in the Net Expenditure of Services. The Housing Rents, Housing Direct Works and IBS systems which relate to housing were attributed directly to the Housing Revenue Account. The planning system was apportioned to the Planning and Development Service. Corporate systems such as the Total finance system and Microsoft Licences are recharged across all services.

We have not changed any of the depreciation methods or estimated useful lives used in valuing our assets. The movement on Intangible Asset balances during the year is as follows:

	2015/16	2016/17
	Software Licences £000	Software Licences £000
<i>Balance at start of year</i>		
Gross carrying amounts	1,643	1,774
Accumulated amortisation	(1,462)	(1,536)
<b>Net carrying amount at start of year</b>	<b>181</b>	<b>238</b>
<i>Additions:</i>		
Expenditure in the year	131	21
Amortisation for the year	(74)	(56)
Net Disposals in the year	0	0
<b>Net carrying amount at end of year</b>	<b>238</b>	<b>203</b>
<i>Comprising:</i>		
▪ Gross carrying amounts	1,774	1,751
▪ Accumulated amortisation	(1,536)	(1,548)
<b>Net carrying amount at end of year</b>	<b>238</b>	<b>203</b>

The software licences are held for a number of systems of varying sizes. Only the main ones are detailed below:-

- Firmstep Achieve. The software cost £41,121 in 2013/14 and is being amortised over a 7 year life until 2019/20,
- Planning System (SX3). The software cost £137,563 in 2005/06 and 2006/07 with an upgrade costing £11,651 in 2013/14. The upgraded software is being amortised until 2019/20,
- Payment Management System (PMS). This was purchased during 2012/13 costing £78,583 with an upgrade costing £16,362 in 2013/14 and is being amortised over a period of 10 years,
- Gladstone Leisure System. The software cost £40,838 in 2014/15 and 2015/16. The cost is being amortised over 7 years until 2021/22,
- Citrix System. The software cost £39,371 in 2015/16 and is being amortised over a 5 year life until 2020/21,
- Windows Client. The software cost £32,483 in 2015/16 and is being amortised over a 5 year life until 2020/21,
- Website. The software cost £42,821 in 2015/16 and is being amortised over a 5 year life until 2020/21.

## 14. Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long-Term		Current	
	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000
<b>Investments</b>				
Loans and Receivables	-	-	8,539	5,025
Available for Sale financial assets	-	-	5,500	9,500
<b>Total Investments</b>	-	-	<b>14,039</b>	<b>14,525</b>
<b>Debtors</b>				
Loans and Debtors	1,000	1,000	4,374	1,080
<b>Total included in Receivables</b>	<b>1,000</b>	<b>1,000</b>	<b>4,374</b>	<b>1,080</b>
<b>Borrowings</b>				
Financial liabilities at amortised costs (*)	54,989	53,539	-	-
<b>Total include in borrowings</b>	<b>54,989</b>	<b>53,539</b>	-	-
<b>Other Long term Liabilities</b>				
Finance leases	135	-	-	-
<b>Total other long term liabilities</b>	<b>135</b>	-	-	-
<b>Creditors</b>				
Financial liabilities at amortised cost	-	-	9,541	8,407
<b>Total Creditors</b>	-	-	<b>9,541</b>	<b>8,407</b>

(\*) Under accounting requirements the carrying value of the financial instrument value is shown in the balance sheet which includes the principal amount borrowed or lent. Accrued interest is shown separately in current assets / liabilities where the payments / receipts are due within one year.

### ➤ Loans below Market Rates

During 2016/17 the Council granted Decent Homes Standard loans to 2 private owner occupiers totalling £4,720 and Disabled Facilities loans to 18 private owner occupiers totalling £67,345. The Council is due to have the loans repaid when the properties are sold in the future. Given the uncertainty of future timescales, these loans have been fully funded through the Council's capital programme. Any funds recovered in the future will therefore be a windfall to the Council.

### ➤ Fair Values of Assets and Liabilities

Financial liabilities and financial assets, represented by borrowing and investments, are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Early redemption rates for loans from the PWLB as at 31 March 2017,
- No early repayment or impairment is recognised in the accounts,
- Certificates of Deposits are valued at Market Bid prices at 31st March 2017.



The fair values are calculated as follows:

31 March 2016	31 March 2016		31 March 2017	31 March 2017
Carrying Amount on Balance Sheet £000	Fair Value Calculation £000		Carrying Amount on Balance Sheet £000	Fair Value Calculation £000
54,989	64,055	PWLB Debt	53,539	59,077
<b>54,989</b>	<b>64,055</b>	<b>Total Borrowings</b>	<b>53,539</b>	<b>59,077</b>
8,539	8,539	Money Market Funds < 1 yr	5,025	5,032
2,000	2,001	Enhanced Money Market Funds	4,000	4,010
3,500	3,509	Certificates of Deposits	5,500	5,510
<b>14,039</b>	<b>14,049</b>	<b>Total Investments</b>	<b>14,525</b>	<b>14,552</b>

*Borrowings:* the fair value is more than the carrying amount because the Council's loans are fixed at a higher rate than was available at 31 March 2017. This increases the fair value of the borrowings held, which have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each balance sheet date and include accrued interest.

*Investments:* The Net Present Value approach has been used, which provides an estimate of the value of payments in the future in today's terms. The discount factor used in the calculation is equal to the current rate in relation to the same instrument from a comparable lender.

## 15. Inventories

	Consumable Stores	Consumable Stores	Maintenance Materials	Maintenance Materials	Client services Work in Progress	Client services Work in Progress	Total	Total
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at start of year</b>	28	41	33	29	-	-	61	70
Purchases	383	353	352	423	-	2	735	778
Recognised as an expense in the year	(370)	(362)	(356)	(433)	-	-	(726)	(795)
<b>Balance at year end</b>	<b>41</b>	<b>32</b>	<b>29</b>	<b>19</b>	<b>-</b>	<b>2</b>	<b>70</b>	<b>53</b>

## 16. Construction Contracts

At 31 March 2017 we had one construction contract in progress which was for the construction of new build properties at Church Walk, Mancetter. As at 31 March 2017 there was still £1.576m outstanding on this contract.

## 17. Short Term Debtors

31 March 2016 £000		31 March 2017 £000
2,770	Central Government Bodies	288
787	Other Local Authorities	145
-	NHS Bodies	-
817	Other Entities and Individuals	647
<b>4,374</b>	<b>TOTAL</b>	<b>1,080</b>

## 18. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2016 £000		31 March 2017 £000
2	Cash held by the Council	2
1,357	Bank current accounts	2,475
<b>1,359</b>	<b>Total Cash and Cash Equivalents</b>	<b>2,477</b>

## 19. Assets Held for Sale

The only asset held for sale at 31 March 2017 was the old Coleshill Leisure Centre site at Park Road, Coleshill. This site was valued at £812,000.

## 20. Short Term Creditors

31 March 2016 £000		31 March 2017 £000
3,637	Central Government Bodies	3,073
1,499	Other Local Authorities	2,135
4,405	Other entities and individuals	3,199
<b>9,541</b>	<b>TOTAL</b>	<b>8,407</b>

## 21. Provisions

Business Rate Payers can appeal against the rateable value of their properties to the Valuation Office. If they are successful, we will have to refund a proportion of the rates which they have paid. An additional provision of £1.529 million has been set aside in the Collection Fund at 31 March 2017 (£2.520 million at 31 March 2016), to cover possible refunds. Of the £5.686 million set aside at 31 March 2016 we have settled claims of £2.197million from that sum. Our share of the additional provision is £0.611 million (40%) (£1.008 million at 31 March 2016), with the remaining 60% falling to central government and Warwickshire County Council.

## 22. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Notes 5 and 6.

## 23. Unusable Reserves

31 March 2016 £000		31 March 2017 £000
(6,763)	Revaluation Reserve	(9,176)
(66,671)	Capital Adjustment Account	(85,789)
25,326	Pensions Reserve	27,292
(121)	Collection Fund Adjustment Account - CT	(141)
1,740	Collection Fund Adjustment Account - NDR	(55)
141	Accumulated Absences Account	128
-	Available for Sale Financial Instruments Reserve	(11)
<b>(46,348)</b>	<b>Total Unusable Reserves</b>	<b>(67,752)</b>

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2015/16 £000		2016/17 £000
<b>(5,433)</b>	<b>Balance at 1 April</b>	<b>(6,763)</b>
(2,101)	Upward revaluation of assets	(2,539)
-	Difference between fair value depreciation and historical cost depreciation	-
771	Amount written off to the Capital Adjustment Account	126
<b>(6,763)</b>	<b>Balance at 31 March</b>	<b>(9,176)</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluations gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 5 provides details of the sources of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2015/16 £000			2016/17 £000	
	(43,406)	<b>Balance at 1 April</b>		(66,671)
		<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>		
3,053		▪ Charges for depreciation and impairment of non-current assets	3,572	
(20,450)		▪ Revaluation (gains) / losses on Property, Plant and Equipment	(13,852)	
74		▪ Amortisation of intangible assets	56	
456		▪ Revenue expenditure funded from capital under statute	(27)	
1,369		▪ Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,653	
(16)		Donated Assets	-	
(771)		Adjusting amounts written out of the Revaluation Reserve	(126)	
(201)	(16,486)	Movements in the market value of Investment Property	(474)	(9,198)
		<i>Capital financing applied in the year:</i>		
(277)		▪ Use of the Capital Receipts Reserve to finance new capital expenditure	(1,226)	
(1,982)		▪ Use of the Major Repairs Reserve to finance new capital expenditure	-	
(640)		▪ Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(885)	
0		▪ Application of grants to capital financing from the Capital Grants Unapplied Account	(72)	
(1,569)		▪ Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(1,873)	
(2,311)	(6,779)	▪ Capital expenditure charged against the General Fund and HRA balances	(5,864)	(9,920)
	(66,671)	<b>Balance at 31 March</b>		(85,789)

### The Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pays any

pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2015/16 £000		2016/17 £000
32,371	<b>Balance at 1 April</b>	<b>25,326</b>
(8,732)	Re measurement of the net defined benefit liability/(asset)	840
3,283	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	2,796
(1,596)	Employer's pensions contributions and direct payments to pensioners payable in the year	(1,670)
<b>25,326</b>	<b>Balance at 31 March</b>	<b>27,292</b>

#### Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non domestic rates income in the Comprehensive Income and Expenditure statement as it falls due from council tax and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Council Tax 2015/16 £000	Non Domestic Rates 2015/16 £000		Council Tax 2016/17 £000	Non Domestic Rates 2016/17 £000
(124)	937	<b>Balance at 1 April</b>	(121)	1,740
3	803	Amount by which council tax and non domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non domestic rate income calculated for the year in accordance with statutory requirements	(20)	(1,795)
(121)	1,740	<b>Balance at 31 March</b>	(141)	(55)

#### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund and Housing Revenue Account balances from accruing for compensated absences earned but not taken in the year, for example annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2015/16 £000		2016/17 £000
133	<b>Balance at 1 April</b>	<b>141</b>
(133)	Reversal of accrual made at the end of the preceding year	(141)
141	Amounts accrued at the end of the current year	128
<b>141</b>	<b>Balance at 31 March</b>	<b>128</b>

## Available for Sale Financial Instruments Reserve

The Available for Sale Financial Instruments Reserve contains the gains made by the council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are revalued downwards or impaired and the gains are lost or disposed of and the gains are realised.

2015/16 £000		2016/17 £000
-	<b>Balance at 1 April</b>	-
-	Upward revaluation of investments	-
-	Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	-
-	Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure statement as part of Other Investment Income	(11)
-	<b>Balance at 31 March</b>	<b>(11)</b>

## 24. Cash Flow Statement - Operating Activities

The following items are included within the surplus on Provision of Services:

2015/16 £000		2016/17 £000
(173)	Interest Received	(140)
3	Interest Paid	2
<b>(170)</b>	<b>Net interest included within the surplus on the provision of services</b>	<b>(138)</b>

The surplus on the provision of services has been adjusted for the following non-cash movements:

2015/16 £000		2016/17 £000
3,585	Depreciation and Amortisation of Asset	3,713
1,687	Movement in pension liability	1,126
(174)	(Contribution to) / Use of Housing Repairs Reserve	23
(4,056)	Contributions to reserves	(3,168)
805	Reversal of Collection Fund Adjustments – CT and NDR	(1,815)
-	Amortisation of Capital grants	6
9	Accumulated Absences	(13)
671	Increase / (Decrease) in Provisions	(267)
2,233	Increase / (Decrease) in Creditors	(850)
(611)	(Increase) / Decrease in Debtors	3,294
(9)	(Increase) / Decrease in Stocks and WIP	17
<b>4,140</b>	<b>Adjustments for non cash movements</b>	<b>2,066</b>

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2015/16 £000		2016/17 £000
(311)	(Surplus) / Loss on sale of Assets	131
327	Payment of housing receipts to Housing Pool	346
<b>16</b>	<b>Adjustment for investing and financing activities</b>	<b>477</b>

## 25. Cash Flow Statement – Investing Activities

2015/16 £000		2016/17 £000
8,172	Purchase of property, plant and equipment, investment property and intangible assets	9,001
382	Other payments for investing activities	306
(1,651)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,515)
(3,346)	Other receipts from investing activities	(4,065)
<b>3,557</b>	<b>Net cash flows from investing activities</b>	<b>3,727</b>

## 26. Cash Flow Statement – Financing Activities

2015/16 £000		2016/17 £000
(1,300)	Cash receipts of short and long term borrowing	(1,450)
3,008	Other receipts from financing activities	486
<b>1,708</b>	<b>Net cash flows from financing activities</b>	<b>(964)</b>

## 27. Expenditure and Funding Analysis

(a) The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's boards. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Expenditure and Funding Analysis brings together the authorities performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Fund and HRA.

The Expenditure and Funding Analysis:-

- shows for each of the authority's boards a comparison of the net resources applied and the net charge against council tax, and
- provides the opportunity to explain significant differences between the two within the authority's framework for accountability.

2015/16	2015/16	2015/16	Expenditure Funding Analysis	2016/17	2016/17	2016/17
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Restated						
£000	£000	£000		£000	£000	£000
584	37	621	Executive Board	653	11	664
3,935	1,522	5,457	Community and Environment Board	4,134	1,085	5,219
164	52	216	Planning and Development Board	(619)	18	(601)
(15)	6	(9)	Licensing Committee	(3)	2	(1)
2,346	246	2,592	Resources Board – Services	2,225	(48)	2,177
(242)	140	(102)	Resources Board – Recharged Services	(256)	282	26
(2,634)	191	(2,443)	Resources Board – Housing Revenue Account	(1,738)	104	(1,634)
<b>4,138</b>	<b>2,194</b>	<b>6,332</b>	<b>COST OF SERVICES</b>	<b>4,396</b>	<b>1,454</b>	<b>5,850</b>
(8,006)	1,279	(6,727)	Other Comprehensive Income and Expenditure	(6,128)	(1,060)	(7,188)
<b>(3,868)</b>	<b>3,473</b>	<b>(395)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(1,732)</b>	<b>394</b>	<b>(1,338)</b>
-	(29,106)	(29,106)	Other Comprehensive Income and Expenditure	-	(13,405)	(13,405)
<b>(3,868)</b>	<b>(25,633)</b>	<b>(29,501)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(1,732)</b>	<b>(13,011)</b>	<b>(14,743)</b>
(17,476)			Opening General Fund and HRA Balances	(18,618)		
2,726			Use of Reserves to fund Capital	4,325		
(3,868)			Expenditure	(1,732)		
			(Surplus) / Deficit on Provision of Services			
<b>(18,618)</b>			<b>Opening General Fund and HRA Balances</b>	<b>(16,025)</b>		

:



The table below further analyses the Adjustments between the Funding and Accounting Basis.

2015/16	2015/16	2015/16	2015/16		2016/17	2016/17	2016/17	2016/17
Adjustment for Capital Purposes	Net charge for Pensions Adjustments	Other Differences	Total Adjustments	<b>Expenditure Funding Analysis</b>	Adjustment for Capital Purposes	Net charge for Pensions Adjustments	Other Differences	Total Adjustments
Restated								
£000	£000	£000	£000		£000	£000	£000	£000
4	33	-	37	Executive Board	-	11	-	11
1,286	236	-	1,522	Community and Environment Board	996	89	-	1,085
14	38	-	52	Planning and Development Board	3	15	-	18
-	6	-	6	Licensing Committee	-	2	-	2
82	160	4	246	Resources Board – Services	(105)	59	(2)	(48)
130	10	-	140	Resources Board – Recharged Services	278	4	-	282
31	157	3	191	Resources Board – Housing Revenue Account	53	56	(5)	104
<b>1,547</b>	<b>640</b>	<b>7</b>	<b>2,194</b>	<b>COST OF SERVICES</b>	<b>1,225</b>	<b>236</b>	<b>(7)</b>	<b>1,454</b>
(573)	1,046	806	1,279	Other Income and Expenditure	(134)	890	(1,816)	(1,060)
<b>974</b>	<b>1,686</b>	<b>813</b>	<b>3,473</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,091</b>	<b>1,126</b>	<b>(1,823)</b>	<b>(394)</b>
(20,374)	(8,732)	-	(29,106)	Other Comprehensive Income and Expenditure	(14,234)	840	(11)	(13,405)
<b>(19,400)</b>	<b>(7,046)</b>	<b>813</b>	<b>(25,633)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(13,143)</b>	<b>1,966</b>	<b>(1,834)</b>	<b>(13,011)</b>

(b) Expenditure and Income analysed by Nature

The authority's expenditure and income is analysed as follows:-

2015/16 £000	Expenditure and Income	2016/17 £000
	Expenditure	
10,340	Employee Expenses	10,480
10,789	Other Service Expenses	11,213
14,433	Rent Allowances and Housing Benefit Payments	14,238
2,850	Depreciation, Amortisation and Impairment	3,559
1,687	Retirement Benefits	1,126
37	Revenue Expenditure Funded from Capital Under Statute	(27)
2,924	HRA – Debt Repayment and interest	3,061
327	Payment to Housing Capital Receipts Pool	346
964	Parish Precepts	980
-	Gain on Disposal of Assets	131
44,351	Total Expenditure	45,107
	Income	
(20,926)	Fees, Charges and Other Service Income	(21,858)
(127)	Interest and Investment Income	(109)
(4,537)	Income from Council Tax and NNDR	(6,046)
(18,845)	Government Grants and Contributions	(18,432)
(311)	Loss on Disposal of Assets	-
(44,746)	Total Income	(46,445)
(395)	(surplus)/Deficit on Provision of Services	(1,338)

## 28. Trading Operations

In 2015/16, Horticulture was the only service that was operated as a trading account. The trading account ceased at the end of March 2016, with Horticulture accounted for as part of a wider grounds maintenance service from April 2016.

## 29. Agency Services

Warwickshire County Council provides a payroll service to the Council, involving a total payment of £8.327million for employees and members of the Council. Of this sum £1.398million is paid to Her Majesty's Revenue and Customs and £0.476 million is paid to Warwickshire County Council pensions department. We paid a charge of £14,928 in 2016/17 for this service.

## 30. Pooled Budgets

### Building Control Partnership

We are part of a pooled budget arrangement with Nuneaton and Bedworth Borough Council for the provision of building control services. The current agreement is renewed annually. The Building Control Partnership is hosted by Nuneaton and Bedworth Borough Council and provides services to both Councils. It reports to a Steering Group which is made up of elected Members from both Councils.

This Council contributes 34.3% of the budget, with Nuneaton and Bedworth contributing the remaining 65.7%. The same proportions are used to meet any deficit or surplus arising on the pooled budget at the end of each financial year.

		2015/16 £		2016/17 £
Funding provided to the pooled budget:				
• North Warwickshire	75,440		36,670	
• Nuneaton and Bedworth	144,500		70,250	
		219,940		106,920
Expenditure met from the pooled budget:				
• North Warwickshire	54,446		33,447	
• Nuneaton and Bedworth	104,288		63,432	
		158,734		96,879
Net (surplus)/deficit arising on the pooled budget during the year		(61,206)		(10,041)
Council share of 34.3% of the net (Surplus)/deficit arising from the pooled budget		(20,994)		(3,444)

### Heart Partnership

We are part of a shared service for the delivery of an integrated Home Environment Assessment & Response Team (HEART) service. The overall aims and objectives of the shared service is to bring together housing and occupational therapy services in an integrated team which delivers Home Improvement Agency Services and housing adaptations for disabled and older people in Warwickshire. Participants in the shared service arrangement are North Warwickshire Borough Council, Warwickshire County Council, Rugby Borough Council and Nuneaton and Bedworth Borough Council.

The partnership has operated for a number of years, but during 2016/17 the arrangement was formalised and the relevant finances of the authorities involved were brought together in a pooled budget arrangement. The Heart Partnership is hosted by Nuneaton and Bedworth Borough Council and provides services to each of the Councils involved. The partnership reports to a Steering Group which is made up of elected members and officers from all partner authorities. The table below shows the budget and actual spend position during 2016-17.

	£
Budget – Disabled Facilities Grant	543,688
Actual spend by North Warwickshire Borough Council before the Heart project start date	281,219
Spend by the Heart Shared Service on behalf of NWBC	91,705
Balance of funding retained by the Heart Shared Service to be carried forward to 2017-18 to spend in the North Warwickshire area	189,514

### 31. Members' Allowances

The Council paid the following amounts to members of the Council during the year.

	2015/16	2016/17
	£000	£000
Allowances	221	211
Expenses	9	6
<b>Total</b>	<b>230</b>	<b>217</b>

### 32. Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

2016/17	Salaries, Fees and Allowances	Expenses Allowances	Pensions	Total
Job Title	(£)	(£)	(£)	(£)
Chief Executive* **	87,896	5,357	13,448	106,701
*(32 hours per week ) **includes Neighbourhood Plan Referendums and a By-Election				
Deputy Chief Executive***	73,432	4,641	11,235	89,308
*** (32 hours per week )				
Assistant Chief Executive & Solicitor to the Council	70,538	3,456	10,792	84,786
Assistant Chief Executive (Community Services)	67,729	3,456	10,362	81,547

2015/16	Salaries, Fees and Allowances	Expenses Allowances	Pensions	Total
Job Title	(£)	(£)	(£)	(£)
Chief Executive* **	100,036	5,969	14,505	120,510
*(32 hours per week from January 2016) **includes Returning Officer for Borough Elections				
Deputy Chief Executive***	72,705	4,640	10,542	87,887
*** (32 hours per week )				
Assistant Chief Executive & Solicitor to the Council	69,839	3,456	10,127	83,422
Assistant Chief Executive (Community Services)	67,058	3,456	9,723	80,237

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

<b>Employee Pay Bands</b>	<b>2015/16 staff numbers</b>	<b>2016/17 staff numbers</b>
£60,000-£64,999	5	5
£65,000-£69,999	-	-
£70,000-£74,999	-	-
	<b>5</b>	<b>5</b>

The number of exit packages with total costs per band and total cost of the compulsory and other redundancies are set out in the table below and note 39.

<b>Exit packages cost band</b>	<b>Number of compulsory redundancies</b>		<b>Total cost of exit packages for compulsory redundancies by cost band</b>	
	<b>2015/16</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2016/17</b>
			<b>£</b>	<b>£</b>
£0 – £20,000	4	5	23,624	30,587
£20,001 - £40,000	-	1	-	25,097
<b>Total</b>	<b>4</b>	<b>6</b>	<b>23,624</b>	<b>55,684</b>

The total cost of £55,684 in the table above has been charged to the Council's Comprehensive Income and Expenditure Statement in the current year.

### 33. External Audit Costs

We pay audit fees for work undertaken on the audit of the Statement of Accounts, the certification of grant claims and returns and statutory inspections. Our appointed auditors for 2016/17 are Ernst Young LLP.

The table below indicates the costs incurred, or to be incurred, on the audit of the 2016/17 accounts.

<b>Type of Audit Work</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>
Fees payable to Ernst Young LLP with regard to external audit services carried out for the year	42	42
Fees payable to Ernst Young LLP for the certification of grant claims and returns for the year	11	10
<b>Total</b>	<b>53</b>	<b>52</b>

### 34. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2016/17.

	2015/16	2016/17
	£000	£000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Revenue Support Grant	1,402	899
Council Tax Freeze Grant	46	-
Transitional Grant	-	21
Non Domestic Rates	1,744	1,759
<b>Total</b>	<b>3,192</b>	<b>2,679</b>

<b>Credited to Services</b>		
New Burdens – Council Tax Discount for Family Annexes	1	-
New Burdens – Other	7	2
New Burdens – Backdating and Removal of Family Premium Payments	1	-
New Burdens – Smoke and CO Alarms	1	-
New Burdens – Lettings Agent Transparency & Redress Scheme	1	-
New Burdens – Localising Council Tax Reform	15	-
New Burdens – Single Fraud Initiative Grant	-	1
New Burdens – Welfare Reform	-	10
New Burdens – Property Searches	-	4
New Burdens – Brownfield Register Grant	-	15
NDR Revaluation Flyer Grant	-	1
HCA Capacity Funding Grant	-	224
Electoral Reform Services Grant	50	38
Small Business and Empty Property Rate Relief	428	337
Neighbourhood Planning Grant	15	25
New Burdens - RTI Grant	5	5
DWP - Local Authority Data Share (LADS-atlas)	7	15
DWP – Fraud and Error Reduction Incentive Scheme	17	8
DWP – Benefits Cap	-	7
Self Build & Custom Housebuilding register	-	6
Web Results UK Grant	-	6
Leader Project Grant	32	67
Stronger and Safer Communities Funding	24	31
New Burdens - Transparency Code Set Up	8	8
Benefits Grant (DHP)	56	67
Benefits Administration Grant	282	253
New Homes Bonus Scheme	709	972
Rent Allowances Subsidy	7,771	7,569
National Non Domestic Rates Administration Grant	111	110
Housing Rent Rebates	6,112	5,956
Custom Build Grant	-	15
<b>Total</b>	<b>15,653</b>	<b>15,752</b>

## 35. Related Parties

We are required to disclose material transactions with related parties – these are bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

### Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which we operate and provides a significant proportion of our funding in the form of grants and prescribes the terms of many of the transactions that we have with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are shown in Note 34.

### Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2016/17 is shown in Note 31.

### Other Public Bodies (subject to common control by central government)

We have a pooled budget arrangement with Nuneaton and Bedworth Borough Council for the provision of building control services and with other Warwickshire Authorities for the delivery of the Heart Shared Service. Transactions and balances outstanding are detailed in Note 30.

Five Borough Councillors were also Warwickshire County Councillors in 2016/17. During the year, we paid £2,367,509 (£2,347,365 in 2015/16) to Warwickshire County Council for services including: pensions, land charges, broadband, arboriculture services, trade refuse disposal, contribution to the costs of Lower House Farm recycling facility and leisure facilities. Income of £505,285 (£457,677 in 2015/16) was received from the County Council for school swimming lessons, grass cutting, food bank, community hubs, part occupation of Council Offices and recycling activities.

Five Borough Councillors were also on Atherstone Town Council in 2016/17. Income of £18,872 (£45,623 in 2015/16) was received from Atherstone Town Council, for the monitoring of their CCTV cameras within the town and for some grounds maintenance work. Expenditure of £0 (£53,007 in 2015/16) was paid to Atherstone Town Council.

Two Borough Councillors were also on Coleshill Town Council in 2016/17. Income of £2,465 (£5,748 in 2015/16) was received from Coleshill Town Council, for the provision of a trade refuse service and the purchase of two Billy Goat Sweepers and a Trailer.

During the year, works and services to the value of £1,484.97 were commissioned from Cubic Apple in which 1 member had an interest. Contracts were entered into in full compliance with the council's standing orders.

During the year a payment of £49,125 (£64,125 in 2015/16) was made to North Warwickshire Citizens Advice Bureau. The Borough Council was represented on the North Warwickshire Citizens Advice Bureau by 1 Borough Councillor. The transaction represents a contribution to the running expenses of the organisation. The Member recorded an interest in the Register of Members Interests, which is open to public inspection at the Council Offices during office hours.

The Council is a non-constituent member of the West Midlands Combined Authority (WCMA). The WMCA is a group of councils across the region that is working together to seek greater decision-making powers from the government in a process known as devolution. In the Scheme sent to Government only constituent members have voting rights. However, once the WMCA is established constituent members can give voting rights to non-constituent members, for example, allowing them to vote on matters to do with economic development. Constituent members may only be signed up to one combined authority, whilst non-constituent members can be signed up to one or more combined authorities. In 2016/17 North Warwickshire Borough Council paid the WMCA a £25,000 contribution to help fund its programmes and initiatives.

### 36. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with previous year's unfunded capital creditors. The resources that have been used to finance this expenditure are also shown.

<b>Capital Expenditure and Financing</b>		
	<b>2015/16 £000</b>	<b>2016/17 £000</b>
<i>Capital Investment</i>		
Property, Plant and Equipment	6,680	8,833
Intangible Assets	132	53
Revenue Expenditure Funded from Capital Under Statute	848	333
<b>Total Expenditure</b>	<b>7,660</b>	<b>9,219</b>
<i>Sources of Finance</i>		
Capital receipts	(397)	(1,226)
Government grants and other contributions	(911)	(372)
Revenue Contribution to Capital	(219)	(119)
Section 106 contributions	(33)	(889)
Earmarked Capital Reserve	(497)	(169)
Major Repairs Reserve/HRA RCCO	(3,496)	(5,605)
Capital payables	(948)	(675)
Prudential Borrowing	(1,159)	(164)
<b>Total Financing</b>	<b>(7,660)</b>	<b>(9,219)</b>

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is shown below.

	<b>2015/16 £000</b>	<b>2016/17 £000</b>
Long Term Assets	142,737	162,156
Long Term Debtor	1,000	1,000
Revaluation Reserve	(6,763)	(9,176)
Capital Adjustment Account	(66,671)	(85,789)
<b>Capital Financing Requirement</b>	<b>70,303</b>	<b>68,191</b>



## 37. Leases

### Council as Lessee

#### *Finance Leases*

The Council had acquired the public conveniences at Water Orton, Coleshill and Polesworth under finance leases. These leases were all terminated in September 2016. These assets were carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

31 March 2016 £000		31 March 2017 £000
135	Property, Plant, and Equipment	-

The Council was committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that were payable by the Council in future years while the liability remained outstanding. The minimum lease payments were made up of the following amounts:

31 March 2016 £000		31 March 2017 £000
	Finance lease liabilities (net present value of minimum lease payments):	
9	• Current	-
103	• Non-current	-
23	Finance costs payable in future years	-
<b>135</b>	<b>Minimum lease payments</b>	<b>-</b>

The minimum lease payments will no longer be payable in future years:

	Minimum lease payments		Finance lease payments	
	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000
Not later than one year	11	-	12	-
Later than one year and not later than five years	45	-	44	-
Later than five years	79	-	57	-
<b>Total</b>	<b>135</b>	<b>-</b>	<b>113</b>	<b>-</b>

The minimum lease payments did not include rents that were contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2016/17, no contingent rents were payable by the Council (none in 2015/16).

#### *Operating Leases*

We have used operating leases as a way of financing some vehicles and equipment. The plant and vehicle leases related to commercial vehicles (5 or 7 years) and mowers (4 years), most of which the Council use to deliver various services to the public. The final operating lease for plant and vehicle leases ended on 25<sup>th</sup> March 2017.

No payments are due under non-cancellable leases in future years:

31 March 2016 £000		31 March 2017 £000
5	Not later than one year	-
-	Later than one year and not later than five years	-
<b>5</b>	<b>Total</b>	<b>-</b>

We also have a Land and Building lease. This relates to some industrial units known as Units 18-39 Innage Park, Atherstone, which we sub-let.

The future minimum sublease payments expected to be received by the Council are shown in the table below, along with the expenditure in relation to these leases during the year. Both the income and expenditure are included within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

31 March 2016 £000		31 March 2017 £000
101	Minimum lease payments	111
(165)	Contingent rents	(187)
<b>(64)</b>	<b>Total</b>	<b>(76)</b>

#### Council as Lessor

##### *Finance Leases*

The Council hasn't leased out any assets under finance leases.

##### *Operating Leases*

The Council leases out property under operating leases for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2016 £000		31 March 2017 £000
262	Not later than one year	301
49	Later than one year and not later than five years	49
4,546	Later than five years	4,463
<b>4,857</b>	<b>Total</b>	<b>4,813</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into such as adjustments following rent reviews. In 2016/17, £104,694 contingent rents were receivable by the Council (£96,773 in 2015/16).

### **38. Impairment Losses**

We are required to disclose by class of assets the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Notes 10 and 13 reconciling the movement over the year in the Property, Plant and Equipment and Intangible Asset balances.

There were no material impairment losses recognised during 2016/17 (nil 2015/16).

### **39. Termination Benefits**

The Council terminated the contracts of 6 employees in 2016/17, incurring liabilities of £55,684 (£23,624 in 2015/16) – see Note 32 for the number of exit packages and total cost per band. Payments were made to a Multi Skilled Plumber, Electrician, Receptionist at Coleshill Leisure Centre, Assistant Central Services Officer, Duty Manager at Arley and a Cleansing Services Operative who were made redundant as part of the Council's rationalisation of these services.

### **40. Defined Benefit Pension Schemes**

#### Participation in Pension Schemes

As part of the terms and conditions of employment of our officers we make contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, we have a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

We participate in the Local Government Pension scheme administered locally by Warwickshire County Council. This is a funded defined benefit salary scheme meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The scheme was a final salary scheme until 31 March 2014 and then changed to a career average scheme from 1 April 2014.

In addition there are arrangements for the award of discretionary post retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there will be no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension's payments as they eventually fall due. These costs are included in the following figures.

## Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year so the real cost of post employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year:

	2015/16 £000	2016/17 £000
<b>Comprehensive Income and Expenditure Statement</b>		
<i>Cost of Services</i>		
• Current service cost	(2,237)	(1,900)
• Past Service Cost and Curtailments	-	(6)
<i>Financing and Investment Income and Expenditure</i>		
• Interest cost	(2,962)	(3,001)
• Expected return on scheme assets	1,916	2,111
<b>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>(3,283)</b>	<b>(2,796)</b>
<i>Re measurement of the net defined benefit liability comprising</i>		
• Return on plan assets	(719)	7,986
• Actuarial (losses)/gains arising on changes in demographic assumptions	-	937
• Actuarial (losses)/gains arising on changes in financial assumptions	8,362	(13,452)
• Other	1,089	3,689
<b>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>8,732</b>	<b>(840)</b>
<i>Movement in Reserves Statement</i>		
• Reversal of net charges made to the Surplus or Deficit of Services for post employment benefits in accordance with the Code	3,283	2,796
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• Employers contributions payable to scheme	1,596	1,670
<b>Retirement benefits payable to pensioners</b>	<b>(2,779)</b>	<b>(2,872)</b>

The cumulative amount of actuarial gains and losses recognised in other Comprehensive Income and Expenditure in the actuarial gains and losses on pension assets and liabilities line was a gain of £840,000 at 31 March 2017 and a loss of £8,732,000 at 31 March 2016.

## Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities	
	2015/16 £000	2016/17 £000
<b>Opening balance at 1 April – Funded liabilities</b>	<b>92,609</b>	<b>84,143</b>
<b>Opening balance at 1 April – Unfunded liabilities</b>		<b>1,910</b>
Current service cost	2,237	1,900
Past Service Cost	-	6
Interest Cost	2,962	3,001
Contributions by scheme participants	475	472
Actuarial losses arising from changes in demographic assumptions	-	(937)
Actuarial losses arising from changes in financial assumptions	(8,362)	13,452
Other	(1,089)	(3,689)
Benefits paid - funded	(2,644)	(2,738)
Benefits paid - unfunded	(135)	(134)
<b>Closing balance at 31 March – Funded liabilities</b>	<b>84,143</b>	<b>95,380</b>
<b>Closing balance at 31 March – Unfunded liabilities</b>	<b>1,910</b>	<b>2,006</b>

Reconciliation of the fair value of the scheme (plan) assets:

	Funded Assets	
	2015/16 £000	2016/17 £000
Opening fair value of scheme assets at 1 April	60,238	60,727
Expected rate of return - Interest	1,916	2,111
Actuarial gains – Return on plan assets	(719)	7,986
Contributions by scheme participants	475	472
Employer contributions	1,461	1,536
Contributions in respect of unfunded benefits	135	134
Benefits/transfers paid	(2,644)	(2,738)
Unfunded Benefits/transfers paid	(135)	(134)
<b>Closing fair value of scheme assets at 31 March</b>	<b>60,727</b>	<b>70,094</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £10.097 million (£1.197 million in 2015/16).

### Scheme History - Pensions Assets and Liabilities recognised in the Balance Sheet

	31 March 2013 £000	31 March 2014 £000	31 March 2015 £000	31 March 2016 £000	31 March 2017 £000
Present value of the defined benefit obligation	(75,627)	(78,217)	(92,609)	(86,053)	(97,386)
Fair value of Plan assets	50,633	53,899	60,238	60,727	70,094
<b>Net liability arising from defined benefit obligation</b>	<b>(24,994)</b>	<b>(24,318)</b>	<b>(32,371)</b>	<b>(25,326)</b>	<b>(27,292)</b>

The liabilities show the underlying commitments that we have in the long-run to pay post employment (retirement) benefits. The total liability of £27.292 million has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. This deficit would impact upon our reserves only if it all fell due at the same time. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy – the deficit on the scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

In 2016/17 the Council actually paid an employer's contribution of £1,132,058 representing 15.3% (14.5% in 2015/16) of participating employees' pensionable pay into Warwickshire County Council's Superannuation Fund which provides members with defined benefits related to pay and service. In addition the Council is responsible for all pension payments relating to added years benefit it has awarded together with the related increases. In 2016/17 these amounted to £133,958 representing 1.81% of pensionable pay (in 2015/16 the Council made payments totalling £138,933 representing 1.88% of pensionable pay). In 2017/18 the estimated contributions expected to be paid to the scheme after the Balance Sheet date is £1,561,000.

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels and so on. The liabilities of the Warwickshire County Council Fund have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the County Council Fund being based on the latest valuation of the scheme as at 31 March 2017. These figures do not include any limits imposed by IFRIC interpretation IAS 19.

The main assumptions used by the actuary for estimating assets and liabilities are:

	2015/16	2015/16	2016/17	2016/17
	Beginning of year	End of Year	Beginning of year	End of Year
<b>Allowance for Admin Expenses</b>				
Expenses Deducted (p.a.)	0.6%	0.6%	0.6%	0.6%
Mortality assumptions:				
<b>Longevity at 65 for current pensioners:</b>				
Men	22.4	22.4	22.5	22.5
Women	24.4	24.4	24.7	24.7
<b>Longevity at 65 for future pensioners:</b>				
Men	24.3	24.3	24.3	24.3
Women	26.6	26.6	26.7	26.7
Rate of Inflation (CPI)	2.2%	2.2%	2.4%	2.4%
Rate of Increase in salaries	4.3%	4.2%	3.0%	3.0%
Rate of increase in pensions	2.2%	2.2%	2.4%	2.4%
Rate of discounting scheme liabilities	3.2%	3.5%	2.6%	2.6%

	2015/16	2015/16	2016/17	2016/17
	Beginning of year	End of Year	Beginning of year	End of Year
Take up option to convert annual pension into retirement lump sum – pre April 2008	50%	50%	50%	50%
Take up option to convert annual pension into retirement lump sum – post April 2008	75%	75%	75%	75%

The table below details the pension scheme's assets consisting of the following categories, by value and proportion of the total assets held.

	2015/16	2015/16	2016/17	2016/17
	£ 000	%	£ 000	%
<b>Equity Securities:-</b>				
• Consumer	6,830.8	11.2%	8,156.5	11.6%
• Manufacturing	2,546.9	4.2%	2,981.2	4.2%
• Energy and Utilities	1,162.9	1.9%	1,314.3	1.9%
• Financial Institutions	3,309.4	5.5%	3,749.3	5.3%
• Health and Care	2,024.6	3.3%	2,539.0	3.6%
• Information Technology	1,659.3	2.7%	2,000.0	2.9%
• Other	2,322.2	3.8%	3,342.7	4.8%
<b>Private Equity:-</b>				
• All	1,643.7	2.7%	2,465.2	3.5%
<b>Real Estate:-</b>				
• UK Property	6,967.3	11.5%	6,570.1	9.4%
• Overseas Property	51.3	0.1%	46.7	0.1%
<b>Investment Funds and Unit Trusts:-</b>				
• Equities	14,971.3	24.6%	17,388.3	24.8%
• Bonds	10,196.4	16.8%	11,895.0	17.0%
• Hedge Funds	3,022.5	5.0%	3,059.9	4.4%
• Infrastructure	535.1	0.9%	844.5	1.2%
• Other	2,777.7	4.6%	2,792.9	4.0%
<b>Cash and Cash Equivalents:-</b>				
• All	705.6	1.2%	948.4	1.3%
<b>Total</b>	<b>60,727.0</b>	<b>100.0%</b>	<b>70,094.0</b>	<b>100.0%</b>

#### 41. Nature and Extent of Risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Risk management is carried out by the Financial Services team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for the overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

##### ➤ *Credit Risk*

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy which requires that deposits are not made with financial institutions unless they meet minimum credit criteria in

accordance with the Fitch, Moody's and Standard and Poor's Credit Rating Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

This Council uses the creditworthiness service provided by Capita Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to investments in banks and building societies of £3 million cannot be assessed generally as the risk of any institution failing to make interest payments or repay the historical principal will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2017 that this was likely to crystallise.

The Council's exposure to credit risk on other financial assets relates to trade/sundry debtors. We do not allow credit for trade/sundry debtors so £218,718 of the balance is past its due date for payment. The past due amount can be analysed by age as follows:

	<b>31 March 2016</b> £000	<b>31 March 2017</b> £000
Less than three months	106	139
Between three and six months	13	10
Between six months and one year	4	19
More than one year	48	51
<b>TOTAL</b>	<b>171</b>	<b>219</b>

The Council initiates a legal charge on property where clients cannot pay their debts and recovery action has been unsuccessful. The total collateral at 31 March 2017 was £2,305.

➤ *Liquidity Risk*

The Council manages its liquidity position through the risk management procedures above (the setting and proving of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.



The maturity analysis of financial liabilities is as follows:

	<b>31 March 2016 £000</b>	<b>31 March 2017 £000</b>
Less than one year	1,450	1,600
Between one years and two years	1,600	1,700
Between two and five years	5,450	6,000
Between five and ten years	11,660	12,010
Between ten and fifteen years	16,130	18,280
Between fifteen and twenty years	8,699	3,949
More than twenty years	10,000	10,000
<b>Total</b>	<b>54,989</b>	<b>53,539</b>

All trade and other creditors are due to be paid in less than one year.

Liquid resources held by the Council are short-term investments. These continue to be managed internally, with a limit on the amount that can be invested with any one institution in accordance with the authorised lending list. All investments at 31 March 2017 were held with banks and building societies. At 31 March 2017 the Council had short-term investments of £14.525 million.

	<b>31 March 2016 £000</b>	<b>31 March 2017 £000</b>	<b>Change in year £000</b>
Short Term Investments	14,039	14,525	486
<b>Total</b>	<b>14,039</b>	<b>14,525</b>	<b>486</b>

➤ *Market Risk*

**Interest Rate Risk** - The Council is exposed to interest rate movements on its borrowing and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – the fair value of the borrowings will fall (no impact on revenue balances)
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of services will rise
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

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The Council has a number of strategies for managing interest rate risk. Policy is to assess the likelihood of movements in interest rates, when taking decisions on variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

We borrowed from the Public Works Loans Board to make the Housing Self Financing Settlement payment, to take advantage of the favourable interest rates offered for that transaction. We currently have no other long term external borrowing, as we have chosen to make use of the reserves we hold, and finance borrowing internally. We continue to monitor market rates at the moment, ready for when the Council needs to borrow in the future.

## North Warwickshire Borough Council

### Housing Revenue Account Income and Expenditure Statement

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents. Councils charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

Actual 2015/16 £000	Actual 2015/16 £000		Actual 2016/17 £000	Actual 2016/17 £000	Note
3,054		<b>EXPENDITURE</b>			
		Repairs and Maintenance	3,153		5
1,279		Supervision and Management			
531		- General	1,330		
2,005		- Special Services	453		
		Depreciation and Impairment of non-current assets	2,423		8
2,924		Debt Management Costs	3,061		
9		Movement in the allowance for bad debts	31		11
	9,802	<b>TOTAL EXPENDITURE</b>		10,451	
		<b>INCOME</b>			
(11,789)		Dwelling rent	(11,604)		12
(332)		Non-dwelling rent	(349)		
(87)		Charges for Services and Facilities	(112)		
(88)		Grant for New Build	(72)		
	(12,296)	<b>TOTAL INCOME</b>		(12,137)	
	(2,494)	<b>Net Income of HRA Service as included in the Comprehensive Income and Expenditure Statement</b>		(1,686)	
	88	HRA service share of Corporate and Democratic Core		84	
	(2,406)	<b>Net Income/cost for HRA Services</b>		(1,602)	
		<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement</b>			
	(313)	Gain on sale of HRA non-current assets		131	
	(69)	Interest payable and similar charges		410	9/14
	(43)	Interest and Investment Income		(29)	14
	(20,374)	Deficit or (Surplus) on Revaluation of Property, Plant and Equipment		(14,234)	9
	(23,205)	<b>(Surplus) or Deficit for the year on HRA Services</b>		(15,324)	

## North Warwickshire Borough Council

### Movement on the Housing Revenue Account Statement

This shows how the surplus/deficit on the HRA Income and Expenditure statement reconciles to the movement on the Housing Revenue Account Balance for the year.

2015/16 £000		2016/17 £000
(1,979)	<b>Balance on the HRA at the end of the previous year</b>	(2,789)
(23,205)	(Surplus)/ Deficit for the year on the HRA Income and Expenditure Statement	(15,324)
20,602	Adjustments between accounting basis and funding basis under statute	13,632
(2,603)	<b>Net (Increase) or decrease before transfers to or from reserves</b>	(1,692)
1,793	Transfers to or (from) reserves	1,160
(810)	<b>(Increase) of decrease in year on the HRA</b>	(532)
(2,789)	<b>Balance on the HRA at the end of the current year</b>	(3,321)

#### Adjustments between accounting basis and funding basis under statute:

2015/16 £000		2016/17 £000	Note
	<b>Items included in the HRA Income and Expenditure Statement but excluded from the movement on HRA Balance for the Year</b>		
20,374	Reversal of Impairment losses and revaluations	14,234	9
313	Gain on sale of HRA Property, Plant and Equipment	(131)	
(157)	Net charges made for retirement benefits in accordance with IAS 26	(56)	10
3	(Increase)/Reduction in accrual for employee benefits	(5)	
20,533	<b>Items not included in the HRA Income and Expenditure Statement but included in the movement on HRA Balance for the Year</b>	14,042	
69	Transfer to Capital Adjustment Account	(410)	14
20,602	<b>Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year</b>	13,632	

#### Transfers to or from reserves

2015/16 £000		2016/17 £000	Note
174	Transfer to/(from) the Housing Repairs Reserve	(23)	5

## Notes to the Housing Revenue Account (HRA) Statements for the Year Ended 31 March 2017

## 1. Legal Obligation

We are obliged by law to avoid a deficit on this Account and achieve this by keeping a working balance on the Account. This Account reflects the statutory obligation to account separately for the housing provision, in particular Schedule 4 of the Local Government and Housing Act 1989.

## 2. Housing Stock

We were responsible for managing an average of 2,662 dwellings during 2016/17, consisting of the following:

2015/16		2016/17
1,396	Houses	1,405
656	Flats	645
611	Bungalows	611
<b>2,663</b>	<b>Total at 31 March</b>	<b>2,661</b>
	The change in stock was as follows:	
2,692	Stock at 1st April	2,663
(31)	less Sales	(25)
-	Demolitions	(10)
2	New Build	33
<b>2,663</b>	<b>Stock at 31 March</b>	<b>2,661</b>

## 3. Assets held within the Housing Revenue Account

We hold assets within our HRA valued at £138 million as at 31 March 2017. The value of each type of asset and the split between operational and non-operational assets are set out below.

Balance as at 31 March 2016 £000	Asset Type	Balance as at 31 March 2017 £000
34,626	Land	39,050
79,672	Council Dwellings	93,992
248	Plant and Vehicles	250
4,321	Other Property	4,708
<b>118,867</b>	<b>Total</b>	<b>138,000</b>
79,672	Operational Assets – Dwellings	93,992
33,797	- Land	38,643
4,321	- Other Buildings	4,708
248	- Plant and Vehicles	250
829	Non-operational Assets	407
<b>118,867</b>	<b>Total</b>	<b>138,000</b>

The value of land within our housing stock is estimated to be approximately 30% of the total net book value held within the Council's Asset Register. This amount has been identified separately from the value of the buildings to better reflect the value of each category of asset.

The vacant possession value of our housing stock, including the land element, is £329.458 million. This is different to the gross book value of the assets included within the balance sheet of £131.783 million which is based upon the continuing use of housing for social use. The difference between the two amounts is the economic cost of providing council housing at less than open market value.

#### 4. Major Repairs Reserve

Whilst in the National Housing Pool, we received a Major Repairs Allowance from the Government to be used for capital spending on HRA assets. This allowance was held within the Major Repairs Reserve. From April 2013 a contribution has been made from the HRA into the Major Repairs Reserve and the movement in the year is detailed below.

2015/16 £000		2016/17 £000
(1,536)	Balance as at 1 April	(1,536)
(1,982)	Transfer into Reserve – Depreciation	(2,377)
1,982	Transfer into Reserve – Appropriation	2,377
-	To finance Capital Expenditure – Houses	-
<b>(1,536)</b>	<b>Balance as at 31 March</b>	<b>(1,536)</b>

#### 5. Housing Repairs Reserve

The Housing Repairs Reserve exists to provide for repairs and maintenance to council dwellings. The movement on the fund is given below:

2015/16 £000		2016/17 £000
337	Balance as at 1 April	511
3,135	Contributions from HRA	3,097
(2,961)	Use of Fund	(3,120)
<b>511</b>	<b>Balance as at 31 March</b>	<b>488</b>

#### 6. Capital Expenditure and Income

We undertake a programme of works in relation to our HRA property and, in 2016/17, spent £8,229,997 (£4,507,288 in 2015/16). This expenditure was used to fund work on council houses of £3,888,969 (£3,237,703 in 2015/16) and new housing of £4,293,319 (£1,076,914 in 2015/16). The remaining expenditure of £47,709 (£192,671 in 2015/16) related to the replacement of HRA vehicles. There was no work on garages or community centres in 2016/17 (£0 in 2015/16 respectively). Capital spending during the year has been paid for from a number of sources and these are shown on the next page:

2015/16 £000	Source of Funding	2016/17 £000
-	Major Repairs Reserve	-
-	Capital Receipts	(545)
(2)	Capital Receipts – New Build	(480)
(3,496)	Earmarked Reserves	(5,605)
-	Section 106 Funding	(885)
(88)	Grants and Contributions	(72)
(921)	Capital Creditors	(643)
<b>(4,507)</b>	<b>Total</b>	<b>(8,230)</b>

## 7. Disposal of Assets

We dispose of HRA property through the Right to Buy scheme. We also dispose of other assets as opportunity sales. During 2016/17 capital income of £1,485,755 was received from the sale of 25 council houses (£1,651,225 for 31 houses in 2015/16).

## 8. Depreciation

The HRA is charged with an amount to recognise the level of depreciation incurred in the year on its HRA assets. For 2016/17 the amount of depreciation charged is as follows.

2015/16 Operational assets £000		2016/17 Operational assets £000
1,895	Council Dwellings	2,295
86	Other Property	83
12	Vehicles	33
12	Plant & Equipment	12
<b>2,005</b>	<b>Total</b>	<b>2,423</b>

## 9. Impairment charges

There were no impairment charges during the year, although some land and properties held as investment assets reduced in value by £409,810 (see note 14). However there were revaluation gains of £14.234 million on the Council's housing stock. In overall terms revaluation gains of £13.824 million were credited to the Surplus or Deficit on the Provision of Services in the Housing Revenue Account.

## 10. Pensions

The 2004 Code of Practice requires that retirement benefits within the HRA be accounted for in a similar way to that shown within the Consolidated Income and Expenditure Statement. Due to a lack of consensus, the latest guidance (provided in 2003/04) gave several alternative accounting treatments and left it to each Council to decide how to account for IAS 26 within the HRA.

It is our view, pending the receipt of any new guidance, that as the entries on the HRA are defined by statute, there should be no effect on the overall financial position of the HRA. However, as IAS 26 requires that all services show the Current Service Cost of the benefits earned by its employees in the year, the Housing Revenue Account has been charged with an amount of £56,134 to reflect the additional costs of those benefits. This has then been reversed out elsewhere within the account.

## 11. Rent Arrears

At 31 March 2017 the total rent in arrears was £182,613, which represents 1.57% of collectable rent income (2.41% in 2015/16). The rent arrears figures are detailed below: -

2015/16 £000		2016/17 £000
	Arrears at 31st March: -	
114	Present Tenants	115
170	Former Tenants	68
<b>284</b>	<b>TOTAL ARREARS</b>	<b>183</b>

The allowance for bad debts at 31 March 2017 was £124,675 (£226,326 at 31 March 2016). Debts totalling £131,642 were written off during the year (£14,101 written off in 2015/16). The Council has increased the provision for the non collection of leaseholder service charges relating to maintenance works undertaken on leasehold properties by £531 (£1,277 increase in 2015/16).

## 12. Gross Rent Income

This is the total rent income due for the year after allowances are made for voids etc. During the year 1.92% of lettable properties were vacant (1.35% in 2015/16). Average rents were £92.66 a week in 2016/17 (excluding service charges) on a 48 week basis, a decrease of £0.40 or 0.43% over the previous year.

## 13. Charges for Borrowing

The Housing Revenue Account repaid £1,450,000 of the long term borrowing it took out as part of the move to the Housing Self Financing system and £1,610,930 in interest payments on the borrowing still outstanding. Any short term borrowing needed to manage HRA cash flows during the year would be managed on a council basis, with a charge being made to the HRA for its share of the borrowing. The HRA did not require any short term borrowing in 2016/17.

## 14. Investment Income

We receive income from investments we hold during the year. The HRA contributes funds to these investments and receives a share of the income based upon the level of reserves held that relate to the HRA. For 2016/17 this amounted to £29,276 (£42,769 in 2015/16).

The HRA holds land at various locations in the Borough as investment assets. Revaluation of 4 parcels of land during the year showed a decrease in the asset valuations of £196,000 (£57,750 increase in 2015/16 (5 parcels of land). In addition we hold 11 shared ownership properties in Thorncliffe Way, Cornish Close & Digby Road as investment properties. During the year there was a decrease in their valuations of £213,810 (£11,400 increase in 2015/16). The revaluations are included in the Interest and Investment income. This will not be realised unless the properties are sold, so it is reversed out in the adjustments between accounting basis and funding basis under statute in order to arrive at the Housing Revenue Account balance at the end of the year.



**The Collection Fund - Income and Expenditure Statement for the Year Ended 31 March 2017**

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates (NDR).

2015/16 Council Tax £000	2015/16 NNDR £000	2015/16 Total £000		2016/17 Council Tax £000	2016/17 NNDR £000	2016/17 Total £000
33,204	-	33,204	<b>INCOME</b>			
			Income from Council Tax (net of benefits and transitional relief)	34,734	-	34,734
-	42,362	42,362	Income Collectable from Business Ratepayers	-	44,486	44,486
			Cont's to previous years deficits-NDR: Government			
			North Warwickshire Borough Council			
			Warwickshire County Council			
<b>33,204</b>	<b>42,362</b>	<b>75,566</b>		<b>34,734</b>	<b>44,486</b>	<b>79,220</b>
			<b>EXPENDITURE</b>			
23,646	-	23,646	Precepts and Demands-Council Tax :			
3,706	-	3,706	Warwickshire County Council	24,991	-	24,991
4,962	-	4,962	Warwickshire Police Authority	3,841	-	3,841
			North Warwickshire Borough Council	5,059	-	5,059
32,314	-	32,314	Distribution of Surpluses-Council Tax :	33,891	-	33,891
509	-	509	Warwickshire County Council	437	-	437
80	-	80	Warwickshire Police Authority	69	-	69
109	-	109	North Warwickshire Borough Council	92	-	92
698	-	698	Business Rate :	598	-	598
-	16,910	16,910	North Warwickshire Borough Council	-	16,031	16,031
-	21,137	21,137	Payment to Government	-	20,038	20,038
-	4,228	4,228	Payment to Warwickshire County Council	-	4,007	4,007
-	185	185	Transition Protection payment to Government	-	71	71
-	111	111	Cost of collection	-	110	110
-	42,571	42,571	Bad and doubtful debts/appeals :	-	40,257	40,257
249	196	445	Arrears Written Off	77	171	248
-	-	-	Deferred Rates	-	-	-
(51)	(77)	(128)	Provision for uncollectable amounts	11	(21)	(10)
-	1,679	1,679	Provision for Appeals	-	(668)	(668)
-	123	123	Less Spread of Appeals provision	-	123	123
(6)	(2,130)	(2,136)	Increase/(Decrease) in Fund Balance	157	4,624	4,781
<b>33,204</b>	<b>42,362</b>	<b>75,566</b>		<b>34,734</b>	<b>44,486</b>	<b>79,220</b>
<b>MOVEMENTS ON THE COLLECTION FUND</b>						
795	(2,540)	(1,745)	Balance at 1 April	789	(4,670)	(3,881)
(6)	(2,130)	(2,136)	<b>Surplus/(Deficit) for the Year</b>	157	4,624	4,781
<b>789</b>	<b>(4,670)</b>	<b>(3,881)</b>	<b>Balance at 31 March 2017</b>	<b>946</b>	<b>(46)</b>	<b>900</b>

**Precepts and Demands on the Collection Fund  
(Council Tax)**

<b>Precept /Demand</b>	<b>Share of 31 March 2016 Surplus</b>	<b>2015/16 Total</b>	<b>Authority</b>	<b>Precept /Demand</b>	<b>Share of 31 March 2017 Surplus</b>	<b>2016/17 Total</b>
£000	£000	£000		£000	£000	£000
23,646	579	24,225	Warwickshire County Council	24,991	699	25,690
3,706	90	3,796	Warwickshire Police Authority	3,841	106	3,947
4,962	120	5,082	North Warwickshire Borough Council	5,059	141	5,200
<b>32,314</b>	<b>789</b>	<b>33,103</b>	<b>Total</b>	<b>33,891</b>	<b>946</b>	<b>34,837</b>

**NNDR (Business Rates) on the Collection Fund**

<b>Business Rates 2015/16</b>	<b>Share of 31 March 2016 Deficit</b>	<b>2015/16 Total</b>	<b>Authority</b>	<b>Business Rates 2016/17</b>	<b>Share of 31 March 2017 Deficit</b>	<b>2016/17 Total</b>
£000	£000	£000		£000	£000	£000
16,910	(1,722)	15,188	North Warwickshire Borough Council	16,031	55	16,086
4,228	(491)	3,737	Warwickshire County Council	4,007	(17)	3,990
21,137	(2,457)	18,680	Government	20,038	(84)	19,954
<b>42,275</b>	<b>(4,670)</b>	<b>37,605</b>	<b>Total</b>	<b>40,076</b>	<b>(46)</b>	<b>40,030</b>

## Notes to the Collection Fund for the year ended 31 March 2017

### 1. Council Tax

Council Tax is calculated by estimating the amount of income required from the Collection Fund by the Borough Council, Warwickshire County Council and Warwickshire Police Authority for the forthcoming year and dividing this by the council tax base.

The council tax base is the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings. For 2016/17 the base was calculated as follows:

Band	Estimated number of taxable properties after effect of discounts	Ratio	Band D equivalent Dwellings
A	4,318.59	6/9	2,877.90
B	5,525.83	7/9	4,297.87
C	5,118.26	8/9	4,549.57
D	3,401.06	9/9	3,401.06
E	2,045.82	11/9	2,500.45
F	1,109.21	13/9	1,602.19
G	637.02	15/9	1,061.70
H	62.93	18/9	125.86
			20,416.60
Less adjustment for collection rates and for anticipated changes during the year for successful appeals against valuation banding.			(408.31)
<b>COUNCIL TAX BASE 2016/17</b>			<b>20,008.29</b>

On the basis of an average £1,693.82 council tax rate throughout the North Warwickshire Borough Council area, the original estimated council tax income was £33.890 million (£1,693.82 x 20,008.29). The actual income received, was higher than the estimated due to changes in individual circumstances.

### 2. Income from Business Rates

We collect business rates for the North Warwickshire area, which are based on local rateable values multiplied by a national non-domestic rate specified by the Government. From April 2013 we divide the rates collected between the government (50%), this council (40%) and Warwickshire County Council (10%). As our assessed need is lower than our share of the business rates, we pay the difference to the government as a tariff. If additional rates are collected in year they are allocated in the proportions shown above. This Council then pays a levy on our share of the additional rates. If we collect less, we stand the shortfall, up to a specified amount.

The rates to be collected can change during the year as the circumstances of individual businesses alter. Unless significant, all changes which occurred after 4th March 2017 are accounted for in the following year to allow the system to be rolled forward and future bills prepared. We were notified of increases of £356,900 after the 4th March 2017, due to changes to the valuations of properties, which will be included within the 2017/18 accounts.

The total non-domestic rateable value at the year-end was £99,250,328 (£97,409,519 in 2015/16). The national non-domestic rate for small businesses was 48.4 pence (48.0 pence in 2015/16) and the rate for other businesses was 49.7 pence (49.3 pence in 2015/16).

# Statement of Accounting Policies

## 1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year end of 31 March 2017. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations England 2015, which require those statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Council's Financial Statements have been prepared on a going concern basis, that is, the accounts are prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Statements have been completed using the qualitative characteristics of Understandability, Relevance, Materiality, Reliability and Comparability.

The Statement of Accounts have been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the "common needs of most users".
- The objective of showing the results of the stewardship and accountability of elected members and management for the resources entrusted to them.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

## 2. Accruals of Income and Expenditure

We record all revenue and capital transactions over £250 on an accruals basis. This means that the activity is accounted for in the year that it takes place, not when cash payments are actually made or income is actually received. Where there is no cash transaction a debtor or creditor for the relevant amount is included in the balance sheet. These are shown within the current assets and current liabilities sections of the Balance Sheet respectively. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Amounts less than £250 are included in the accounts when payment is made or income is received. In addition, electricity and other similar quarterly payments are charged at the date of meter reading rather than apportioned between financial years. This policy is consistently applied each year so it does not have a material effect upon the year's accounts.

Business Rate and Council Tax Prepayments, together with grants received in advance for schemes where we are acting as the Accountable Body are shown within creditors.

Supplies are included as expenditure when they are used. Where they have been received but not used, they are carried as inventories on the balance sheet. Similarly works are charged as expenditure when they are completed. Any work that is incomplete at the year end is also included on the balance sheet as inventories.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

### **3. Cash and Cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

### **4. Charges to Revenue for Non-Current Assets**

We charge services for all the assets they use to provide their services. The charges cover:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off
- Amortisation of intangible assets used by services.

Depreciation has been calculated where appropriate, by spreading the value of the asset less any residual value over its useful life. Depreciation is charged on all operational buildings owned by the Council, both General Fund and those held within the Housing Revenue Account. These capital charges form part of the net cost of service within the Comprehensive Income and Expenditure Statement.

We are not required to raise council tax to cover depreciation, revaluation and impairment losses and intangible asset amortisation. However, we are required to make an annual provision from revenue towards reducing our borrowing requirement equal to an amount calculated on a prudent basis in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are replaced by the contribution in the General Fund balance (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two, so that Council Tax is unaffected.

### **5. Employee Benefits**

#### Benefits Payable during Employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which the employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the year in which the employee takes out the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or, an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service, or where applicable to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

### Post Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme, administered by Warwickshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

- The liabilities of the Warwickshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees.
- Scheme liabilities are discounted to their value at current prices using a discount rate of 3.5% which is based on market yields at the balance sheet date on high quality corporate bonds.

The assets of the Warwickshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unlisted securities – current bid price
- Property – market value.
- The change in the net pension liability is analysed into seven components:
  - current service cost – the increase in liabilities as a result of a years service earned this year, which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
  - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

- interest cost - the expected increase in the present value of liabilities during the year as they move one year closer to being paid, which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return, which is credited to Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- actuarial gains and losses – changes in the net pension’s liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, which are debited to the Actuarial gains and losses on pension assets and liabilities line in the Comprehensive Income and Expenditure Statement.
- contributions paid to the Warwickshire Pension Fund – cash paid as employer’s contributions to the pension fund in settlements of liabilities; not accounted for as an expense.
- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees, which are debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

The surplus/deficit of the scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities.

For retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pensions fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Since 2007, the Council has had a policy of not awarding any discretionary benefits to employees taking early retirement.

## **6. Events after the Balance Sheet date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting year and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting year – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting year – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## **7. Exceptional items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the statement, depending on how significant the items are to an understanding of the Council's financial performance.

## **8. Prior Year Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to a prior year adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effects of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

Material errors discovered in prior year figures are corrected retrospectively by amending opening balances and comparative amounts for the prior year.

## **9. Financial Instruments**

### Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For all of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

### **Financial Assets**

Financial assets are classified into two types:

#### Loans and Receivables

These are assets that have fixed or determinable payments but are not quoted in an active market.

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the



Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable, and interest and income credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

### Available for Sale Assets

These are assets that have a quoted market price and/or do not have fixed or determinable payments.

Available for Sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised costs of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. Dividend) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

## **10. Government Grants and Other Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Money advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance sheet as creditors (in Capital Grants / Contributions Received in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is held in the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## **11. Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Intangible assets are included on the balance sheet initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost.

We gradually reduce the value of intangible assets, such as software licences over their useful life (up to 10 years). However, rather than being called depreciation, we refer to this as amortisation. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **12. Inventories and Long term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value and are simply valued at cost based on a first in, first out basis. Work in progress on incomplete jobs is valued at cost, including an allocation of overheads.

## **13. Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the

Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## 14. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant and equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings element are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### The Council as a Lessee

#### *Finance Leases*

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the assets estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### *Operating Leases*

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from use of the leased property, plant and equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent free period at the commencement of the lease).

## The Council as a Lessor

### *Operating Leases*

Where the Council grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## **15. Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation
- Non Distributed Costs – the costs of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets for Sale.

## **16. Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an assets potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. We only include individual pieces of land and buildings that exceed £10,000, and plant and equipment that exceed £5,000 in our asset register.

### Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any cost attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (if this is appropriate).

The cost of assets acquired other than by purchase is deemed to be at fair value unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- **Infrastructure assets, community assets and assets under construction** - depreciated historical cost. Where this is not known for community assets, a nominal value of £1 has been included.
- **Council dwellings** – current value, determined using the basis of existing use value for social housing (EUV – SH). The ‘Beacon’ method has been used whereby “typical” properties are valued and the remaining similar houses in the area are assessed based on this beacon.
- **All other assets** – current value, determined as the amount that would be paid for the asset in its existing use (existing use – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimated of current value.

Where there are non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service).

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### Impairment

Assets are assessed at each year end to see if there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited up to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and community land assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of the asset, as advised by a suitably qualified officer
- Infrastructure – straight line allocation over the useful life of the asset, as advised by a suitably qualified officer

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. This has only been applied to enhancement and acquisition expenditure incurred from 1 April 2010 and to revaluations carried out from that date, in line with the requirements of the Code of Practice.

Revaluation gains on assets are also depreciated with an amount equal to the difference between the current value depreciation and the historical value depreciation transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount

before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned the carrying amount of the asset in the Balance Sheet (whether Property, Plant or Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Income above £10,000 received from the sale of assets is treated as a capital receipt. In general terms we have to pay 75% of Council House sales and 50% of other housing receipts over to the Government. We have entered an agreement with the Government, which will allow us to use some of the receipts received from additional council house sales as a result of the relaxation of Right to Buy regulations, to fund new build properties. With some disposals we are allowed to retain all of the income if we plan to spend it on regeneration or affordable housing. The balance of the receipt is transferred to the Usable Capital Receipts Reserve where it is held until it is used to meet the cost of new capital spending or is set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are transferred to the Reserve from the General Fund Balance in the Movement in Reserves Statement. We do not need to pay over any income from the sale of General Fund assets and this can be fully used for capital spending.

The written-off value of disposals is not a charge against council tax, as the cost of property, plant and equipment is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **17. Provisions, Contingent Liabilities and Contingent Assets**

### Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount required. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the original service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

#### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

#### Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **18. Reserves**

We set aside specific amounts as earmarked reserves, for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the Movement in Reserves Statement on page 9 and notes 6 and 23 to the financial statements.

### **19. Revenue Expenditure Funded from Capital under Statute**

Statutory provisions allow us to spend capital funds on assets that are not owned by this Council, such as grants for private sector housing. The expenditure is charged to the relevant service in the Comprehensive Income and Expenditure Statement in the year it is incurred. Where the Council has determined to meet the cost of this expenditure from existing capital resources, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged, so there is no impact on the level of council tax.



## **20. Value added tax (VAT)**

Generally all VAT collected is payable to Her Majesty's Revenues and Customs and all VAT paid is recoverable from them. VAT is included within the accounts only to the extent that it is irrecoverable and therefore charged to service expenditure or capital expenditure.

## **21. Heritage Assets**

The Council's Heritage Assets relate to the office of the Mayor. Civic regalia are reported in the balance sheet based on the insurance valuation of the items and also the market price of gold. These insurance valuations are updated annually. Any impairment recognised would be measured using the cost incurred in repairing the asset(s).

## **22. Council Tax and Non-Domestic Rates**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The balance sheet includes the council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH  
WARWICKSHIRE BOROUGH COUNCIL**

**See paper copy**

## Glossary of Terms

<b>ACCRUALS</b>	Income and expenditure that is recognised as it is earned or incurred rather than as the money is actually received or paid.
<b>ACTUARIAL GAIN / LOSS</b>	For assets, actuarial gains or losses happen when the actual return on investments in the pension fund is different from the expected return. For liabilities, actuarial gains and losses happen when the actual liability is different from the expected liability. For assumptions, actuarial gains and losses happen as a result of changes to the population or financial assumptions the actuary uses to work out the liability. Liabilities are valued in terms of 'today's money'.
<b>AMORTISATION</b>	The drop in value of intangible assets as they become out of date.
<b>ASSET</b>	An item, which is intended to be used for several years such as a building or a vehicle.
<b>BUDGET</b>	A statement of a Council's plans for expenditure over a specified period of time.
<b>BUSINESS RATES (Non-domestic rates – NDR)</b>	Businesses pay these rates instead of council tax. Each year, the Government sets the rate in the pound and business rates are collected by the billing authority in that area. The rates are then distributed to Central Government, Warwickshire County Council and this Authority.
<b>CAPITAL CHARGES</b>	A charge to service revenue accounts to reflect the cost of property, plant and equipment used in the provision of services.
<b>CAPITAL EXPENDITURE</b>	Expenditure on property, plant and equipment (operational, non-operational, community and infrastructure), which give a benefit over a longer period than a financial year. It includes expenditure on land, buildings, vehicles, etc.
<b>CAPITAL RECEIPTS</b>	Income from the sale of Council assets, e.g. land and buildings.
<b>CENTRAL SUPPORT SERVICES</b>	The cost of central departments, which are apportioned over the various services.
<b>CIPFA (CPFA)</b>	The Chartered Institute of Public Finance and Accountancy
<b>COMMUNITY ASSETS</b>	Assets that the Council intends to hold in perpetuity, that do not have a finite life and may have restrictions over their disposal (e.g. Parks and Woods).
<b>CONTINGENCY</b>	A situation that exists at balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.
<b>CORPORATE AND DEMOCRATIC CORE COSTS</b>	Spending relating to the need to co-ordinate and account for the many services we provide to the public.
<b>CURRENT ASSETS</b>	Short-term assets, which constantly change in value such as stocks, debtors and bank balances.

<b>CURRENT LIABILITIES</b>	Short-term liabilities, which are due to be, paid in less than one year, for example, creditors and bank overdrafts.
<b>CLG</b>	Department for Communities and Local Government.
<b>REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE</b>	Spending on assets that have a lasting value, such as buildings, which we do not own.
<b>GOVERNMENT GRANTS</b>	Payments made by the government towards the cost of local council services. These are either for particular services or purposes (specific grants) or to fund local services generally (revenue support and area based grant).
<b>GROSS EXPENDITURE</b>	The cost of providing the Council's services before allowing for Government grants or other income.
<b>HERITAGE ASSETS</b>	For us, these are assets that are used by the Office of the Mayor.
<b>HOUSING BENEFITS</b>	A system of financial assistance towards certain housing costs, e.g., Rent Rebates, which are administered by the local council.
<b>HOUSING REVENUE ACCOUNT (HRA)</b>	The account, which shows all the income and expenditure incurred in the management and maintenance of the Council's housing stock.
<b>IMPAIRMENT</b>	This is a reduction in an asset value due to physical damage, obsolescence or a decline in its market value.
<b>INFRASTRUCTURE ASSETS</b>	These are inalienable assets, expenditure which is recoverable only by continued use of the asset created (e.g. street lighting, tidy bins, and footpaths).
<b>INTANGIBLE ASSETS</b>	Spending on assets, this cannot be physically seen, such as computer software.
<b>INVESTMENT PROPERTIES</b>	These are properties that are used solely to earn rentals and / or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.
<b>MINIMUM REVENUE PROVISION (MRP)</b>	The amount that we have to set aside each year to repay loans.
<b>NET EXPENDITURE</b>	This is the cost of providing a service after the deduction of specific government grants and other income, excluding Revenue Support Grant and Precept income.
<b>NDR</b>	Non Domestic Rates (see Business Rates).
<b>NON-OPERATIONAL ASSETS</b>	These are assets that are not directly occupied, used or consumed in the provision of service by the Council (e.g. Land awaiting development, industrial units, and shops).
<b>OPERATIONAL ASSETS</b>	These are assets held, occupied, used or consumed by the Council in the direct provision of the services for which it is responsible (e.g. Council Dwellings, Leisure Centres and Council Offices)

<b>CREDITORS</b>	Amounts owed by the Council for work done, goods received or services rendered, but for which payment has not been made at the date of the balance sheet.
<b>PRECEPT</b>	The amount each Council in the area asks us to collect from council tax on their behalf each year.
<b>DEBTORS</b>	Sums of money due to the Council but unpaid at the date of the balance sheet.
<b>REVENUE CONTRIBUTIONS TO CAPITAL EXPENDITURE</b>	The financing of capital expenditure directly from revenue.
<b>REVENUE EXPENDITURE</b>	Spending on the day-to-day running of services, mainly staff, running expenses of buildings and equipment and debt charges.
<b>SOLACE</b>	Society of Local Authority Chief Executives
<b>SORP</b>	Statement of Recommended Practice.
<b>TEMPORARY LOANS</b>	Money borrowed for an initial period of less than one year.
<b>TRADING ACTIVITIES</b>	This refers to services operated by the Council that operate in a contractor role with the Council. Primarily relating to those services formerly subject to Compulsory Competitive Tendering, it also includes part of the Council's Building Control Service.
<b>UK GAAP</b>	UK Generally Accepted Accounting Practice

# NORTH WARWICKSHIRE BOROUGH COUNCIL

## 2016/17 Annual Governance Statement

North Warwickshire Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website. This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations.

The Council has also reviewed the CIPFA<sup>i</sup> Statement on the Role of the Chief Financial Officer in Local Government (2010), and is satisfied that its financial management arrangements conform to the governance requirements of the CIPFA Standard.

The governance statement has been in place at North Warwickshire Borough Council for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

### Statutory Officers

All local authorities are required by law to have officers who fulfil three specific roles. At North Warwickshire Borough Council, these roles are carried out by the following post-holders within the Council:

- The Head of Paid Service – Chief Executive
- The Chief Financial Officer – Deputy Chief Executive
- The Monitoring Officer – Assistant Chief Executive and Solicitor to the Council.

The Head of Paid Service leads and takes responsibility for the work of the Council's paid staff who run the local authority on a day to day basis. The role requires the Chief Executive to work closely with elected Members to ensure strong and visible leadership and direction, ensure staff adhere to the strategic aims of the Authority and follow the direction set by elected Members, act as the principal policy advisor to elected Members, develop workable strategies which will deliver the political objectives set by elected Members, lead and develop strong partnerships across the local community to achieve improved outcomes and better public services for local people, and oversee service development, financial and performance management, people management and change management within the Council.

The Chief Financial Officer must be a member of a specified accountancy body, and is bound by professional standards. The CFO is responsible for the proper administration of the Council's financial affairs and has specific legislative responsibilities, as he/she has a fiduciary responsibility to the local taxpayer. In England, the CFO has a statutory duty to report to the authority at the time the budget is considered and the council tax set, on the robustness of the budget and the adequacy of financial reserves. With regard to capital spending, there is a statutory requirement to set and arrange the Council's affairs to remain within prudential limits for borrowing and capital investment. The CFO must also be proactive

in the management of change and risk, be focussed on outcomes and help to resource the authority's plans for change and development in the public services it provides. The CFO's duties include a requirement to report to all the local authority's members, in consultation with the monitoring officer and head of paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

The Monitoring Officer effectively acts as the guardian of the Council's constitution and the decision making process. He/she is responsible for advising the Council on the legality of its decisions and providing guidance to elected Members on the Council constitution and its powers. He/she has the specific duty to ensure that the Council, its Officers and its elected Members maintain the highest standards of conduct in all that they do. This includes: reporting to the Council if a decision is unlawful or amounts to maladministration, maintaining Registers of Interests, and arranging for investigations into any matters or complaints referred to the Standards Committee.

All of the statutory officers are members of the Senior Management Team of the Council. The fourth member of the Senior Management Team is the Assistant Chief Executive (Community Services), who adds a customer focus to any decision making of the Team.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risks at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

A key feature of regulations the Council needs to comply with is the requirement for internal audit. A local authority must maintain an adequate and effective system of internal audit of its accounting records and its system of internal control. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### **The governance framework**

The Council assesses the needs of the area through the Sustainable Community Strategy process and work with the North Warwickshire Community Partnership. Consultation is undertaken with stakeholders, as part of the review process. This Community Strategy is used to inform the Council's Corporate Plan, which provides clear links on how the achievement of Council priorities assists in the delivery of community objectives. Other mechanisms are also used and an example of these is the range of partnerships across Warwickshire, which is playing an increasing part in influencing the work of the Council. As consultation is part of these mechanisms, and as these are ongoing, they also require the Council to be accountable for the actions they have taken over time.

The Corporate Plan is approved before the start of each year and identifies the headline targets for the coming year, which are supported by greater detail within individual service plans. All members of the senior management team contribute actively to cross organisational issues and to corporate decision making to match resources to the authority's

objectives. The CFO and monitoring officer provide financial and legal advice and support to elected representatives to inform their decision making. They review papers for consideration, attend meetings as necessary and are available for members to consult. The CFO ensures that all members of the Senior Management Team have the financial capabilities necessary to perform their respective roles.

The Council has comprehensive forecasting and budgeting procedures. A medium term business and financial planning process is used to deliver the authority's strategic objectives, including:

- A 30 year Business Plan for the Council's housing stock to ensure ongoing viability;
- A Medium Term Financial Strategy to ensure sustainable finances for all other Council services;
- A robust annual process that ensures financial balance; and
- A monitoring process that enables this to be delivered.

During the year progress against Corporate and Service Plan targets is collected and reported to senior managers, Management Team and to service boards, along with performance indicator information. A final position is collated at the end of the year, which is again reported to Members and is also published on the Council's website. Periodic and annual reviews of financial reports indicate financial performance against forecasts for all of the Council's spending. Summary information is also published.

As well as monitoring achievement of identified outcomes, the Council wants to ensure that an excellent quality of service is provided. It ensures this in a number of ways: obtaining user feedback, through independent inspection and audit and through system reviews. The Council takes part in Peer Challenge reviews periodically. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. One of these reviews highlighted communication as an area for improvement, and we have continued to focus on how we communicate. During 2016/17 we commissioned the LGA to undertake a Communications Healthcheck, and as a result have identified a number of areas where we want to make improvements.

The Council ensures that it is operating efficiently by specifying the different roles and responsibilities of both Councillors and Officers. The remit of each decision making Board is set down in the constitution, along with the roles of individual Councillors. The Council does not have an Audit Committee, but instead divides the core functions between the Executive Board and the Resources Board. The constitution also outlines the responsibilities of senior officers, and areas where they have been given delegated powers. Employee contracts include job descriptions, and these give the detail of individual roles, for all employees.

The Council uses an appraisal system to set specific targets for individual staff on an annual basis. These targets reflect their Division's targets in the Corporate Plan and the Divisional Service Plan and are subject to a six monthly review. A more cost effective service is provided by appropriately trained staff and the appraisal system is also used to assess the training and development needs of individual employees, and ensure that they have the skills and abilities to carry out the tasks required. Where a shortfall is identified, this is addressed through the annual training plan. The Council uses a workforce plan to plan more rigorously for future staffing requirements. This projects future service needs and the workforce that would be needed for their delivery.

As the Council looks at revised ways of working and increasing its use of partnerships in the provision of services, it agrees the roles and responsibilities of those involved during the 'set up' stage. For major partnerships these are formalised in a legal agreement. This ensures that services are still managed and governed appropriately, whether the Council provides them directly or through others.



Better value for money by improving efficiency, through partnership working or other means, realises savings that can be used to offset the Council's reduction in external funding. Helping to secure positive social outcomes, within affordable funding, lies at the heart of the CFO's role in the local authority.

The Council expects its Members and officers to maintain appropriate standards of conduct and behaviour. These are set down in codes of conduct, standing orders, financial regulations, policies and processes, which are regularly reviewed. Compliance is monitored on an ongoing basis, and supplemented by information through the complaints and compliments procedure and confidential reporting policy. To assist with monitoring, a register of interests is maintained for both Members and officers. Non compliance by employees is dealt with through the Council's disciplinary procedure. The process for dealing with non compliance by Members involves at least one Independent Person.

There are risks involved with the provision of any services, so the Council uses a system of risk management to minimise and manage the risks it faces. It does this by identifying both strategic and operational risks, looking at existing controls in place to reduce these, and amending these or bringing in new controls where this is beneficial. Risk management is led by the Deputy Chief Executive, with support from Finance and Human Resources, who promote and co-ordinate risk management across the Council. The system involves an annual review of strategic risks by the Senior Management Team and an annual review of operational risks in their service areas by senior managers. Some checking is carried out throughout the year by the Internal Audit section. In addition the Resources Board receive updates on risk management activity undertaken.

Board meetings are open to the public, except where personal or confidential matters are being disclosed. All areas of work go through the Board system, with the majority of work discussed in 'open session'. Reports to Board cover a standard format, to ensure that all reports contain sufficient information and options to allow for robust and well informed decision making. All implications that need to be considered, such as legal, financial, risk management and so on, are covered. Where possible, the implications are checked by staff with professional knowledge. This ensures that Members have sufficient and suitable information for decision making, and also ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The Council accounts for its decisions through the information it publishes. It also is subject to scrutiny through a variety of means: self scrutiny by Task and Finish groups, internal and external audit work, central and regional inspection agencies and reviews by service users. The Council is also accountable to the public and local groups and uses consultation to assess whether it is meeting local expectations. Public speaking at Planning Board and question time at all Boards is available, to make us more accountable to the public. The Council has a consultation strategy and will vary the methods used for consulting with the public depending on the subject matter, and the target audience. Through this mechanism valuable information is received on the decisions that the Council has taken, and is used to feed into future objectives.

## **Review of effectiveness**

North Warwickshire Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of its effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, work carried out by Internal Audit, and also by comments made by the external auditors and other review agencies and inspectorates. Data obtained from the results of user surveys are also used to assess the effectiveness of

the Councils governance arrangements.

To ensure that the governance framework remains effective, senior officers and Members have reviewed individual elements of the framework. Other review work has been undertaken by the Council's statutory officers, with amendments made to the Constitution, Treasury Management Strategy, and Procurement and Commissioning Strategy.

Scrutiny can be carried out through the use of Task and Finish groups, which are aligned to the Policy boards. Task and Finish Groups that met during the year included the Civil Parking Enforcement, Borough Care and Refuse and Recycling Groups. In addition working parties were set up to look at revised Development Management Plan policies and to progress Health and Wellbeing.

The work undertaken by Internal Audit has enabled the Head of Audit to conclude that the Council has a range of appropriate strategies, policies, procedures and protocols to address the corporate governance agenda. Progress has been made with the implementation of the Corporate Governance Action Plan approved last year, although some areas still require completion. Specialist counter-fraud consultants have been used to supplement the work carried out by the section.

The Council takes fraud of any kind seriously, and our first aim is to prevent opportunities for fraud to occur, by building sufficient controls into systems and procedures. This is supplemented by fraud awareness training for all employees. We have a number of ways that concerns can be raised, by employees, Members of the Council or the public. These concerns will be followed up by trained investigators and action will be taken in proven cases. The Council also contributes to National and Regional Fraud Initiatives using data matching techniques. The Internal Audit section work with divisions to ensure that all areas identified are followed up.

The risk management strategy used by the Council has been reviewed during the year, as it is subject to annual review to ensure it remains effective. The risk management process operated by the Council has continued throughout the year, including the completion of Annual Statements of Assurance by all senior managers.

Our review of the effectiveness of the system of internal financial control is informed by the work of managers within the Council, the work of the Internal Auditors and by our external auditors, Ernst & Young plc, in their annual audit letter and other reports. Executive Board consider the annual audit letter. The external auditors are also required to comment on the value for money achieved by the Council, as part of their opinion on the financial statements.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Resources Board, Task and Finish Groups, Chief Executive, Deputy Chief Executive, Assistant Chief Executive and Solicitor to the Council, Assistant Chief Executive (Community Services), Assistant Directors, Audit Manager, Ernst & Young plc, TIAA, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### **Significant governance issues**

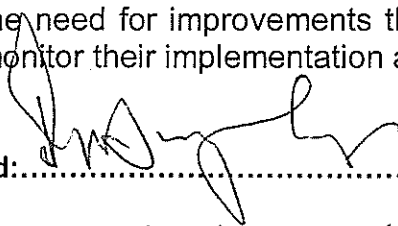
A number of actions have been taken during the last year to manage risk and improve the Council's governance arrangements, including:

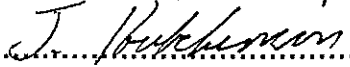
- The Medium Term Financial Strategy was updated to reflect the reduced funding available, as well as the identification of 2017/18 savings;
- The Treasury Management Strategy was reviewed and updated;
- Continued monitoring of business rate appeals with the Valuation Office ;
- Work was carried out in line with the agreed Audit Plan, with ad hoc work completed where necessary;
- The constitution was amended to reflect a change to delegated powers;
- Training sessions for Members were held on licensing and planning matters;
- Further training sessions on Child Protection issues were carried out for staff, with training also provided for Members;
- Continued to use a part time fraud officer to detect low level Council Tax Support and tenancy fraud;
- The corporate Debt and Write Off Policy was reviewed and updated to ensure it remains fit for purpose;
- A Member Task & Finish Group started to look at parking provision and management in readiness for the implementation of Civil Parking Enforcement;
- Achieved PSN and Cyber essentials Plus certification;
- The Taxi Licensing Policy (Fit and Proper Persons) was updated;
- Advertised for applicants for the role of Independent Persons for the Member Code of Conduct.

Further actions will be taken in 2017/18, including:

- Updating the Medium Term Financial Strategy and working on savings for 2018/19 onwards;
- Updating the capital programme and resources available;
- Continuing to petition Parliament on HS2;
- Continuing to review IT/cyber security measures and identifying ways to improve the security of our systems and data;
- Monitoring changes in employment law, updating policies and providing briefings as required;
- Continuing the programme of health and safety audits in services;
- Completing the review of the homelessness strategy and the development of the revised Lettings scheme, to ensure housing need in the Borough is met effectively;
- Further work to address Safeguarding issues;
- Consultation and further work on the draft Local Plan.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:  .....  
Leader of the Council

Signed:  .....  
Chief Executive

**On behalf of North Warwickshire Borough Council**

**Agenda Item No 7**

**Executive Board**

**18 September 2017**

**Report of the  
Deputy Chief Executive**

**External Auditors' Report**

**1 Summary**

- 1.1 The main purpose of this report is to inform Members of the External Auditors' report to those charged with governance.

**Recommendation to Council**

**That the contents of the External Auditors' report be noted.**

**2 Report on the Financial Statements**

- 2.1 The Council's appointed auditors, Ernst & Young LLP, have carried out their audit of the 2016/17 financial statements. A report on work undertaken by the auditors is attached as Appendix A.

...

**3 Report Implications**

**3.1 Finance and Value for Money Implications**

- 3.1.1 These are covered in the Auditors' report.

The Contact Officer for this report is Sue Garner (719374).

**Background Papers**

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>



North Warwickshire  
Borough Council  
Audit results report

Year ended 31 March 2017



**EY**

Building a better  
working world



Private and Confidential

4 September 2017

Dear Executive Board Members

We have substantially completed our audit of North Warwickshire Borough Council for the year ended 31 March 2017.

We confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at Section 3 of this report before the statutory deadline of 30 September 2017. We also have no matters to report on your arrangements to secure economy, efficiency and effectiveness in your use of resources

This report is intended solely for the use of the Executive Board, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

We look forward to discussing with you any aspects of this report or any other issues arising from our work.

Yours faithfully

Stephen Clark  
Partner

For and on behalf of Ernst & Young LLP

United Kingdom



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01 Executive Summary

02 Areas of Audit Focus

03 Audit Report

04 Audit Differences



In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website ([www.PSAA.co.uk](http://www.PSAA.co.uk)).

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment (updated September 2015)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature..

This report is made solely to the Executive Board, other members of the Authority and management of North Warwickshire Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Executive Board, other members of the Authority and management of North Warwickshire Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest permitted by law we do not accept or assume responsibility to anyone other than the Executive Board.



01

# Executive Summary





# Executive Summary

## Overview of the audit

### Scope and materiality

In our Audit Plan presented to the 19 June Executive Board meeting, we gave you an overview of how we intended to carry out our responsibilities as your auditor. We carried out our audit in accordance with this plan.

We planned out audit procedures using a materiality of £845,120. We reassessed materiality on receipt of the financial statements and performed our procedures using a materiality of £973,440 which was an increase from the planning. The threshold for reporting audit differences is £48,500. The basis of our assessment of materiality has remained consistent with prior years at 2 % of gross expenditure.

We also identified areas where misstatement at a lower level than materiality might influence the reader and developed a specific audit strategy for them. They include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits.
- Related party transactions.
- Members' allowances.

### Status of the audit

We have substantially completed our audit of North Warwickshire Borough Council's financial statements for the year ended 31 March 2017 and have performed the procedures outlined in our Audit plan. Subject to satisfactory completion of the following outstanding items we expect to issue an unqualified opinion on the Council's financial statements in the form which appears in section 3. However until work is complete, further amendments may arise:

- review of the final version of the financial statements
- completion of subsequent events review
- receipt of the signed management representation letter
- completion of procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission



## Executive Summary

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### Executive summary (continued)

#### Status of the audit (continued)

We expect to issue the audit certificate at the same time as the audit opinion.

#### Audit differences

There are adjusted audit differences arising from our audit. Management have corrected all differences identified.

#### Areas of audit focus

Our Audit Plan identified key areas of focus for our audit of North Warwickshire Borough Council's financial statements this report sets out our observations and conclusions, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- There are no other considerations or matters that could have an impact on these issues
- You agree with the resolution of the issue
- There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Executive Board.



## Executive Summary

### Executive summary (continued)

#### Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. In our Audit Plan we did not identify any significant risks.

We have no matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources.

#### Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission.

We have no other matters to report.

#### Control observations

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you.

#### Independence

Please refer to Appendix B for our update on Independence.



# 02 Areas of Audit Focus





# Areas of Audit Focus

## Audit issues and approach

### Revenue Recognition

#### What are our conclusions?


Our testing has not identified any material misstatements from revenue and expenditure recognition.

Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Council's financial position.

#### What is the risk?

Risk of fraud in revenue recognition

Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. For North Warwickshire Borough Council we consider that this risk presents itself in 'other service expenses'.

 Significant Risk

#### What did we do?

- We reviewed and tested revenue and expenditure recognition policies;
- We reviewed accounting estimates for evidence of management bias. This included testing of expenditure accruals and provisions;
- We reviewed the financial statements for evidence of significant or unusual transactions. No such transactions were identified;
- We tested a sample of income and expenditure transactions from material revenue streams including year-end debtor and creditor balances;
- We tested cut-off of income and expenditure at the year-end; and
- We conducted testing to identify any unrecorded liabilities at the year-end.



# Areas of Audit Focus

## Audit issues and approach

### Management override

#### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.  
We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions during our audit which appeared unusual or outside the council's normal course of business

#### What is the risk?

Risk of management override

As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and to prepare fraudulent financial statements by overriding controls that otherwise seem to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

 Significant Risk

#### What did we do?

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements;
- We tested a sample of journal entries across the year based on appropriate risk based criteria to identify potential manipulation of revenue;
- We reviewed accounting estimates for evidence of management bias as identified in the response to revenue recognition;
- We evaluated the business rationale for any significant unusual transactions. No such transactions were identified; and
- We reviewed the accounting adjustments processed and disclosed in the Movement in Reserves Statement and supporting notes.



# Areas of Audit Focus

## Audit issues and approach

Other Financial Statement Risks	What we did	Our Findings
<p>Valuation of Property, Plant &amp; Equipment</p> <p>The Council has a large and complex asset base that makes a significant proportion of its balance sheet and has various capital projects in place. In the prior year audit we identified weaknesses in control over the recording in valuations in the fixed asset register which resulted in adjusted errors in the balance sheet.</p>	<ul style="list-style-type: none"> <li>We reviewed and tested the instructions and completeness of information provided to the valuer;</li> <li>We reviewed the classification of assets revalued during the year and ensured the correct valuation methodology has been applied;</li> <li>We considered the approach adopted by the valuer and their findings including consideration of a high level review of the valuer undertaken by a third party appointed by PSAA; and</li> <li>We substantively tested a sample of revalued assets to confirm that valuations are appropriately reflected in the financial statements and that the correct accounting treatment has been applied.</li> </ul>	<p>The audit procedures completed have given us assurance that the valuation of Property, Plant and Equipment in the financial statements is not materially misstated.</p>
<p>Pension</p> <p>The need to retain and reward staff with attractive retirement benefits creates pressure on the Council to ensure pension contributions are adequate to meet each scheme's liabilities over the longer term. The Council participates in the Local Government Pension Scheme. The volatility in global investment markets and the associated impact on scheme surpluses/deficits creates the risk of failure to maintain a financially robust pension provision for staff</p>	<ul style="list-style-type: none"> <li>We engaged an expert to review the assumptions and estimates used by the fund Actuary for reasonableness;</li> <li>We considered the independence and expertise of the fund actuary</li> <li>We obtained assurance from the pension fund auditor that proper arrangements are in place to support and administer the fund; and</li> <li>We reviewed of the pension fund disclosures in the financial statements to confirm consistency with the report of the Actuary and that accounting treatment is in line with IAS 19.</li> </ul>	<p>The audit procedures completed have given us assurance that the pension disclosures in the financial statements are not materially misstated.</p>
<p>Financial statements presentation</p> <p>Amendments have been made to the <i>Code of Practice on Local Authority Accounting in the United Kingdom 2016/17</i> (the code) this year changing the way the financial statements are presented. The new reporting requirements impact the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MiRS), and include the introduction of the new 'Expenditure and Funding Analysis' note as a result of the 'Telling the Story' review of the presentation of local authority financial statements.</p>	<ul style="list-style-type: none"> <li>We reviewed the expenditure and funding analysis, CIES and new notes to ensure disclosures are in line with the code</li> <li>We reviewed the analysis of how these figures are derived, how the ledger system has been re-mapped to reflect the Council's organisational structure and how overheads are apportioned across the service areas reported.</li> <li>We agreed the restated comparative figures back to the Council's segmental analysis and supporting working papers.</li> </ul>	<p>The audit procedures completed have given us assurance that the disclosure requirements are in line with the requirements of the code and not materially misstated.</p>





# 03 Audit Report





# Audit Report

## Draft audit report

### Our opinion on the financial statements

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WARWICKSHIRE BOROUGH COUNCIL

##### Opinion on the Council's financial statements

We have audited the financial statements of North Warwickshire Borough Council for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Council Movement in Reserves Statement,
- Council Comprehensive Income and Expenditure Statement,
- Council Balance Sheet,
- Council Cash Flow Statement,
- Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund and the related notes 1 to 41.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of North Warwickshire Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

##### Respective responsibilities of the Deputy Chief Executive and auditor

As explained more fully in the Deputy Chief Executive's Responsibilities set out on page 11 of the financial statements, the Deputy Chief Executive is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

##### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Deputy Chief Executive; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts 2016/17 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of



# Audit Report

## Draft audit report (continued)

### Our opinion on the financial statements

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of North Warwickshire Borough Council as at 31 March 2017 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

#### Opinion on other matters

In our opinion, the information given in the Statement of Accounts 2016/17 for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

#### Conclusion on North Warwickshire Borough Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

##### Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

##### Auditor's responsibilities

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.



# Audit Report

## Draft audit report (continued)

### Our opinion on the financial statements

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2016, as to whether the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2016, we are satisfied that, in all significant respects, North Warwickshire Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the accounts of North Warwickshire Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Stephen Clark (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Appointed Auditor  
Birmingham  
Date



04

## Audit Differences



# Audit Differences

## Audit differences

In any audit, we may identify misstatements between amounts we believe should be recorded in the financial statements and disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

### Summary of adjusted differences

We highlight the following misstatements in the financial statements or disclosures identified during the audit above £48,500. These have been corrected by management:

- Presentation and Disclosure: We asked the Council to modify the disclosures in respect to the EFA disclosure to be compliant with the Code.
- Presentation and Disclosure: There were a few minor changes made to the financial statements in respect to a consistency and arithmetic

There were no uncorrected misstatements.



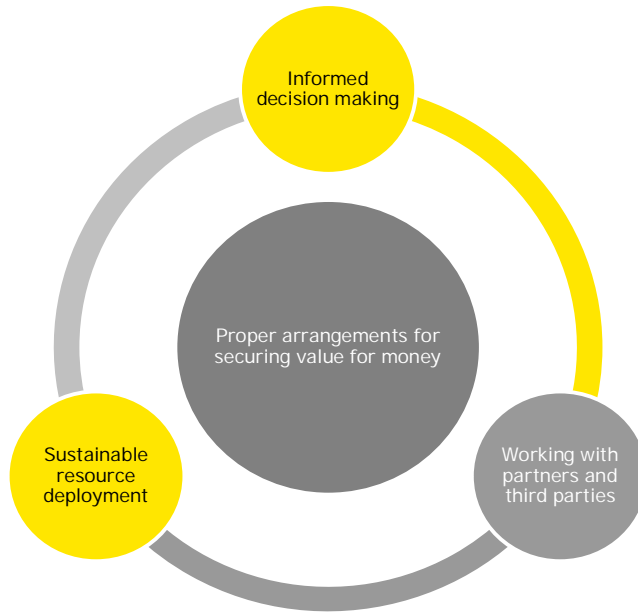


05 Value for Money





## Value for Money



### Economy, efficiency and effectiveness

We must consider whether you have 'proper arrangements' to secure economy, efficiency and effectiveness in your use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- take informed decisions;
- deploy resources in a sustainable manner; and
- work with partners and other third parties.

In considering your proper arrangements, we use the CIPFA/SOLACE framework for local government to ensure that our assessment is made against an already existing mandatory framework which you use in documents such as your Annual Governance Statement.

### Overall conclusion

We did not identify any significant risks around these criteria

We therefore expect having no matters to report about your arrangements to secure economy, efficiency and effectiveness in your use of resources.





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## Other reporting issues





## Other reporting issues

# Other reporting issues

### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2016/17 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2016/17 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

### Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We are currently concluding our work in this area and will report any matters arising to the Executive Board.



## Other reporting issues

# Other reporting issues

### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the [Authority]'s financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Related parties;
- External confirmations;
- Going concern; and
- Consideration of laws and regulations;

We have no issues to report.



07

## Assessment of Control Environment



# Assessment of Control Environment

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## Assessment of control environment

### Financial controls

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

During the year the registered signatory for an investment held with Standard Life Ignis left the Council and a prompt change to the registered signatory was not made which caused a delay in receiving direct investment confirmation. We recommend that the Council makes sure its actions change to registered signatories promptly when there are staffing changes.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.









# 08 Appendices



# Appendix A





## Required communications with the Executive Board

There are certain communications that we must provide to the Audit Committees of UK clients. We have done this by:

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Executive Board of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, including any limitations.	19 June 2017 Audit Plan
Significant findings from the audit	<ul style="list-style-type: none"> <li>• Our view of the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>• Any significant difficulties encountered during the audit</li> <li>• Any significant matters arising from the audit that were discussed with management</li> <li>• Written representations we have requested</li> <li>• Expected modifications to the audit report</li> <li>• Any other matters significant to overseeing the financial reporting process</li> <li>• Findings and issues around the opening balance on initial audits (delete if not an initial audit)</li> </ul>	2016/17 Audit Results Report
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	No conditions or events were identified, either individually or together to raise any doubt about North Warwickshire Borough Council's ability to continue for the 12 months from the date of our report
Misstatements	<ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ Significant corrected misstatements, in writing</li> </ul>	2016/17 Audit Results Report



# Appendix A

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Fraud	<ul style="list-style-type: none"> <li>▶ Asking the Executive Board whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority</li> <li>▶ Unless all those charged with governance are involved in managing the entity, any fraud identified or information obtained indicating that a fraud may exist involving:               <ul style="list-style-type: none"> <li>(a) management;</li> <li>(b) employees with significant roles in internal control; or</li> <li>(c) others where the fraud results in a material misstatement in the financial statements.</li> </ul> </li> <li>▶ A discussion of any other matters related to fraud, relevant to Executive Board responsibility.</li> </ul>	We have asked management and those charged with governance about arrangements to prevent or detect fraud. We have not become aware of any fraud or illegal acts during our audit.
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, where applicable:</p> <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and/or regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	We have no matters to report
Subsequent events	<ul style="list-style-type: none"> <li>▶ Where appropriate, asking the Executive Board whether any subsequent events have occurred that might affect the financial statements.</li> </ul>	We have asked management and those charged with governance. We have no matters to report
Other information	<ul style="list-style-type: none"> <li>▶ Where material inconsistencies are identified in other information included in the document containing the financial statements, but management refuses to make the revision.</li> </ul>	We have no matters to report
External confirmations	<ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ We were unable to obtain relevant and reliable audit evidence from other procedures.</li> </ul>	We have received all requested confirmations
Consideration of laws and/or regulations	<ul style="list-style-type: none"> <li>▶ Audit findings of non-compliance where it is material and believed to be intentional. This communication is subject to compliance with legislation on "tipping off"</li> <li>▶ Asking the Executive Board about possible instances of non-compliance with laws and/or regulations that may have a material effect on the financial statements, and known to the Executive Board.</li> </ul>	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations



# Appendix A

## Our Reporting to you

Required communications	What is reported?	When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit.</li> </ul>	2016/17 Audit Results Report
Independence	<p>Communication of all significant facts and matters that have a bearing on EY's objectivity and independence.</p> <p>Communicating key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information on the firm's general policies and processes for maintaining objectivity and independence</li> </ul> <p>Communications whenever significant judgments are made about threats to objectivity or independence and the appropriateness of safeguards,</p>	19 June 2017 Audit Plan 2016/17 Audit Results Report
Fee Reporting	<p>Breakdown of fee information when the audit plan is agreed</p> <p>Breakdown of fee information at the completion of the audit</p> <p>Any non-audit work</p>	19 June 2017 Audit Plan 2016/17 Audit Results Report
Certification work	Summary of certification work	2016/17 Certification Report





## Appendix B

# Independence

We confirm that there are no changes in our assessment of independence since our confirmation in our audit planning board report dated 20 March 2017.

We complied with the APB Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Executive Board consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Executive Board on 18 September 2017.

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2017.

We confirm that we have not undertaken non-audit work outside the PSAA Code requirements. We have adopted the necessary safeguards in completing this work and complied with Auditor Guidance Note 1 issued by the NAO in December 2016

	Planned 2016/17 Fee	Final fee for 2016/17
Opinion Audit and VFM Conclusion	£42,361	£42,361
Certification of Claims and Return	£10,005	TBC
Certification of the Capital Pooling Return	£2,000	TBC

All fees exclude VAT.

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ED None

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## Agenda Item No 8

### Executive Board

18 September 2017

### Report of the Deputy Chief Executive

### Financial Strategy 2018-2022

## 1 Summary

- 1.1 This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2021/22, and suggests a detailed budget approach for the 2018/19 General Fund Budget.

### Recommendation to Council

- a That the Financial Strategy shown as Appendix A is approved;
- b That the General Fund budget projections for 2018/19 to 2021/22 be noted; and
- c That the budget approach, set out in section 8 of this report, be adopted.

## 2 Introduction

- 2.1 The Council has adopted a clear financial strategy over a number of years, and this is attached as Appendix A to this report. There have been some major changes to the financial environment nationally in recent years, with the local retention of business rates, major reductions in Revenue Support Grant and the introduction of a local Council Tax Support scheme in place of a national Council Tax Benefit scheme. The strategy reflects the current financial pressures facing the Council.

- 2.2 A forecast of the General Fund Revenue Estimates has been completed for 2018/19 and the following three years, and is set out within the report. The figures are intended to indicate the position in broad terms only. More accurate ones will be produced during the forthcoming estimate process. Updated forecasts for Capital and the Housing Revenue Account will be reported separately, at a later date.

## 3 Review of 2017/18

- 3.1 In order to update the strategy, a number of areas of both income and expenditure have been revisited. The 2017/18 original budget has been adjusted for the following changes:

	£000
Supplementary estimates	137

Additional insurance costs	26
Investment Income	-20
Changes in Financing Costs	3
<b>Total</b>	<b>146</b>

3.2 The anticipated amount to be taken from balances is expected to increase to £598,280, leaving an anticipated opening General Fund balance of £3,216,000 at 1 April 2018. This has been used as the revised starting point for the updated forecast.

#### 4 **Budget Projections 2018/19 to 2021/22**

4.1 The 2018/19, 2019/20 and 2020/21 years have been reviewed and a further year, 2021/22, has been forecast. In completing the forecast, a number of detailed assumptions have been made, which are set out in Appendix A.

4.2 Pay awards of 2% have been included for each year. Even if pay awards remained at 1% per annum, the balance would be needed to cover the additional costs resulting from changes to the living wage.

4.3 Premise and supplies and services costs have only been given an increase in alternate years in this strategy, in order to encourage efficiencies in procurement. These areas will be revisited in the more detailed work carried out as part of the budget process.

4.4 Growth has been included for additional insurance premiums in 2018/19 and subsequent years. Growth has also been included in 2020/21 and 2021/22 for additional refuse and recycling costs, as the current service will have insufficient capacity to accommodate all of the anticipated new properties in the Borough.

4.5 The forecast has been summarised and is shown in the table below.

	<b>2017/18 Revised £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>
Spending Requirement	8,451	8,513	8,936	9,439	10,072
Grant to Parish Councils	59	51	47	47	47
<b>Net Expenditure</b>	<b>8,510</b>	<b>8,564</b>	<b>8,983</b>	<b>9,486</b>	<b>10,119</b>

#### 5 **Sources of Funding**

##### 5.1 **Settlement Funding Assessment / Core Spending Power**

5.1.1 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. The 2016/17 Local Government Finance Settlement set out the figures for 2016/17, together with indicative figures for the following three years. Business rates baselines and assumed council tax income were used to arrive at the level of RSG for each authority. In future years where an authority's entitlement to RSG is zero, increases to business rates tariffs are made in order to reduce the amount of income retained by an authority. Individual allocations always remain within the national control total.

- 5.1.2 The government includes the Settlement Funding Assessment in calculating an authority's Core Spending Power. Figures provided for North Warwickshire are:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
NDR Baseline Funding	1.760	1.790	1.850	1.910
Tariff Adjustment	-	-	-	(0.110)
Revenue Support Grant	0.900	0.460	0.190	-
<b>Sub-total - SFA</b>	<b>2.660</b>	<b>2.250</b>	<b>2.040</b>	<b>1.800</b>
Council Tax	4.200	4.300	4.500	4.600
New Homes Bonus	1.000	1.000	0.600	0.600
<b>Total</b>	<b>7.860</b>	<b>7.550</b>	<b>7.140</b>	<b>7.000</b>

In calculating the Council's core spending power, the government assumed a £5 increase in council tax each year.

- 5.1.3 Indicative figures are not yet available for 2020/21 onwards, so the 2019/20 level of SFA has been assumed for 2020/21 and 2021/22.

## 5.2 Business Rates

- 5.2.1 For 2018/19 the baseline funding assumed by the government will increase to £1.846 million (a 2% increase in line with RPI). This assumes that North Warwickshire's share of business rates is £17.224 million, and a tariff payment of £15.378 million will be required.

- 5.2.3 The increase in business rates of £350,000 included in the 2017/18 budget is expected to continue until 2020/21, until the national re-set of business rates. It has been left in the budget for both 2020/21 and 2021/22, as it has been anticipated that it can be met from the Volatility Reserve.

## 5.3 New Homes Bonus

- 5.3.1 The New Homes Bonus expected for 2017/18 has been used as a base for projecting grant income for the rest of the strategy period. Income for 2018/19 and subsequent years assumes that 300 additional new homes will be added each year, and that there will be no change in the methodology used for distribution of the grant.

## 5.4 Council Tax

- 5.4.1 In looking at the potential income from Council Tax, the likelihood of growth in the tax base is considered. The potential new build included in the Core Strategy for the Borough has been reviewed and it has been assumed that a proportion will be achieved. This has given a growth rate of 1.5% in the tax base, which has been used in projecting the income from Council Tax.
- 5.4.2 Since 2016/17 the government has assumed an inflationary increase when taking resource allocation decisions and calculating each authority's ability to spend. Going forward therefore, a £5 increase in Council Tax per annum, has been included in the forecast in line with government assumptions.

5.4.3 Previous decisions to freeze Council Tax have an on going and cumulative effect on the Council's financial position, and the impact of the decisions to freeze council tax in each year since 2011/12 has been calculated to the end of the current strategy period. This is detailed in Appendix B and shows that by March 2022, the Council Tax lost would amount to £5.537 million. Although grant funding was received in some years it was limited to £1.432 million. The net funding foregone by the end of the strategy period will be in the region of £4.105 million. The annual income loss from 2018/19 onwards amounts to £580,000 per annum.

## 5.5 Expected Resources

5.5.1 Expected Resources from the sources covered above are set out in the table below:

	2017/18 Revised £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Council Tax	(4,210)	(4,377)	(4,546)	(4,720)	(4,899)
New Homes Bonus	(959)	(830)	(850)	(850)	(860)
RSG	(461)	(191)	-	-	-
Business Rates	(1,793)	(1,846)	(1,796)	(1,796)	(1,796)
Business Rates - Additional	(350)	(350)	(350)	(350)	(350)
Transition Grant	(21)	-	-	-	-
Collection Fund Surplus	(118)	(102)	(85)	(90)	(93)
<b>Total</b>	<b>(7,912)</b>	<b>(7,696)</b>	<b>(7,627)</b>	<b>(7,806)</b>	<b>(7,998)</b>

5.5.2 This level of income would require the use of balances set out in the table below. As this level of use is unsustainable, a savings plan is required, and this is shown in the table. Savings will need to be found in line with the plan to ensure there are sufficient balances at the end of 2021/22.

	2017/18 Revised £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
<b>Use of Balances</b>	<b>598</b>	<b>868</b>	<b>1,356</b>	<b>1,680</b>	<b>2,121</b>
Savings 2018/19		(500)	(500)	(500)	(500)
Savings 2019/20			(400)	(400)	(400)
Savings 2020/21				(350)	(350)
Savings 2021/22					(350)
<b>Revised Use of Balances</b>	<b>598</b>	<b>368</b>	<b>456</b>	<b>430</b>	<b>521</b>

<b>Balances C/fwd</b>	<b>3,216</b>	<b>2,848</b>	<b>2,392</b>	<b>1,962</b>	<b>1,441</b>
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## 6 Savings

6.1 In order to manage the significant cuts expected in Revenue Support Grant, a further saving of £350,000 has been included in 2021/22. When added to the savings of £1.25 million included for the period 2017/18 to 2020/21, this gives

a revised savings total of £1.6 million over the life of the strategy, which equates to around 4% of the net budget per annum.

- 6.2 The authority has already made significant reductions in its budget over recent years, taking out £3.8 million since 2011/12. Increased efficiency, streamlining the provision of services and some income generation has enabled the impact on front line services to be minimised. Taking out a further £1.6 million will be extremely challenging, and will undoubtedly impact on the range and level of services that the Council is able to offer. Work is already in hand for identifying options for reducing net expenditure for both 2018/19 and subsequent years.
- 6.3 A decision to freeze Council Tax in 2018/19 would reduce resources by £103,065 in the year and in every year thereafter. This would amount to £421,615 over the current strategy period, as shown in Appendix B. The impact of this would be an increase in the savings that the Council would have to make to £600,000 in 2018/19, giving a revised total of £1.7 million. This would exacerbate the impact on the provision of services mentioned above.
- 6.4 In the event that no increases in Council Tax are approved during the strategy period, balances at the end of the period would fall from £1.441 million to £0.379 million, as shown below.

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Use of Balances	368	456	430	521
Loss of Council Tax	103	209	319	431
<b>Revised Use of Balances</b>	<b>471</b>	<b>665</b>	<b>749</b>	<b>952</b>
<b>Balances C/fwd</b>	<b>2,745</b>	<b>2,080</b>	<b>1,331</b>	<b>379</b>

Savings in each of the four years would need to increase by around £100,000 to keep balances at around the £1.3 million level. This would increase the savings required to £2 million.

- 6.5 Keeping to the strategy is dependent on savings being achieved to target in each of the years covered. The current forecast also indicates that further savings will be required in 2021/22 and beyond, as expenditure continues to be partly funded through the use of balances each year. The difficulty in finding savings has become greater over time, and this will only increase in the future.

## 7 Potential Risk Areas

- 7.1 In preparing this forecast, a number of assumptions have been made and these have been set out in section 4 of this report. Clearly, should these assumptions not materialise, there will be an impact on the figures. The main risk areas for this forecast are:

- **Settlement Funding Assessments** – no indicative figures have been provided for 2020/21 and 21/22. If resources in those years vary in any significant way from resources in 2019/20, then there will be an impact on the current forecast.
- **Business Rates** – the local retention of business rates brought uncertainty around the level of funding to be received on an annual basis. Successful rating appeals are an ongoing risk, with HS2 only adding to the uncertainty and potential impact on the Council's income.
- **New Homes Bonus** – The strategy assumes 300 new properties per annum and no change to the current methodology of distribution. Achievement of fewer new homes or a change in the distribution methodology, could lead to grant being scaled back reducing the funding available to authorities.
- **Investment Income** – although interest rates have been predicted using professional advice, financial markets can vary significantly over time.
- **Salary Increases** – union pressure will be for a higher pay award to address the erosion of real pay. Higher pay awards than included in the forecast would have an impact, given the relative size of the payroll.
- **Council Tax Support** – increases in take up will directly increase the costs of the Council. There are also risks around the non collection of Council Tax, from those who have not previously been required to contribute.
- **Reduced Income** –a loss of service income is always a possibility in the current economic position.
- **Growth in the Borough** – if new homes and estates are delivered in line with expectations, there will be a significant impact on some council services. Some funding has been included in the forecast for refuse and recycling, but the impact on services such as grounds maintenance has not yet been considered.
- **Council Tax Income** – a decision to freeze council tax will reduce the resources available to the Council on a permanent basis.

7.2 The potential impact of an improved or worse position for all four years of the forecast are shown in Appendix C (savings of £1.6 million are included in each of the options). The increased use of balances / contribution to balances are summarised below:

Year	Worse Case £000	Most Likely Case £000	Best Case £000
2018/19	898	368	137
2019/20	1,016	456	93
2020/21	1,023	430	(16)
2021/22	1,145	521	(9)



Changes in a small number of areas can materially impact on the expected use of balances in all of the years covered. These could affect the level of savings required either favourably or adversely.

- 7.3 If the best case scenario occurred, the council would be able to reduce the savings currently included within the strategy from £1.6 million to £0.9 million and achieve the same level of balances at the end of 2021/22.
- 7.4 If the worst-case scenario occurred there would be an additional call on balances. As the balances at 1 April 2018 are expected to be £3,216,000, the Council could manage the worst case into 2020/21 if needed. However further savings of £1.1 million would be needed in 2020/21, to ensure that balances were at an acceptable level at the end of 2021/22. Finding the additional savings earlier would certainly delay the need to find further savings and could mean a reduction in the total savings required during the life of the strategy.

## **8 Budget Approach 2018/19**

- 8.1 As mentioned earlier, a number of areas have already been identified as potential savings, and these are in the process of being reviewed. Any delay in finding savings will put pressure on the financial viability of the Council.
- 8.2 A firm stance should be taken in order to limit the level of growth approved in 2018/19, as any further expenditure will increase the need to draw from balances. Only growth that cannot be statutorily avoided, makes a significant contribution to moving forward the Council's priorities, or would expose the Council to an unacceptable level of risk should the expenditure not be incurred, should be approved. A prioritisation exercise on growth based around these three main criteria should be used.

## **9 Conclusion**

- 9.1 The Council could be faced with savings ranging from £0.9 million to £2.7 million. The updated strategy includes a savings requirement of £1.6 million over the next four years. Given the savings already made over recent years, the Council will not be able to achieve the future savings required without impacting on current service provision.

9.2 It is unlikely that all of the main risk areas will materialise at the same time, in any of the years highlighted above. The main areas of concern included in the risks around the financial position of the Council, are that of Council Tax, Revenue Support Grant, Business Rates and New Homes Bonus.

**10 Report Implications**

**10.1 Finance and Value for Money Implications**

10.1.1 As detailed in the body of the report.

**10.2 Environment and Sustainability Implications**

10.2.1 Continuing the budget strategy will allow the Council to manage its expected shortfall in resources, without disruption of essential services.

**10.3 Equality Implications**

10.3.1 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

The Contact Officer for this report is Sue Garner (719374).

**Background Papers**

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>

**MEDIUM TERM FINANCIAL STRATEGY      2018/19 – 2021/22****1 Introduction**

- 1.1 The purpose of the Financial Strategy is to set out the broad financial framework that the Council will operate within, during the next four financial years. A four-year period has been used, as this permits reasonably robust financial forecasts to be produced. A longer period would require more speculative forecasts. However changes to the external funding regime have increased the uncertainty over the resources available to the Council during the strategy period.
- 1.2 By using a medium term approach, the Council can ensure that financial and service decisions can be taken in a structured and proportionate way. Short-term policies are not adopted without identifying what the medium term implications of those decisions are.
- 1.3 The strategy covers all revenue and capital activity, although some individual sections may be specific to a particular type of spending only. Areas covered are:
- **General Fund Activities** – these are the majority of the day to day activities carried out by the Council, such as refuse collection and the payment of benefits
  - **Housing Revenue Account Activities** – these relate to the management and maintenance of the Council's housing portfolio
  - **Capital Spending** – this is spending that provides benefits over a period of 12 months, such as the purchase of vehicles or equipment

**2 Linking Resources With Corporate Priorities**

- 2.1 The Council has identified a number of priorities and these are given in its Corporate Plan. In arriving at the priorities, external influences are taken into account, including the aims of the Local Strategic Partnership (LSP). Other factors such as legislative changes and reward incentives are also considered.
- 2.2 The Corporate Plan and associated Financial Strategy are reviewed and updated on an annual basis, before the start of each new financial year. A further review of the Financial Strategy is also carried out part way through the year, to ensure that changing circumstances are taken into account in carrying out the full review.
- 2.3 As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add known unavoidable spending pressures. This is then measured against the projection of available funding to determine affordability. The package of measures required to balance the two form the financial strategy for the budget year.

## 3 Economic Forecast

3.1 Both general inflation and specific areas of increase affect the spending of the Council. There are two main indices for measuring household inflation: the Consumer Price Index (CPI) and the Retail Price Index (RPI). The Council reviews these indices when it is assessing the level of inflation to be included in its financial strategy. However the Council may choose to use a lower general rate in some areas, where it wishes to encourage efficiencies.

3.2 Specific areas of increase are considered separately and individual rates of increase used to reflect prevailing market conditions, where they are significantly different to the general rate of inflation. These are assessed on an annual basis and depending on economic conditions, may include:

- Employee costs – pay awards and pension costs;
- fuel and energy costs;
- investment rates.

3.3 The assumptions used in the latest forecasts are given below:

<b>Cost / Income Type</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Pay awards	2%	2%	2%	2%
Superannuation rates	16.8%	17.55%	18.3%	19.05%
Agency staff	2%	2%	2%	2%
Business Rates	3%	2%	2%	2%
Utilities	3%	3%	2%	2%
Other premise costs	0%	3%	0%	2%
Supplies and services	0%	3%	0%	2%
Rent Allowances	3%	3%	2%	2%
Rent Rebates	-1%	-1%	2%	2%
Housing Benefit Administration Grant	-10%	-10%	-10%	-10%
Reduction in RSG/NDR	-10%	-11%	0%	0%
Council Tax	£5	£5	£5	£5
Income	3%	2%	2%	2%

## 4 Demographic Factors

4.1 Demographic factors can affect the Council's planning in a number of ways:

- Changes in the number and value of households can affect the tax base used in calculating Council Tax
- The characteristics of the population, and households, influences the type of services provided
- The level of demand for services can be affected by changes in either of the above.

4.2 The population of the Borough currently stands at 62,300 and has been subject to little change over recent years. The Financial Strategy has assumed this will increase in line with the new house building expected to take place.

- 4.3 The Council Tax Base has remained fairly consistent over a number of years, with relatively small increases. Following a review of the potential new build in the area identified in the Core Strategy, the Financial Strategy has assumed an increase of 1.5% in the tax base on an annual basis, although there may be some movement depending on the Council Tax Support scheme adopted.

## **5 General Fund Activities**

### **5.1 Settlement Funding Assessment**

- 5.1.1 Central government provides funding to local authorities for their General Fund activities through the Settlement Funding Assessment system. The government decides on the funding to be allocated to Local Government on a national basis, and then allocates this funding between authorities using a formula calculation.
- 5.1.2 Indicative figures have been received for 2018/19 and 2019/20. Figures are not yet available for 2020/21 and 2021/22, so our latest projection has assumed the same total in both years as 2019/20.
- 5.1.3 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. As the Business Rates element is fixed, other than for inflationary increases, any reduction in the Settlement Funding Assessment is taken out of Revenue Support Grant.

### **5.2 Business Rates**

- 5.2.1 From April 2013, local authorities retain a proportion of the business rates they collect. The Secretary of State announced a baseline funding level of £1.793 million for North Warwickshire in the 2017/18 Finance Settlement. As we are required to pay a business rate tariff of £14.472 million in 2017/18, we need our local share of business rates to come to £16.265 million, in order to achieve this level of funding.
- 5.2.2 Business rates, including the tariff payable, will be increased by inflation each year. If the business rates in our area fall due to business closures or rating appeals, we may not achieve our baseline funding level. This would impact on our financial forecasts, reducing the level of balances we hold. The operation of a national safety net system would provide provision when the Authority's baseline funding fell by 7.5%. If additional business rates are collected, they are allocated 50% to the government, 10% to Warwickshire County Council, and 40% to this Council. We are required to pay a levy of 50% on the additional rates retained by this Council.
- 5.2.3 The Council chose to become a member of the Coventry and Warwickshire Business Rates Pool. This Local Pool agreed a safety net provision at a 5% loss of baseline funding, which would benefit the Council in the event that business rates fall. If business rates increase, the Pool will have a lower levy rate than the Council, of around 17%, allowing the Pool to keep more of the increase.

## **5.3 Council Tax Base**

- 5.3.1 The Council's tax base reduced significantly in 2013/14, following the introduction of a local Council Tax Support scheme, in place of the previous national Council Tax Benefit system. The scheme requires some residents to pay council tax, who previously had no liability. The Government offered councils a transitional grant in 2013/14, if they restricted the maximum payment by previous Council Tax Benefit claimants to 8.5% of their council tax bill. The Council opted to take the transitional grant and also revisited the collection rate, which was revised downwards to 98%.
- 5.3.2 The transitional grant was for 2013/14 only, so the Council needed to agree a Council Tax Support scheme for 2014/15 onwards. The decision was taken to retain the maximum payment required at 8.5% in 2014/15 although there was no grant to offset the cost to the Council. This decision has been revisited on an annual basis since then and has remained at 8.5%.
- 5.3.3 Although the Council usually exceeds its target collection rate, a small margin for non-collection allows some room for other variations during the year. Any additional funds are then distributed in the following year.

## **5.4 Council Tax**

- 5.4.1 The Council attempts to balance the need for retaining an affordable council tax, with the retention of services. This is increasingly difficult with current financial constraints, including the pressures of government funding levels, limited income raising opportunities, economic pressures and rising expectations.
- 5.4.2 Recent decisions to freeze council tax have had an on going and cumulative effect on the Council's financial position. Grant funding received towards tax freezes have generally been time limited, whereas the tax base is reduced permanently. The current forecast has assumed a council tax increase of £5 per annum going forward.
- 5.4.3 The government have brought in a requirement for proposed increases above the maximum increase of £5 to be subject to a local referendum.

## **5.5 Fees and Charges**

- 5.5.1 The Council has tended to increase fees and charges for inflation, on an annual basis. Any other changes have tended to be on an ad hoc basis. Demand for some services has changed as a result of changes in the economic situation. This will be taken into consideration in the review of fees and charges during the detailed work in the 2018/19 budget.
- 5.5.2 The Council introduced charging for the Borough Care service from November 2016, with a phased introduction for existing customers. The ability to generate income from other areas will be reviewed as part of the ongoing savings exercise.

## 5.6 Growth Areas

5.6.1 Given the Council's existing financial constraints, a strong approach is taken with growth areas. In general terms, growth will be allowed if one of the following conditions is met:

- **Statutory Need.** Where the Council needs to spend resources in order to comply with statutory requirements
- **Invest to Save.** Where services can demonstrate that an initial outlay will generate additional income or reduced costs in the future, an advance from an earmarked reserve held for this purpose will be made.
- **External Funding.** Services are encouraged to look for external funding to support service development and enhancement. However the impact of ongoing costs against potential one off funding is always considered.
- **Efficiencies.** The Council looks for efficiencies in service provision, to contribute to savings targets, or reallocate resources to other priorities.

5.6.2 The Council may use financial savings identified to fund general growth areas, where these are not needed to maintain balances. Growth bids are assessed according to their contribution to Council priorities, the ability to obtain external funding and their contribution to the management of risk.

## 5.7 Approach to Savings

5.7.1 The Authority includes the requirement to find savings in its financial strategy. However whilst unidentified savings are built into financial projections over the medium term, only identified savings are included in the detailed budget put forward for approval for the coming financial year. This is part of the management of financial risks, and gives greater assurance around the approved budget, and the medium term position.

5.7.2 As the council looks for specific savings in advance of setting the budget for the following year, work on finding savings for 2018/19 will be carried out in 2017 during the production of that budget. Only those found will be included. Where possible the savings will be brought in earlier, during 2017/18, as this will give a beneficial impact on balances. The savings target for 2018/19 is £550,000. If the savings target is not found, this will be reflected in the financial strategy for future years.

5.7.3 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

## 5.8 General Fund Balances

5.8.1 One of the Council's aims is to have a balanced budget. However this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.

5.8.2 The current policy for general balances is to retain minimum working balances of £1.3 million on the General Fund. The risk assessments, which support these requirements, are updated on an annual basis as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks.

## **5.9 Budget Process**

- 5.9.1 The budget process operates throughout the year, with the budget strategy updated twice per year. The financial forecast produced in September provides the context for the more detailed four year budget approved in February, as part of the Council Tax Setting process.
- 5.9.2 In the event of potentially significant changes to the Council's financial position, the Deputy Chief Executive will assess whether additional updates of the financial strategy are needed.

## **5.10 Budget Consultation**

- 5.10.1 The Council consults on how it spends its resources on an annual basis. A meeting with business ratepayers is held every year, whilst other ad hoc consultation is carried out as required.

## **6 Housing Revenue Account**

### **6.1 General Balances on the Housing Revenue Account**

- 6.1.1 The Council aims to have a balanced budget on the Housing Revenue Account. Again this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.
- 6.1.2 The current policy for general balances is to retain minimum working balances of £750,000 on the Housing Revenue Account. The risk assessment, which supports this requirement, is updated annually as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks. Given the greater risks that will be faced by the council as a result of welfare reform, an increased requirement to hold general balances is expected.

### **6.2 Housing Business Plan**

- 6.2.1 To ensure the continued management and maintenance of North Warwickshire's housing stock, both Members and officers need to take decisions on a long term basis. For example, we need to build up surpluses to fund the capital expenditure needed later in the Business Plan. The impact of decisions taken is fundamental to the sustainability of the Business Plan.
- 6.2.2 The Business Plan currently assumes that the authority continues to increase rents in line with government policy. This includes the impact of a recent change in national rent policy which required a 1% reduction in rents in 2016/17 and the following three years. Rent increases then revert to CPI + 1% per annum.
- 6.2.3 Further detail around the management and maintenance of the Council's housing stock is given in the Housing Business Plan. The Business Plan will be updated once further information on the proposed levy on high value voids is known.



## **7 Capital Programme**

### **7.1 Capital Funding**

- 7.1.1 The Council projects its expected resources over both a three and ten-year period. These include receipts from the sale of council assets, revenue funding used to support capital expenditure and anticipated contributions from third parties. Funding from the government is also considered. Specific grant is received towards the cost of Disabled Facility Grants.
- 7.1.2 Given its restricted resources, the council prioritises capital schemes, to enable it to carry out all essential spending.
- 7.1.3 There are still some funding issues which need to be addressed in the longer term, and other funding options will be considered in future updates of the Capital Strategy. The Capital Strategy gives further detail on the allocation of capital funding.

### **7.2 Interaction between Revenue and Capital Spending**

- 7.2.1 Many capital schemes will impact on the revenue budget. This may be due to ongoing maintenance costs which are incurred following the acquisition of an asset, or may be related to the cost of repaying loans taken out to finance capital expenditure, or the loss of investment income if internal loans are used.
- 7.2.2 In assessing bids put forward for inclusion in the capital programme, the impact of capital spending on the revenue budget is examined.

## **8 Efficiency Agenda**

- 8.1 All councils are required to demonstrate Value for Money. The Council doesn't set targets for individual services, as it recognises that efficiency savings can take longer to generate in some services.
- 8.2 Officers look for efficiencies in order to assist in achieving the savings required as part of the financial strategy. In addition systems thinking reviews are carried out on individual services and procurement activity is monitored.

## **9 Treasury Management**

- 9.1 This is the management of the Local Authority's cash flows: its banking, money market and capital market transactions. The Council has adopted a Treasury Management and Annual Investment Strategy, which sets out a framework for its activity in these areas. The current Strategy aims to minimise risk by putting greater emphasis on security and liquidity. Once risk has been minimised, the Council will maximise performance wherever possible, within existing controls.
- 9.2 As highlighted in the Treasury Management Strategy, the Council has a borrowing requirement of £69 million. The HRA has external borrowing of £54 million, whilst the General Fund has internal borrowing of £15 million. Internally borrowed funds come from earmarked reserves held for future revenue and

capital spending. As these resources are used, there will be a need for further external borrowing.

- 9.3 The government have imposed a cap on an authority's total housing borrowing. The Council is currently below its cap.
- 9.4 The Council has internal funds in excess of those needed to cover the internal loans. These are invested on the money market and generate investment income for both the General Fund and the Housing Revenue Account. The cash fund portfolio is managed internally, with advice from Capita, the Council's treasury management consultants.

### **10 Earmarked Reserves**

- 10.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes. Earmarked reserves are used to hold:
- Funding received in advance for specific initiatives;
  - Funding set aside for specific services, where the timing of demand can vary;
  - Funding set aside for the future replacement of assets or other capital expenditure;
  - Funding held to enable the Council to manage specific risks; and
  - Funding where work has been delayed.
- 10.2 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Reserves set up to manage timing differences or hold funding received in advance match expenditure to the income available. Reserves held to allow risks to the base budget to be managed are estimated using the best available information.

### **11 Risk Management**

- 11.1 The Council has a Risk Management strategy in place which it uses to manage all of its risks, including financial risks.
- 11.2 A system of risk management has been established, which is operated by all services. This ensures that if there are significant changes in the level of risk to the Council from new legislation, or policy changes, they are considered and reported to Board. Any significant increase in financial risks will therefore be addressed during the year, if this is necessary.
- 11.3 In addition, the financial risks of individual services are considered during the budget preparation process by Service Boards, along with the related budgets. Annual risk assessments are undertaken on the level of balances for the General Fund and the Housing Revenue Account and considered at the same time as the budgets. This ensures that all current issues are included.
- 11.4 To assist with highlighting the impact of the potential risks, the major risks are assessed on differing risk levels, and these are included in reports to Board.

**IMPACT OF COUNCIL TAX FREEZES IN 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18**

**APPENDIX B**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Grant Income - 2011/12 CT freeze	-111,746	-96,437	-87,372	-74,965	-62,521	-51,017	-42,140	-37,589	-32,402	-32,402	-32,402	-660,991
Grant Income - 2012/13 CT freeze		-112,220										-112,220
Grant Income - 2013/14 CT freeze			-44,650	-38,310	-31,950	-26,071	-21,535	-19,209	-16,558	-16,558	-16,558	-231,401
Grant Income - 2014/15 CT freeze				-44,850	-37,405	-30,522	-25,212	-22,489	-19,385	-19,385	-19,385	-218,633
Grant Income - 2015/16 CT freeze					-44,850	-36,598	-30,230	-26,965	-23,244	-23,244	-23,244	-208,373
<b>Grant Income</b>	<b>-111,746</b>	<b>-208,657</b>	<b>-132,022</b>	<b>-158,125</b>	<b>-176,726</b>	<b>-144,208</b>	<b>-119,116</b>	<b>-106,252</b>	<b>-91,589</b>	<b>-91,589</b>	<b>-91,589</b>	<b>-1,431,618</b>
Loss of CT 2011/12	134,012	136,003	120,040	121,389	123,588	125,608	127,488	129,400	131,341	133,311	135,311	1,417,491
Loss of CT 2012/13		92,539	81,678	82,596	84,092	85,467	86,746	88,047	89,367	90,708	92,069	873,308
Loss of CT 2013/14			83,312	84,247	85,774	87,176	88,480	89,808	91,155	92,522	93,910	796,384
Loss of CT 2014/15				85,932	87,489	88,919	90,250	91,604	92,978	94,373	95,788	727,334
Loss of CT 2015/16					87,008	88,430	89,754	91,100	92,466	93,853	95,261	637,873
Loss of CT 2016/17						90,155	91,504	92,876	94,270	95,684	97,119	561,607
Loss of CT 2017/18							101,539	103,062	104,608	106,177	107,769	523,154
Loss of CT 2018/19								0	0	0	0	0
Loss of CT 2019/20									0	0	0	0
Loss of CT 2020/21										0	0	0
Loss of CT 2021/22											0	
<b>CT Lost</b>	<b>134,012</b>	<b>228,542</b>	<b>285,030</b>	<b>374,164</b>	<b>467,952</b>	<b>565,755</b>	<b>675,760</b>	<b>685,896</b>	<b>696,185</b>	<b>706,627</b>	<b>717,227</b>	<b>5,537,150</b>
<b>Net Revenue Impact</b>	<b>22,266</b>	<b>19,885</b>	<b>153,008</b>	<b>216,039</b>	<b>291,226</b>	<b>421,546</b>	<b>556,644</b>	<b>579,645</b>	<b>604,596</b>	<b>615,039</b>	<b>625,638</b>	<b>4,105,532</b>

**POTENTIAL IMPACT OF AN ADDITIONAL COUNCIL TAX FREEZE IN 2018/19**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Grant Income - 2011/12 CT freeze	-111,746	-96,437	-87,372	-74,965	-62,521	-51,017	-42,140	-37,589	-32,402	-32,402	-32,402	-660,991
Grant Income - 2012/13 CT freeze		-112,220										-112,220
Grant Income - 2013/14 CT freeze			-44,650	-38,310	-31,950	-26,071	-21,535	-19,209	-16,558	-16,558	-16,558	-231,401
Grant Income - 2014/15 CT freeze				-44,850	-37,405	-30,522	-25,212	-22,489	-19,385	-19,385	-19,385	-218,633
Grant Income - 2015/16 CT freeze					-44,850	-36,598	-30,230	-26,965	-23,244	-23,244	-23,244	-208,373
<b>Grant Income</b>	<b>-111,746</b>	<b>-208,657</b>	<b>-132,022</b>	<b>-158,125</b>	<b>-176,726</b>	<b>-144,208</b>	<b>-119,116</b>	<b>-106,252</b>	<b>-91,589</b>	<b>-91,589</b>	<b>-91,589</b>	<b>-1,431,618</b>
Loss of CT 2011/12	134,012	136,003	120,040	121,389	123,588	125,608	127,488	129,400	131,341	133,311	135,311	1,417,491
Loss of CT 2012/13		92,539	81,678	82,596	84,092	85,467	86,746	88,047	89,367	90,708	92,069	873,308
Loss of CT 2013/14			83,312	84,247	85,774	87,176	88,480	89,808	91,155	92,522	93,910	796,384
Loss of CT 2014/15				85,932	87,489	88,919	90,250	91,604	92,978	94,373	95,788	727,334
Loss of CT 2015/16					87,008	88,430	89,754	91,100	92,466	93,853	95,261	637,873
Loss of CT 2016/17						90,155	91,504	92,876	94,270	95,684	97,119	561,607
Loss of CT 2017/18							101,539	103,062	104,608	106,177	107,769	523,154
Loss of CT 2018/19								103,062	104,608	106,177	107,769	421,615
Loss of CT 2019/20									0	0	0	0
Loss of CT 2020/21										0	0	0
Loss of CT 2021/22											0	
<b>CT Lost</b>	<b>134,012</b>	<b>228,542</b>	<b>285,030</b>	<b>374,164</b>	<b>467,952</b>	<b>565,755</b>	<b>675,760</b>	<b>788,958</b>	<b>800,792</b>	<b>812,804</b>	<b>824,996</b>	<b>5,958,765</b>
<b>Net Revenue Impact</b>	<b>22,266</b>	<b>19,885</b>	<b>153,008</b>	<b>216,039</b>	<b>291,226</b>	<b>421,546</b>	<b>556,644</b>	<b>682,706</b>	<b>709,203</b>	<b>721,215</b>	<b>733,407</b>	<b>4,527,147</b>

**Increase in Net Revenue Impact for Council Tax Freezes in 2018/19**

**421,615**

## APPENDIX C

### Potential Use of Balances

#### Best Case

	2017/18 Revised £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
<b>Estimated Use of Balance</b>	<b>598</b>	<b>368</b>	<b>456</b>	<b>430</b>	<b>521</b>
An increase in New Homes bonus		(60)	(120)	(180)	(240)
Increased tax base (new homes)		(21)	(43)	(66)	(90)
Sustained improvement in planning income		(100)	(100)	(100)	(100)
Improvement in other service income		(30)	(30)	(30)	(30)
Additional surplus in the Collection Fund			(50)	(50)	(50)
Additional staff vacancies		(20)	(20)	(20)	(20)
<b>Potential Use of / (Cont to) Balances</b>	<b>598</b>	<b>137</b>	<b>93</b>	<b>(16)</b>	<b>(9)</b>
<b>Balances at Year End</b>	<b>3,216</b>	<b>3,079</b>	<b>2,986</b>	<b>3,002</b>	<b>3,011</b>

#### Worst Case

	2017/18 Revised £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
<b>Estimated Use of Balance</b>	<b>598</b>	<b>368</b>	<b>456</b>	<b>430</b>	<b>521</b>
Business rate income at safety net		138	135	135	135
Reduction in New Homes Bonus funding		30	60	90	120
Additional 1% on the pay award in 2018/19		90	90	90	90
Additional recycling costs		50	50	50	50
Planning income is not sustained		100	100	100	100
Reduction in service income		30	30	30	30
Inflation is 1% higher than assumed		92	95	98	99
<b>Potential Use of / (Cont to) Balances</b>	<b>598</b>	<b>898</b>	<b>1,016</b>	<b>1,023</b>	<b>1,145</b>
<b>Balances at Year End</b>	<b>3,216</b>	<b>2,318</b>	<b>1,302</b>	<b>279</b>	<b>(866)</b>

## **Agenda Item No 9**

### **Executive Board**

**18 September 2017**

#### **Report of the Deputy Chief Executive**

#### **Grant to Parish Councils**

### **1 Summary**

- 1.1 The report proposes to stop grant payments to Parish Councils, with regard to the Council Tax Support scheme.

#### **Recommendation to the Council**

**To inform Parish Councils that grant towards Council Tax Support will not be paid in 2018/19 and subsequent years.**

### **2 Introduction**

- 2.1 In line with government requirements, the Council implemented a Council Tax Support Scheme in 2013/14, which replaced the previous nationally funded Council Tax Benefit (CTB) Scheme. Council Tax Support Schemes reduce the council tax base available for all precepting organisations, and so reduce the resources they are able to collect.
- 2.2 As the previous scheme had been nationally funded, the government provided a grant to the major preceptors affected, to offset the majority of the loss in resources. This was included within the external funding received by the authority and was identified separately in 2013/14 only.

### **3 Grant Payments to Parish Councils**

- 3.1 Grant was not given to local parish councils', however the government suggested that grant paid to Borough Councils included an element for the local councils' in their area. Payment of grant to parish councils is discretionary, and not all administering authorities have chosen to make payments given the reduction in their annual funding. To date, this Council has been paying grant to the parishes on an annual basis.
- 3.2 As the grant towards the Council Tax Support scheme was included within the overall external support received, and this has been reducing year on year, grant payments to Parishes have also reduced in line with the funding received. Total grant payments for the 2017/18 financial year amount to £59,000. As RSG will reduce by 9.6% in 2018/19, this would be applied to parish grants, reducing the total payments in 2018/19 to £53,340.

- 3.3 Since the Council started paying grant to the parishes in 2013/14, its external funding for 2017/18 has reduced by £1,948,856 (46.4%). In the same period the Council has made savings of £3,235,200. It is getting increasingly difficult to find savings towards the target of £550,000 for 2018/19. An option for reducing expenditure is to stop the grant payments to parishes. Unlike the Borough Council, Parish councils are not currently constrained with the amount they can raise through council tax.
- 3.4 The amounts that would be received by individual parishes are set out below, together with the additional cost each year for taxpayers, if they choose to raise council tax to compensate for the lost grant.

<b>Parish Council</b>	<b>2018/19 Grant £</b>	<b>Additional Cost for Taxpayers £ per Year</b>
Ansley	1,557	2.56
Arley	1,996	2.37
Astley	62	0.86
Atherstone	13,550	5.10
Austrey	223	0.58
Baddesley Ensor	2,444	4.83
Baxterley	334	2.72
Bentley / Merevale	58	1.11
Caldecote	-	-
Coleshill	11,245	4.68
Corley	393	1.27
Curdworth	647	1.36
Dordon	1,689	2.00
Fillongley	547	0.87
Great Packington	-	-
Grendon	581	1.03
Hartshill	5,830	5.55
Kingsbury	1,653	0.70
Lea Marston	73	0.53
Little Packington	-	-
Mancetter	2,284	3.56
Maxstoke	113	0.98
Middleton	483	1.55
Nether Whitacre	276	0.59
Newton Regis / Seckington	450	2.01
Over Whitacre	34	0.18
Polesworth	3,615	1.44
Shustoke	611	3.07
Shuttington	447	2.95
Water Orton	2,121	1.67
Wishaw	19	0.29
<b>TOTAL</b>	<b>53,335</b>	

## 5 Report Implications

## 5.1 Finance and Value for Money Implications

5.1.1 The revised budget strategy approved as part of the 2017/18 estimates requires savings of £1.45 million over the next three years, and includes a target of £550,000 for 2018/19. Removing the payment to parishes will assist the Council to meet its savings target, and keep to its financial strategy.

## 5.2 Environment and Sustainability Implications

5.2.1 Continuing to pay grant to the parish councils will require more savings to be taken from Borough Council services, reducing their sustainability.

## 5.3 Risk Management Implications

5.3.1 Keeping to the financial strategy will assist in allowing the Council to manage its expected shortfall in resources, and minimise disruption to essential services.

The Contact Officer for this report is Sue Garner (719374).

### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

## **Agenda Item 10**

### **Executive Board**

**18 September 2017**

**Report of the Assistant Chief Executive  
(Community Services)**

**Council Tax Support Scheme  
2018/19**

#### **1 Summary**

- 1.1 This report outlines the recommended Council Tax Support (CTS) Scheme for 2018/19.

#### **Recommendation to the Council**

- a To approve the retention of an 8.5% reduction in Council Tax Support to all current working age customers, in the 2018/19 Council Tax Support Scheme; and**
- b To approve that the Council Tax Support Scheme adopted for 2015/16 be updated in line with the statutory increases as notified by the Department of Work and Pensions.**

- 1.2 For the reasons outlined in this report, no changes are proposed, meaning the Council will not be required to undertake any consultation with affected customers in this financial year

#### **3 Background to this Report**

- 3.1 Before the Council implemented its 2013/14 Council Tax Support Scheme which replaced the previous Nationally funded Council Tax Benefit (CTB) Scheme, an extensive consultation was carried out which consulted on a number of options surrounding reducing the support given to working age claimants by up to 20%. Following this exercise, the actual scheme eventually implemented for 2013/14 passed on a reduction in support of 8.5% assisted by the payment of a transitional grant agreed by the Government paid for a one year period only.
- 3.2 Following the successful implementation of these changes which have remained unchanged since that date, the impact on customers affected since 2013/14 has been monitored. In summary, this has resulted in the expected impact of the changes being experienced in terms of increased recovery action needed to collect Council Tax due. This impact was that whilst there was initial falls in year collection levels on 2012/13 of 98.2% initially by 0.5% in 2013/14 and then 0.2% in 14/15 on previous levels, the actual collection rate achieved in 2015/16 was 0.19% on previous levels and in 2016/17 the



... Council recorded its best ever performance ever at 98.59% as outlined in Appendix B. This excellence performance continues to date in 2017/18.

3.3 *However, it should be noted that whilst the Council achieves an “in year” collection rate of over 98.6% for non-CTS affected customers, the impact on those affected by the CTS changes resulted in an “in year” collection rate of just over 83% in 2016/17 for these cases (up 9% on 2013/14 levels). To achieve these results the Council have needed to issue significantly more reminder notices (approximately 20% on 2012/13 levels) although what is pleasing is that because of our positive engagement encouraging contact at every stage, less court summonses at which time additional costs are added have been necessary*

3.4 Another important fact of note is that a significant number of those working age customers in receipt of CTS receive benefits indicating a limited or inability to work and many are also impacted by the wider and in some cases more significant welfare reforms. This means that making timely and sufficient payment to avoid recovery action continues to be very challenging to them. This is demonstrated by the number of cases in arrears which continues to be a small but increasing hard core of cases whose issues are becoming more complex. It is with this group we are undertaking significant proactive work in 2017/18 to help and encourage them to address their circumstances.

3.5 In addition, it is also clear from National data issued that those Councils who have passed on the biggest CTS reductions have experienced the biggest falls in Council Tax collection rates which is as we predicted and a key reason as outlined in the financial implications in this report for us as a District Council to retain our current scheme for a further year.

3.6 This is because on a positive note, it is pleasing to report that the assumptions made when adopting the 2013/14 scheme have over delivered on our expectations with income in excess of that predicted being raised in respect of second home and empty properties. In addition, our Council Tax benefit caseload has reduced by approximately 13.7% on 2012/13 levels which has assisted the Council fund the scheme adopted delivering on Government expectations when the scheme was launched. This reduction in our caseload (see Appendix A) can be attributed in part to the increased job opportunities created in the Borough meaning awards to working age claimants who have gained employment have either been negated or are costing the Council less. However, the more significant reductions are in respect of pensioners who are becoming less reliant on support from the Council to pay their Council Tax bills. This overall reduction in caseload plus the higher than anticipated receipts from second home and empty home properties is helping the Council to offset the initial shortfall in lost grant from the Government that fully funded the previous Council Tax Benefit Scheme year.

- 3.7 With this information in mind and in reviewing the 2018/19 scheme, it should also be noted that in addition to the welfare changes already introduced to date, the Government continues to make further changes to the welfare system in an attempt to help put welfare spending on a more sustainable path and make the system fair to those who pay for it, as well as those who benefit from it.
- 3.8 As such, we will be implementing the following changes over the next 18 months as part of this programme which will have as yet unknown impacts on income levels for many benefit customers. A summary of the changes are as follows;
- Universal Credit is being rolled out regionally over a 12 month period. In June 2017, it went live at the jobcentre in Chelmsley Wood and it will go live in Tamworth and Nuneaton in October and November 2017 and finally in Atherstone in May 2018. These 4 job centres cover North Warwickshire residents.
  - There will be further tax credit changes implemented that will limit the payment of benefit to a maximum of two children on new claims which will have a major impact on those affected in low paid employment which is prevalent in the Borough.
  - The delayed roll out of Personal Independent Payment assessments continues to have an impact on those deemed fit to work under new assessment rules which is reducing financial support received and increasing the need to move into work.
- 3.9 It is anticipated that with the roll out of the universal credit on all new claims and the migration of current working age claimants that will be fully implemented over the next four years, the impact on collection rates in respect of both rent and council tax is likely to become more ever challenging. Based on other experiences nationally where roll out of the full universal credit service has started and for the reasons outlined in this report, passing on any further reduction in Council Tax support in 2018/19 is not recommended.
- 3.10 In the circumstances, it is therefore proposed that the scheme adopted for 2018/19 remains unchanged at an 8.5% reduction on previous levels of Council Tax Benefit awarded in 2012/13 with a more comprehensive review undertaken in July 2019 that will seek to align a scheme having regard to the impact of Universal Credit awards. In the circumstances, it is only proposed to amend the scheme to reflect the uprating of benefits in line with the statutory increases proposed annually by the Department of Work and Pensions which is based on National Uprating data in September. For working age benefit recipients this will mean a freeze in income levels at 2014/15 levels.

## 4 Report Implications

### 4.1 Finance and Value for Money Implications

4.1.1 The expected net expenditure of the scheme for 2017/18, assuming the retention of an 8.5% reduction in Council Tax Support to all working age customers and similar collection rates to 2016/17, will cost this Council around £153,480 in the financial year.

4.1.2 If the Council were to change the scheme to build in a larger reduction in Council Tax Support, to either a 15% or 20% reduction as in the other Warwickshire Councils on which original consultation was undertaken in 2012, the financial impact of such changes are shown below:

<b>Scheme</b>	<b>Cost to the Council</b>	<b>Variance to 8.5% scheme</b>
15% reduction	145,940	-7,540
20% reduction	140,470	-13,010

These figures assume that there would be no extra staffing or administration costs incurred and are based on assumptions on a reduced collection rate as experienced by other Councils locally and nationally who have introduced less supportive schemes.

4.1.3 In learning from the experiences of Councils who have passed on larger cuts in Council Tax Support, the majority have also highlighted that the impact has meant needing to employ additional resource to deal with increased customer contact and recovery as well as issue significantly more recovery notices.

4.1.4 In the circumstances, if the Council needed to employ an additional part time officer (0.5 FTE) to assist in dealing with the expected increase in work generated, the cost of this resource would be circa £15,500. This administration cost would have to be met fully by the Council despite retaining only around 13% of the additional revenue and therefore would potentially exceed any saving expected from increasing the reduction to Council Tax Support.

### 4.2 Human Resources Implications

4.2.1 Reducing the Council Tax Support Scheme for working age claimants from 2012/13 levels has put greater pressure on staff administering the scheme. However, the proposed recommendation not to increase reductions further should ensure it will have minimal additional impact on the workload of these staff during 2018/19.

### **4.3 Risk Management Implications**

- 4.3.1 The key financial risk to the Council and Major Preceptors is an increase in benefits caseload in future years, from both working age claimants and pensioners. Fortunately, and for the reasons as stated in paragraph 3.6, since the Council Tax Support Scheme was introduced in April 2013, this risk has not been realised and the caseload has in fact reduced.

### **4.4 Equalities Implications**

- 4.4.1 Any reduction in Council Tax Support will impact across the whole of the working age caseload, but not disproportionately on different groups within it.

The Contact Officer for this report is Bob Trahern (719378).

**Council Tax and Housing Benefit Caseload Comparisons (2010 – 2017)**

We have not needed to use our contingency for the increase in CT/HB caseload and since we did the estimates in July 2012 when the caseload was 5257 (split 60% elderly and 40% working age) this has now reduced as shown in the table below to 4535 or a drop of 722 or 13.7%.

	<b>April</b>	<b>May</b>	<b>June</b>
<b>Total Caseload 10/11</b>	5302	5296	5297
<b>Total Caseload 11/12</b>	5284	5315	5279
<b>Total Caseload 12/13</b>	5314	5265	5275
<b>Total Caseload 13/14</b>	5173	5141	5152
<b>Total Caseload 14/15</b>	4960	4948	4910
<b>Total Caseload 15/16</b>	4766	4758	4710
<b>Total Caseload 16/17</b>	4653	4643	4620
<b>Total Caseload 17/18</b>	4583	4573	4535

The position on spend in June 2016 was:-

	<b>September</b>
<b>Working Age Caseload</b>	1999
<b>Elderly Caseload</b>	2307
<b>Working Age Expenditure</b>	£1,649,936.10
<b>Elderly Expenditure</b>	£2,207,641

The position as at September June 2017 spend is now:-

	<b>September</b>
<b>Working Age Caseload</b>	1976
<b>Elderly Caseload</b>	2262
<b>Working Age Expenditure</b>	£1,689,109
<b>Elderly Expenditure</b>	£2,187,499

**Collection Rate Details 2016/17**

Detailed below is National data on collection rates for 2016/17 that was published in July 2017 in respect of Council Tax and Non Domestic Rates by the DCLG. I have summarised below in respect of our own performance compared to others.

**Non Domestic Rates**

Comparison of Non Domestic collection rates are based on like for like comparisons as it is a National scheme.

Of the £45.4m worth of Business Rates needed to be collected in the Borough in 2016/17 from circa 2261 properties, our performance of an “in year collection of 99.59%” placed us **9<sup>th</sup> in the Country out of 326** Councils which places us easily in the top quartile of performers. We were also the second highest District Council performer in the country

**Compared to other Councils in the County, we were the top authority in Warwickshire, and top of our family group of 15 Councils which includes Hinckley and Tamworth.**

The all England Average for NDR was 98.1% and the all England average for Shire Districts was 98.4%.

In terms of the reduction of arrears due the Council were also placed **9<sup>th</sup> in the Country** achieving an arrears reduction of 75.09% leaving only £284,000 outstanding to be collected as at 31 March 2017.

**Council Tax**

Comparison of Council Tax collection rates is more difficult based on Councils having adopted different Council Tax support schemes (e.g.) Nuneaton cut their Council Tax Support by 20% on 2012/13 levels, Rugby cut by 15%, North Warwickshire by 8.5%, Warwick by 7.5% whilst Stratford had retained Council Tax support at the same level of 100% benefit for those on the lowest income in respect of working age people.

In addition, Councils also have different treatment of their second home, long term empty and vacant properties. The NWBC changes made in 2013/14 were the most major as we cut the time a property is exempt when vacant from 6 months to 14 days before 100% charges are made, Warwick to one month, Stratford and Rugby reduced to 3 months whilst Nuneaton retained the exemption as 6 months.

Of the £34.7m worth of Council Tax needed to be collected in the Borough in 2016/17 from circa 27,500 properties, our performance of an “in year collection of 98.59%” placed us **55<sup>th</sup> in the Country out of 326 Councils**. This way outstrips our deprivation indices which nationally should see us placed approximately 192<sup>nd</sup> (or a third quartile performer) if all Councils collected in line with their perceived affluence.

This was also an improvement on our position of 82nd in 2015/16 when we achieved an in year collection rate of 97.39%.

**Compared to other Councils in the County, we were the top placed Council in Warwickshire, and second of our family group of 15 Councils which includes Hinckley and Tamworth**

The all England Average for Council Tax was 97.1% and the all England Average for Shire Districts was 98.1%.

In terms of the reduction of arrears due the Council were also placed **123rd in the Country** achieving an arrears reduction of 39.02% leaving £1.5m outstanding to be collected as at 31 March 2017. This placed us fourth in the county as is expected with Stratford, Warwick and Rugby all collecting more in percentage terms as would be expected

### **Conclusion**

These are excellent results for the Council in what are very challenging times for collection of monies. However, we believe our Financial Inclusion approach delivered with partners is helping those customers who are struggling to pay (4.89% of households had some Council Tax arrears at the end of March 2017) and it is on these customers that we will continue to focus our efforts in 2017/18. This is because it is clear that the data from ourselves and the local CAB, that those customers who are in arrears are going to need increased help to ensure they can either improve their income levels or reduce their expenditure in order to meet all their financial commitments.

## **Agenda Item No 11**

### **Executive Board**

**18 September 2017**

#### **Report of the Assistant Chief Executive and Solicitor to the Council**

#### **Economic Review**

### **1 Summary**

- 1.1 This report advised Members of an economic review undertaken with Nuneaton and Bedworth Borough Council and Hinckley and Bosworth Borough Council.

#### **Recommendation to the Board**

**That the report be noted.**

### **2 Report**

- 2.1 As Members will know, the Borough works closely with Nuneaton and Bedworth and Hinckley and Bosworth Borough Councils on a range of services (such as Building Control and Revenues and Benefits) and also on 'cross cutting themes' such as tourism and economic development.
- 2.2 Officers commissioned a review of the economy of the joint area in order to inform further work and policy interventions. Through discussions with Members it has been agreed to report this work to this Board including an update on how the priority actions have been taken forward.
- 2.3 The report is large and a full copy has been placed in each Group room. The Executive Summary is attached.
- 2.4 The analysis of the economy provides a generally positive picture, albeit with some mixed performance in certain areas. Compared to the national average, the area performs strongly in overall employment growth. The area has a relatively high proportion of private sector employment and a large manufacturing base and logistics sector, with significant levels of employment in a number of high-tech sectors. However, there are lower levels of employment in higher value service sectors, such as finance and insurance. The report notes the low population growth, particular those of working age and the relatively low income and skill levels. The very strong current and future jobs growth is however noted as a particular strength, particularly in North Warwickshire.

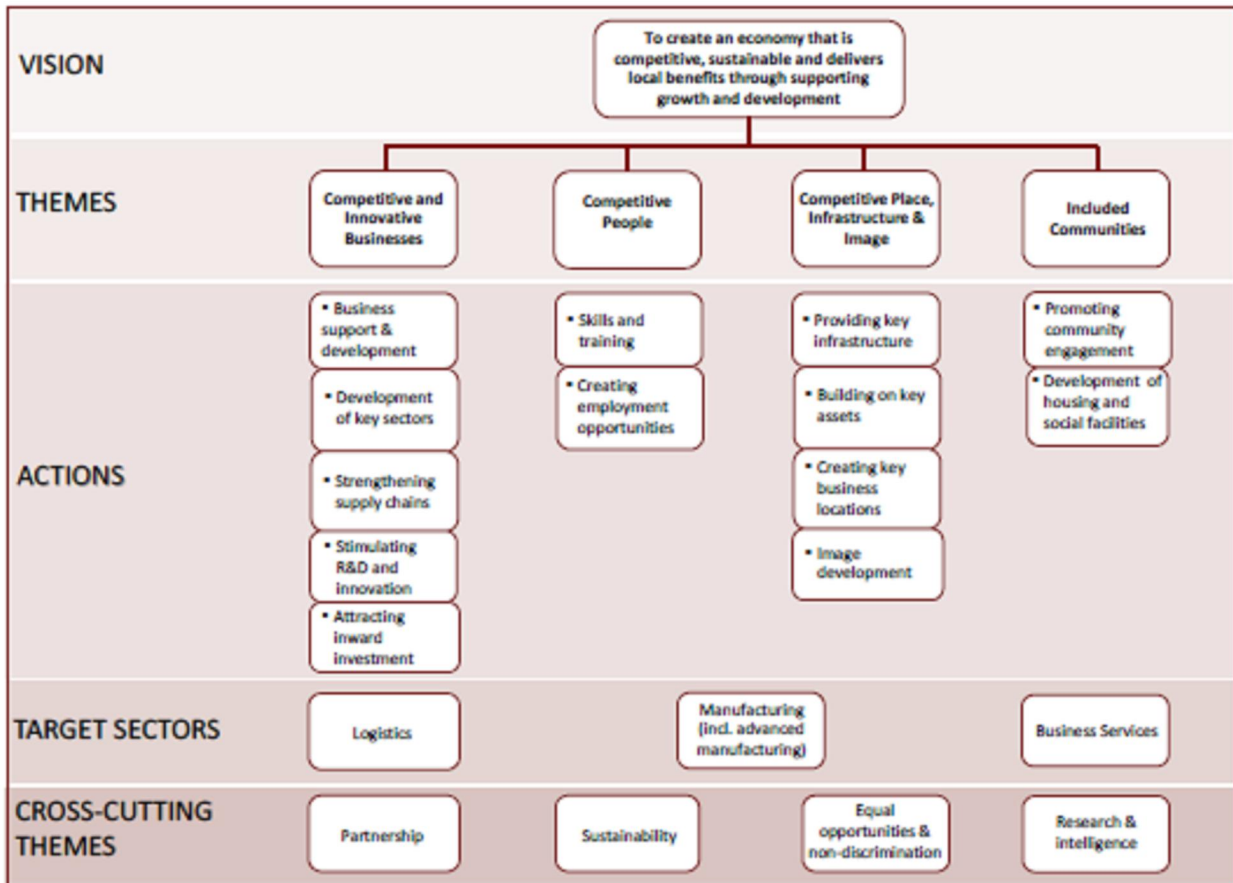


The report sets out a number of priority policy implications:

- build upon existing and proposed **infrastructure** and ensure that a **good supply of sites and premises** is available to take advantage of this infrastructure;
- maximise the benefits from a number of **strategic assets**, such as MIRA, strategic employment sites and visitor attractions including Twycross Zoo;
- target **key economic sectors**, including high technology employment sectors, aligned with LEP priorities set out in the SEPs;
- ensure that the benefits of economic growth for local residents (in particular, those in disadvantaged areas or groups) in terms of **employment** are maximised;
- work closely with key **knowledge assets** to promote research and development and innovation;
- adopt a joint approach to promoting enhanced **business performance** and productivity as part of a shared service, targeted towards opportunity sectors;
- collectively foster greater levels of enterprise and innovation through a joined-up approach to **enterprise and supply chain development and seek to secure LEP support for this**;
- continue to work jointly with key skills and education providers to address cross-border **education and skills** issues and ensure that training programmes are appropriately targeted;
- develop a strong **marketing** identity for the area building upon common themes and key assets;
- continue to work cooperatively at a **strategic planning** level to explore measures to promote a high quality and balanced housing offer; and
- work collaboratively to **monitor and evaluate** the impact of its activities to provide a detailed evidence base for future intervention.

A number of actions are suggested for the three Councils, summarised below:

**Figure ES1: Cross-Border Partnership Indicative Strategic Framework**



### 3 Response to date

3.1 The Cross Border Partnership continues to function, albeit that work has slowed due to particularly Nuneaton and Bedworth and this Council focussing on preparing Local Plans for adoption.

3.2 A number of the actions have been taken forward as follows:

3.2.1 With regard to the development of key sectors, stimulating R&D and innovation, attracting inward investment, creating employment opportunities, building on key assets, and image development, the main action has been the proposed strategic employment allocation through the local plan to provide an extension to MIRA.

3.2.2 This allocation was suggested by Officers of this Council, rather than MIRA, and is now being developed into the Southern Manufacturing Zone by MIRA. The concept is to work in harmony with the business park on the north side of the A5 which will concentrate on R&D, with the southern site available for manufacturing of products developed at MIRA or similar products. The site is now included in the Department for International Trade's 'Pitchbooks' which are used at international events seeking inward investment. The impact

should the zone be fully developed could be transformational in terms of job/career prospects and also the image of the Borough.

3.2.3 In addition, the Council continues to support the key logistics sector, whilst wishing to diversify the employment offer in the Borough. Extensions to Birch Coppice and more recently Hams Hall have been given planning permission.

3.2.4 The Council has received external funding to create a tourism Destination Management Plan which is in the process of being worked up, again in collaboration with Hinckley and Bosworth Borough Council.

3.2.5 With regard to the supply chain, the partnership have organised a number of events for the supply chain sector, including with regard to HS2 and Jaguar Land Rover. This is also a key area for the work of the Local Enterprise Partnership and the Combined Authority.

3.2.6 Work on skills is a key issue and has been a Community Partnership priority for a number of years. Key recent actions include:

- **Jobs Fair 2017** - A jobs Fair is being organised following the success of last year's event (see below) which will take place on Thursday 5 October 2017.
- **Coleshill School 'A focussed approach to Careers Advice'** is a project funded by the North Warwickshire Community Partnership. The project commenced in December 2016 and will run until December 2017. The project will compliment funding that the School has been awarded from WCC Skills for Employment Programme. Much progress is taking place focussing on careers and enterprising activity to support young people with the smooth transition into further education and employment. The school has been successful in identifying good links with two local business Sertec and BMW. In September the school was also confirmed as a Digital School House.
- **Digital School House Coleshill School** - The Digital Schoolhouse Programme uses play-based learning to engage the next generation of pupils and teachers with the new Computing curriculum (which began on 1 September 2014). Digital Schoolhouse is delivered by the UK games industry trade body Ukie, and powered by PlayStation®, and was originally seed funded by the Mayor of London's Schools Excellence Fund (LSEF). It aims to work with a growing network of local primary and secondary teachers to deliver creative and cross-curricular computing lessons. Through this, Coleshill School will support the new Computing Programme of Study for the National Curriculum in a way that leaves pupils and teachers feeling inspired and engaged. The project commences in September and will work with primary schools locally.

- Funds remain for **Section 106 funding** for the Birch Coppice Industrial Estate. Work is ongoing to explore activities around coding workshops for adults although this is proving quite difficult.
- **Code Clubs for Young People** - At Code Club, children have the opportunity to learn to code, no matter who they are or where they come from. To do this, a nationwide network of volunteers and educators run free coding clubs for young people aged 9-13 to build and share their ideas, learning along the way. The projects are easy to follow step-by-step guides which help young people learn Scratch, HTML and CSS and Python by making games, animations, and websites. The projects gradually introduce coding concepts to allow young people to build their knowledge incrementally, meaning there's also no need for the adult running the session to be a computing expert. There are very limited Code Clubs across Warwickshire and none in North Warwickshire therefore work is underway to develop a number of clubs. There is already interest to set up a code club in four locations – Dordon, Arley, Atherstone and Coleshill. The first Code Club will launch this September in Dordon.
- The **Talent Match Project** is progressing well. This project targets the most disengaged young people who are unemployed or not in education, training and employment. A number of case studies have been prepared. A celebration event was held on Thursday 22 June 2017 with the Mayor and Mayoress of North Warwickshire in attendance and presenting awards.
- A **NW Skills for Employment Breakfast** held on Wednesday 1 February 2017, Lea Marston Hotel. The aim of the event was to consider how to improve the work-readiness of young people in North Warwickshire and how to enable businesses to recruit more readily. 40 people were in attendance including 4 of the 5 secondary schools.
- **Employment Support Allowance Events** - The Council working with the Job Centre ran **6 ESA events** in each of the Community Hub locations throughout April. The Job Centre provided a 10 minute talk each hour on the services that the Job Centre offers to clients. The rest of the event was a market place where customers could access relevant help and support (as required).

The events ran at the following venues:-

Name of Hub	Date	Event Time
Coleshill Town Hall	Tuesday 28 March 2017	10.00 – 12.00
St Mary's Atherstone	Monday 3 April 2017	10.00 - 12.00
Hartshill	Tuesday 11 April 2017	10.30 - 12.30
Arley	Wednesday 12 April 2017	10.00 - 12.00
Dordon	Thursday 6 April 2017	10.00 - 12.00
Baddesley Ensor	Friday 7 April 2017	10.00 - 12.00

- 3.2.7 **Disability Confident and Jobs Fair 2016** – A Disability Confident Event held was held in partnership with JCP, the MP’s Office and the Council on the 7 October 2016 to introduce the Disability Confident Scheme which was officially launched on Wednesday 2 November 2016. 45 people attended the Disability Confident Employer Event. Attendees included businesses, support services, DWP and Council staff.
- 3.2.8 A Jobs Fair followed with 250 people in attendance. 170 letters were issued by DWP. 100 feedback forms were received on the day. 95% stated “on a scale of 1 – 10 how satisfied are you with the Jobs fair” scored an 8 or above. 25 employers attended. Attendees found the event beneficial and expressed it gave them both a good networking opportunity and enabled them to speak to a wide variety of people who were interested in their vacancies and services. Employers felt those attending the fair were interested in what was on offer, and in turn, they were happy with the quality and quantity of candidates that attended throughout the day.
- 3.2.9 The development of housing and social facilities is being taken forward through the draft Local Plan. Members will be aware of the very challenging housing figures the Borough is having to accommodate and the LDF Sub-committee will consider the additional measures contained in the revised Infrastructure Delivery Plan to make sure that the necessary infrastructure accompanies the growth.
- 3.2.10 Finally on promoting community engagement, other reports on this agenda provide an update on the significant changes the Council is considering making in this area.

The Contact Officer for this report is Steve Maxey (719438).

# Executive Summary

## Introduction

Hinckley and Bosworth Borough Council (HBBC), North Warwickshire Borough Council (NWBC) and Nuneaton and Bedworth Borough Council (NBBC) have formed a Cross-Border Partnership for economic development and to promote employment and skills. This report provides an economic review of the Cross-Border Partnership area, together with an assessment of impact of completed and future major projects in the HBBC and NWBC areas. Overall, the economic review has found that although the socio-economic conditions are mixed across the Cross-Border Partnership area, there are a range of common issues where the partners could develop closer joint working for the benefit of residents and businesses. The completed projects within the HBBC and NWBC areas have already resulted in significant economic benefits, with the potential impact of future projects also expected to be substantial.

## Context

The Economic Review and Impact Assessment has been undertaken at a time of improving economic conditions across the UK, although some uncertainty remains about the performance of the global economy and the Eurozone. The Government is committed to rebalancing the economy based on investment across the regions, growth driven by the private sector and further devolution to increase local decision making and collaborative working arrangements. At the local level, the strategic economic development of the Cross-Border Partnership area is supported in particular by the priorities of the Leicester and Leicestershire Local Enterprise Partnership (LLEP) and the Coventry and Warwickshire Local Enterprise Partnership (CWLEP), asset out in their Strategic Economic Plans (SEPs). Both LEPs are focusing on a range of priority sectors, including advanced manufacturing. The Cross-Border Partnership can help to deliver the LEPs' objectives.

The three Cross-Border authorities are each members of the Coventry, Warwickshire and South West Leicestershire Shadow Economic Prosperity Board and Coventry and Warwickshire LEP. In addition, as the A5 corridor passes through Hinckley and Bosworth, North Warwickshire and Nuneaton and Bedworth, the Strategy for the A5 (2011-2026) also forms a key element of the strategic context for the Cross-Border Partnership area.

## Economic Review Overview

The Economic Review has sought to identify and explore the economic performance, linkages, similarities and differences between the three Cross-Border Partnership areas. This analysis has been sub-divided into three components:

- 'Business' – economic structure and business activity;
- 'People' – demographic and socio-economic characteristics; and
- 'Place' – property, infrastructure and environmental characteristics.

As well as historic and current data, economic forecasts from Cambridge Econometrics have been analysed to assess future prospects. In addition, a new Economic Growth and Competitiveness Index (EGCI) has been developed and the

contribution of various local assets to local productivity performance has also been examined. A summary assessment of the strengths, weaknesses, opportunities and threats has been undertaken and the implications for joint working considered.

### *Business*

The analysis of business-related indicators shows a mixed picture across the Cross-Border Partnership area. Compared to the national average, the Cross-Border Partnership area performs strongly in overall employment growth. The area has a relatively high proportion of private sector employment and a large manufacturing base and logistics sector, with significant levels of employment in a number of high-tech sectors. However, there are lower levels of employment in higher value service sectors, such as finance and insurance. With regard to business activity, there is a divergence of performance between Nuneaton and Bedworth, where business density (businesses per 10,000 working age population) and creation levels are below national levels, and Hinckley and Bosworth and North Warwickshire, which each have a business density above the national average. All three areas are forecast to grow though in terms of Gross Value Added (GVA) and employment, with GVA growth in the Cross-Border Partnership area expected to be marginally greater than the UK as a whole over the next ten years.

### *People*

There is a varying demographic picture across the Cross-Border Partnership area, with very different levels of resident population and population density within each constituent area. However, for each of the three local authorities, population growth has been relatively low, particularly with regard to working age population. Projected population growth is also lower than the England average, with working age population expected to either remain broadly stable (Hinckley and Bosworth and Nuneaton and Bedford) or decline (North Warwickshire). Of those residents of working age and in employment, there are a higher proportion employed in lower order occupations compared to the national average. In addition, while over recent years there has been a significant improvement in qualification attainment, the proportion of residents qualified to NVQ level 4 or above in the three local authority areas remains below the figure for England as a whole. Resident earnings within each area have also fallen below the national average.

### *Place*

Across the Cross-Border Partnership area as a whole and within each of the three local authorities, the housing market is dominated by owner occupier properties, with a large proportion of detached and semi-detached housing. However, there are a relatively low proportion of higher value council tax band properties when compared with the England average, particularly in Nuneaton and Bedworth. In terms of the commercial property market, there is strong demand for distribution and logistics space and a shortage of supply, both in terms of suitable accommodation and readily available and consented land. The North Warwickshire Employment Land Review Update identified logistics as a sector that will continue to play a major role in the local and sub-regional economy, with the Hinckley and Bosworth Employment Land and Premise Review also highlighting the industrial market and logistics sector as

key drivers of demand. The latter also recommended that neighbouring authorities should work together on issues where interests overlap, such as MIRA Technology Park Enterprise Zone and the development of the A5 corridor.

### *Key drivers of economic performance*

The importance of underlying economic characteristics to productivity performance (GVA per hour) has been assessed as a way of understanding the drivers behind each area's economic performance. This has used a combination of statistical tools and factor and regression analysis at the local authority level across England. From the analysis it is clear that access (to large business centres<sup>1</sup>, rail links to London and airports) is an asset that can be harnessed for the further development of the three areas' economies. In contrast, housing and commercial property availability and a lack of skills are common issues across the Cross-Border Partnership area that need addressing and higher level skills need to be improved to ensure future competitiveness.

### *Policy implications*

The local policy implications for the Cross-Border Partnership of the economic review include the need to:

- build upon existing and proposed **infrastructure** and ensure that a **good supply of sites and premises** is available to take advantage of this infrastructure;
- maximise the benefits from a number of **strategic assets**, such as MIRA, strategic employment sites and visitor attractions including Twycross Zoo;
- target **key economic sectors**, including high technology employment sectors, aligned with LEP priorities set out in the SEPs;
- ensure that the benefits of economic growth for local residents (in particular, those in disadvantaged areas or groups) in terms of **employment** are maximised;
- work closely with key **knowledge assets** to promote research and development and innovation;
- adopt a joint approach to promoting enhanced **business performance** and productivity as part of a shared service, targeted towards opportunity sectors;
- collectively foster greater levels of enterprise and innovation through a joined-up approach to **enterprise and supply chain development and seek to secure LEP support for this**;
- continue to work jointly with key skills and education providers to address cross-border **education and skills** issues and ensure that training programmes are appropriately targeted;
- develop a strong **marketing** identity for the area building upon common themes and key assets;
- continue to work cooperatively at a **strategic planning** level to explore measures to promote a high quality and balanced housing offer; and
- work collaboratively to **monitor and evaluate** the impact of its activities to provide a detailed evidence base for future intervention.



## Economic impact

Over recent years the investment and activity generated by key projects within the HBBC and NWBC areas has resulted in a range of benefits for the local and wider economy. As part of this report, economic impact assessments have been undertaken to quantify these benefits. In addition, the potential impacts that are expected to be created through proposed future project shave also been assessed. The analysis focuses upon the achieved and anticipated employment and economic effects (in terms of GVA) at the Cross-Border Partnership level. The impacts during the construction and operational phases of each project have been assessed in terms of both the gross and net additional impact. In assessing the net additional impact of the projects, consideration has been given to the extent of leakage<sup>2</sup>, displacement<sup>3</sup>, multiplier<sup>4</sup> and deadweight<sup>5</sup> effects.

### *Hinckley and Bosworth*

Table ES1 sets out a summary of the estimated net additional impacts of the completed projects within Hinckley and Bosworth. The projects considered as part of the assessment include the Atkins Building, Greenfields Business Park, Hinckley Hub, North Warwickshire and Hinckley College Hinckley Campus, Hinckley Business Improvement District, MIRA Technology Park Enterprise Zone, Hinckley Commercial Park Phase 1 and Phase 2, the National Forest and Bosworth Water Trust Leisure Park.

Total net additional local construction jobs (person years)	1,270
Total net additional local permanent jobs (resident-based)	1,742
Total net additional permanent jobs (workplace-based)	2,839
Total net additional GVA per annum	£133 million

The estimated net additional impact of the future projects is set out in Table ES2. The following future projects have also been assessed: Hinckley Crescent; Argent Mead Leisure Centre; Barwell and Earl Shilton Sustainable Urban Extensions; rural broadband; Twycross Zoo; and Market Bosworth Marina.

Total net additional local construction jobs (person years)	3,745
Total net additional local permanent jobs (resident-based)	3,300
Total net additional permanent jobs (workplace-based)	5,100
Total net additional GVA per annum	£286 million

## North Warwickshire

The estimated net additional local impact of the completed projects in North Warwickshire is summarised in Table ES3. The projects incorporated as part of this assessment include Ham Hall, Birch Coppice, Coleshill leisure centre, North Warwickshire Council House refurbishment and the Belfry Hotel and Resort.

Total net additional local construction jobs (person years)	3,370
Total net additional local permanent jobs (resident-based)	2,860
Total net additional permanent jobs (workplace-based)	8,172
Total net additional GVA per annum	£459 million

Table ES4 sets out the estimated net additional local impact of future projects within North Warwickshire, which comprise Hams Hall (future phase), Birch Coppice (future phase), site allocations plan; and CSW broadband.

Total net additional local construction jobs (person years)	840
Total net additional local permanent jobs (resident-based)	1,530
Total net additional permanent jobs (workplace-based)	2,886
Total net additional GVA per annum	£211 million

## Summary

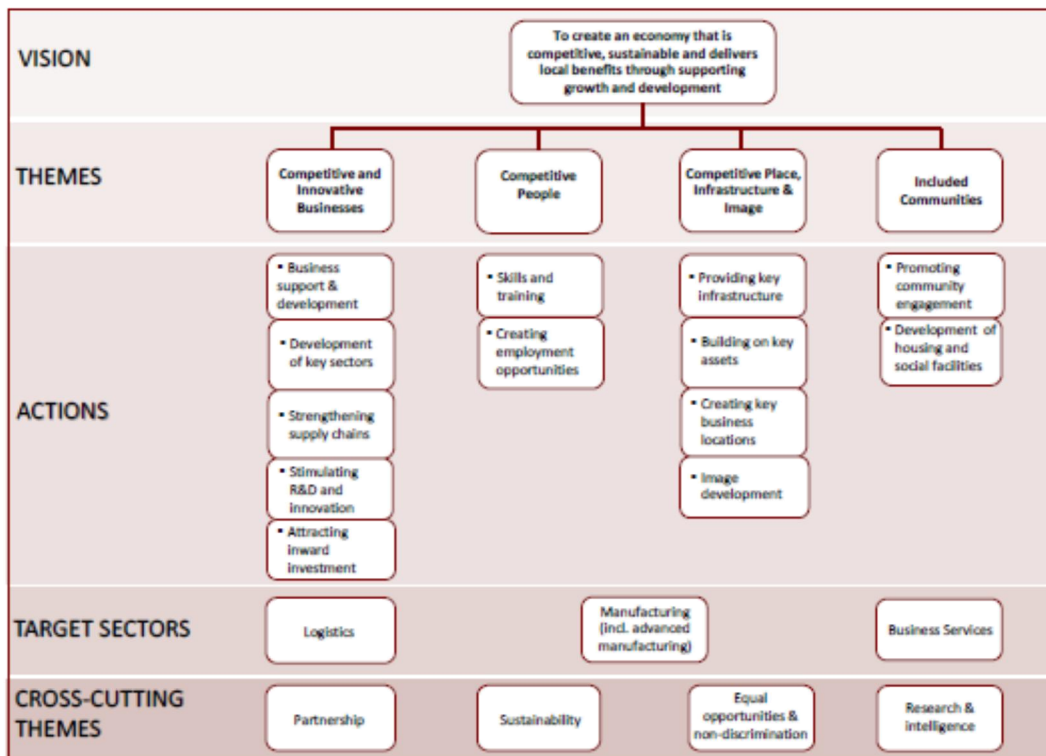
The completed projects have contributed substantially to maintaining and developing the local economies of Hinckley and Bosworth and North Warwickshire. In total, the Hinckley and Bosworth projects are estimated to have generated around 2,840 net additional jobs and the North Warwickshire projects over 8,170 net additional local jobs. By way of context, in 2014, total employment in Hinckley and Bosworth was 41,900 and in North Warwickshire it was 38,600; The potential impact of future projects is also expected to be substantial, with some 5,100 and 2,890 net additional local jobs expected to be created within Hinckley and Bosworth and North Warwickshire respectively. The projects (both completed and future) will also have an important range of wider economic, social and environmental impacts.

## Implications for the future

The economic review and impact assessment has established that there are common issues shared across the Cross-Border Partnership area. In a number of cases, these are most effectively and efficiently addressed in a collaborative way. There are significant opportunities for the partners to work together to:

- realise shared strengths and opportunities and address common threats and weaknesses; and
- learn the lessons and build upon successful recent and future proposed projects – in particular those that have sub-regional implications. There is an opportunity to establish an overall strategic framework to guide the development of the Cross-Border Partnership area. Whilst further work is needed to develop a bespoke local framework, it is envisaged – based on the economic review and impact assessment – that it should include the components outlined in Figure ES1. The strategic framework identifies a broadly-based approach to supporting economic growth and development. The key next step would be to develop the vision for the Cross-Border Partnership area and actively engage with other public sector partners and the private sector, coordinating and building on existing programmes, while developing new and innovative ways of working in order to improve delivery and increase efficiency. Such requirements may justify the establishment of an informal, unincorporated, Economic Development Partnership (EDP) and joint arrangements for delivery of individual project opportunities. The EDP would need to continue to work effectively with and retain the support of the LEPs and other partners. The key risks that are considered to apply to the development of a strategic framework include project funding, staffing, processes and momentum.

Figure ES1: Cross-Border Partnership Indicative Strategic Framework



With regard to monitoring and evaluation, the partners should work together to develop and implement a robust performance management system. This will include arrangements to monitor selected 'strategic outcome' indicators and the EGCI (in the form of a 'dashboard'), along with the inputs and gross and net additional outputs and results of programmes and projects. Outlined below is a set of key strategic outcome indicators, taken from the EGCI, which can be monitored overtime to assess the performance of each of the Cross-Border Partnership local authority areas. The EGCI ranks individual district authorities (out of 325 district areas across England) in relation to a number of socio-economic indicators, both in terms of current performance (cross sectional) and recent trends (longitudinal). Those variables highlighted as green indicate where the local authority is performing within the top third of districts, whereas for those shown in amber the performance is within the middle third and those in red within the bottom third.

## Figure ES2: EGCI, key socio-economic indicators

\*EGCI ranks every district authority in England from 1 (best performing) to 325 (worst performing) against a set of socio-economic indicators.

Figure ES2: EGCI, key socio-economic indicators

	Cross-Sectional			Longitudinal		
	Hinckley and Bosworth	North Warwickshire	Nuneaton and Bedworth	Hinckley and Bosworth	North Warwickshire	Nuneaton and Bedworth
<b>Business</b>						
Business density (enterprises per 10,000 working age population)	147	113	273	145	185	104
Job density / employment change	194	19	260	67	124	72
<b>People</b>						
Employment rate	131	46	280	304	69	264
Resident median earnings	214	216	198	268	265	176
JSA claimant rate	122	102	209	150	55	103
Residents qualified to NVQ4+	203	302	316	191	161	120
<b>Place</b>						
Housing market (median house price)	223	219	265	291	153	138
Affordability (ratio of median house price to median earnings)	87	112	64	18	226	117
Per capita emissions	115	218	75	68	320	165

\*EGCI ranks every district authority in England from 1 (best performing) to 325 (worst performing) against a set of socio-economic indicators.

## Agenda Item No 12

### Executive Board

18 September 2017

#### Report of the Assistant Chief Executive and Solicitor to the Council

#### Review of Area Forum Working

### 1 Summary

- 1.1 This report makes recommendations to the Board regarding Area Forums, following the recent debate at full Council and subsequent meeting of the Area Forum Task and Finish Group.

#### **Recommendation to the Council**

- a That the Council consults with the Police, Warwickshire County Council and other interested parties on the current round of Area Forums being the last such meetings; and**
- b That subsequent reports are brought to this Board as part of the Council's review of Communications, including a revised Consultation Strategy in order to ensure that the positive elements of Forums meetings are continued.**

### 2 Report

- 2.1 Members have debated the effectiveness of Area Forum meetings for some time, most recently at the Council meeting on 28 June. Following that debate, a Task and Finish Group was created and this met on 25 July.
- 2.2 Area Forums were first introduced in the late 90s in North Warwickshire, in partnership with the Police and Warwickshire County Council. Since then they have had a mixed history and it is fair to say that attendance has declined over the years.
- 2.3 Analysis in 2012 indicated that only 19% of those attending Area Forums were not formally attached to the Borough, County or Parish Councils or other agencies. This equated to just short of 6 members of the public per meeting against a population of over 62,000 (0.01%). An exercise in 2010 concluded that about 0.2% of Warwickshire's population attended area forums at that time.
- 2.4 Figures for the September 2015 round of meeting were as follows. For Area Forums North and West, of the 37 attending the two meetings, only 7 were unaffiliated residents. However for Area Forums East and South, 34 of the 62

attendees were minuted as residents. The Police and Crime Commissioner (PCC) attended the Area Forum East meeting which may account for the 14 (out of 32) residents at that meeting, however in June 15 residents also attended (out of 29). Jeff Brown had been to discuss the Daw Mill application at the June and September 2015 South meetings which may have accounted for 20 residents out of 30 at the September meeting and 30 out of 43 in June.

- 2.5 The County Council however do not appear to record Parish Council representatives separately for Area Forum South so these figures do not show how many of the “residents” were affiliated to Town or Parish Councils. It does suggest however that greater attendance happens when issues of great local concern are being discussed, with the PCC and Daw Mill issues. Communications, and people’s willingness to attend formal meetings, have changed enormously since the 90s. A recent review by this Council of the public’s views on communication confirms the unpopularity of general public meetings. As the above figures show, attendance, by and large, at Area Forums consists largely of ‘known’ people.
- 2.6 The Council has looked at Area Forums on a number of occasions over the years. There was a flush of enthusiasm when the County Council worked to introduce them into the rest of Warwickshire as part of its localities work. A number of initiatives have been tried, including having a very short ‘summary’ agenda, where presenters had five minutes or so to set out their main points and then the rest of the meeting was a ‘workshop’ style event when those particularly interested in a topic could speak at more length with that agency. However, that pilot did not have a noticeable impact on attendance.
- 2.7 Leaders’ Liaison reviewed these initiatives last year and it was agreed to recommend to our partners that they be discontinued. However, the County Council then launched its own review in 2016, which reported just before the County elections earlier this year and it was decided to await the outcome of that review. The report has not been published at the date of writing this report but an Officer representative of the County Council was at the Task and Finish Group meeting in July and helpfully outlined County Officer thinking on the subject. In summary, that thinking is very similar to the suggestions made to the Task and Finish Group and in this report.
- 2.8 The Task and Finish Group discussed the matter extensively, reviewing the Forums history, recent experiences and how to better communicate with residents and those active in the community.
- 2.9 In short, and as was suggested at the full Council discussion, it was generally agreed the Area Forums have ‘had their day’. It recognises that there is still a need for planned meetings with those active in communities. In addition, the involvement of residents is not being abandoned, as the general view is that Area Forums do not perform that task and better solutions will be developed, including consultation and engagement, using public meetings as required, on topics of general interest/importance to residents.

- 2.10 However, the overwhelming case is that communications have moved on significantly and continue to change at pace. The Communications Review currently underway acknowledges this and is likely to significantly change the way the Council communicates and consults with communities.
- 2.11 It is recommended therefore that the Council advises the Police and the County Council that we would like the current round of Area Forums to be the last, use this round to let attendees know and discuss with them how engagement with them might take place in the future

### **3 Report Implications**

#### **3.1 Safer Communities**

- 3.1.1 The current way of working allows dialogue with local people and priorities to be agreed and coordinated through the Area Forums. Whilst attendance levels are fairly low new arrangements would need to be considered to address this issue.

The Contact Officer for this report is Steve Maxey (719438).

## **Agenda Item No 13**

### **Executive Board**

**18 September 2017**

#### **Report of the Assistant Chief Executive and Solicitor to the Council**

#### **Public Speaking at the Planning and Development Board/ Substitutes for all Boards**

### **1 Summary**

- 1.1 The Council has experienced public speaking at Planning and Development Board meetings for a few years now and Members are asked to consider a slight revision to the scheme. Members are also asked to endorse a 1pm deadline on the day of a meeting for substitutes at all Boards.

#### **Recommendation to the Council**

- a That the revised scheme for public speaking as set out in the report be agreed and implemented from the meeting to be held on 9 October 2017; and**
- b That substitutes for all Boards must be notified to the Democratic Services Section by 1pm on the day of the meeting.**

### **2 Background**

- 2.1 The Council introduced the opportunity for the public to speak at the Planning and Development Board meetings in 2011. There was a review of the scheme in 2012 and in general the scheme has operated well.

### **3 Experience to Date**

- 3.1 It is true to say that the opportunity provided has been taken up and that there has been a speaker at almost all of the Board meetings since its introduction. This has usually been the applicant or his representative, but a significant number of objectors have also addressed the Board.

### **4 Registering to Speak**

- 4.1 At present the approved scheme requires that anyone wishing to speak at a Planning and Development Board meeting must inform the Democratic Services Section at least two clear working days before the Board meeting. In normal circumstances, with a meeting on a Monday, this would be by 5pm on the Thursday of the week prior.



4.2 In practice, a flexible approach has been taken with registrations from both applicants and objectors being taken after the formal cut-off point. In order to regulate the situation and still offer some flexibility it is proposed to move the cut-off point to 1pm on the day of the meeting. This will give applicants and objectors longer in which to register to speak whilst giving the Chairman and officers some certainty as to who is going to be speaking at a Planning and Development Board meeting.

4.3 Members are invited to approve the proposed change.

## **5 Substitutes for all Boards**

5.1 Members will be aware that the Council introduced the ability for substitutes to attend meetings if a Board/Committee Member cannot attend. Again a flexible approach has been taken and this report presents an opportunity to confirm those arrangements. It is suggested that arrangements align with that for public speaking, in that substitutes must be notified to the Democratic Services Section by 1pm on the day of the meeting.

## **6 Report Implications**

### **6.1 Financial and Value for Money Implications**

6.1.1 There are no significant costs associated with this procedure.

### **6.2 Legal and Human Rights Implications**

6.2.1 Whilst there is no legal requirement for public speaking, its introduction has provided a fair and equitable opportunity for people to express their views on development proposals directly to the decision making body.

### **6.3 Equality Implications**

6.3.1 By providing the opportunity for people to express their views this is a positive contribution towards equality objectives. If individuals require assistance to be able to speak at the meetings the Council will provide support whenever possible. Democratic Services are available pre-meeting to assist, and planning officers are available to talk to objectors and applicants to explain things beforehand as well.

### **6.4 Links to the Council's Priorities**

6.4.1 Allowing public speaking reflects the Council's priority of making its services accessible to all people.

The Contact Officer for this report is David Harris (719222).

## Agenda Item No 14

### Executive Board

18 September 2017

#### Report of the Assistant Chief Executive and Solicitor to the Council

#### HS2 Update and Consultation

### 1 Summary

- 1.1 This report seeks Member approval for a joint consultation response with Warwickshire County Council and to update Members on issues relating to HS2.

#### Recommendation to the Council

- a That the report is noted; and**
- b That the Council endorses Warwickshire County Council's response to the current consultation.**

### 2 Report

- 2.1 Members will be aware that the Parliamentary Act giving consent for the London to Birmingham part of HS2 was given Royal Assent in February 2017. On 17 July 2017 the Government announced its final preferred route for the second phase of HS2, the legs from Birmingham to Leeds and Manchester.
- 2.2 Happily, this route now reverts to the original line and takes it further away from the village of Austrey. The revised route in November 2016 had taken the line substantially closer to the village.
- 2.3 Plans of the route are best viewed online and can be found at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/629061/C321-MMD-RT-DPL-110-590101.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629061/C321-MMD-RT-DPL-110-590101.pdf) and [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/629064/C321-MMD-RT-DPL-110-590601.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629064/C321-MMD-RT-DPL-110-590601.pdf)
- 2.4 Whilst welcomed, this still leaves a number of issues within the Borough, including the effect on Austrey, Birchmoor and other villages, the impact on junction 10 of the M42, the A5 and the M42. The ongoing damaging impact on our business rate income remains, and continues to be raised with Government.

- 2.5 At the same time as the announcement on the preferred route, the Government announced consultations on the Environmental Impact Assessment Scope and Methodology and the Equality Impact Assessment Scope and Methodology reports. Given their size, the documents are not reproduced here and can be found at:

<https://www.gov.uk/government/consultations/hs2-phase-2b-draft-environmental-impact-assessment-scope-and-methodology-report> and  
<https://www.gov.uk/government/consultations/hs2-phase-2b-draft-equality-impact-assessment-scope-and-methodology-report>

- ... 2.6 As Members will be aware, this Council works very closely with the County Council on HS2 matters and they have kindly agreed to lead on this consultation response. The attached documents therefore have been prepared by the County Council's Sara-Louise Lee. This response has been approved by the County Council and Members are asked to endorse their response. This will then be communicated to HS2 Ltd and Government.

### 3 **Current and future work**

- 3.1 These consultations are preparatory studies for the main Environmental Impact Assessment, which will be consulted on in the summer of 2018. HS2 Ltd intend for the Parliamentary Bill authorising the second phase of HS2 to be published in 2019. It is very likely that this Council will petition Parliament for changes to that Bill, as it did with Phase 1.
- 3.2 Officers continue to meet regularly with HS2 Ltd and whilst not perfect, engagement is now a lot better than with Phase 1. A number of community engagement events have been organised:

Kingsbury - 11 September  
Measham – 13 September  
Polesworth – 23 September

In addition there is a business engagement event aimed at firms in Hams Hall and Coleshill on 18 September at Coleshill Manor.

- 3.3 Work on Phase 1 around Coleshill and particularly Water Orton has started, albeit limited mostly to surveying and environmental works. Property questionnaire and physical inspection of land is taking place and to date 5 'Schedule 17' applications for consent for certain works have been received. These applications are not applications for planning permission and only give the Council an opportunity to consider a limited number of matters, such as those listed below, and only where the proposals are reasonably capable of being modified:
- design and appearance
  - the effects on road safety or on the free flow of traffic in the local area

- the preservation of a site of archaeological or historic interest
- nature conservation value
- local environment or local amenity

The Council may also identify that the development ought to, and could reasonably, be carried out elsewhere within the development's permitted limits. Details of these applications and future ones can be found on our website from the HS2 link on the front page –

[https://www.northwarks.gov.uk/info/20191/hs2/1185/high\\_speed\\_rail\\_hs2](https://www.northwarks.gov.uk/info/20191/hs2/1185/high_speed_rail_hs2)

- 3.4 Similar applications, for example for work at Manor Park in Chelmsley Wood, which have impacts for our area are being received by Birmingham City Council. Warwickshire County Council are responding to those applications on the traffic impacts for our area.
- 3.5 Further reports will be brought to Members on these elements of future work when appropriate.

The Contact Officer for this report is Steve Maxey (719438).

**Proposed Decision to be taken by the  
Portfolio Holder for Transport and Planning  
on or after 15 September 2017**

**HS2: Response to HS2 – Phase 2b Scope & Methodology & the  
Equalities Impact Assessment Consultations**

**Recommendation**

That the Portfolio Holder for Transport and Economy endorses the proposed response to the consultations for Phase 2b as set out in Appendix A and B.

**1.0 Background**

- 1.1 High Speed 2 (HS2) will be the UK's new high speed rail network. The network will link London and the West Midlands (Phase One) and will expand to connect with Manchester and Leeds Phase 2b. The eastern leg of the Phase 2b route directly affects North Warwickshire from Kingsbury, through the waterpark, along the east of the M42, then close to the villages of Birchmoor and Polesworth, then transecting Pooley Park then onward to the west of Austrey before leaving Warwickshire and entering Leicestershire
- 1.2 HS2 Phase 1 was granted Royal Assent in February 2017. The Act now enables HS2 Ltd to acquire the necessary land for the railway and begin the construction programme.
- 1.3 The Phase 2b preferred route was confirmed on 17 July 2017 and simultaneously the first of a number of consultations on the likely effects of the route was launched. The first consultations in the series are; the Environmental Impact Assessment Scope & Methodology report (S&MR) and the Equality Impact Assessment (EqIA) Scope & Methodology Report. There will be subsequent consultations on the findings of the Draft Environmental Statement and Full Environmental Statement at a later date. This paper restricts itself to the standards and methodology of assessment in the first two consultations.

**2.0 The Environmental Impact Assessment Scope & Methodology Report**

- 2.1 The S&MR provides an overview of what the Environmental Statement will cover along with some useful information about what HS2 is and the principles of the Hybrid Bill process. Furthermore, it outlines the main changes in approach between Phase 1 and the new Phase 2b.

- 2.2 The S&MR is largely satisfactory and covers the elements that officers would expect to see in a document such as this. However, there are a number of qualitative terms used throughout the report which are sufficiently vague and subjective to give rise to concern.
- 2.3 In particular, the term “professional judgement” appears over 50 times in the S&MR. It is the view of officers that HS2 need to refine this term and set out what is meant by “professional judgement” and how judgements could be addressed or challenged in practice.
- 2.4 Within section 19 which deals with traffic and transport, there is one aspect of the methodology that gives rise to concern. Section 19.6.31 suggests that it is only when there is both a 30% increase and 9 or more injury accidents are recorded in the latest 3 year period that HS2 will enact mitigation at an accident location.
- 2.5 Officers are concerned that the approach requires both thresholds to be met and may not fully capture emerging accident problems during the construction works thus leaving Warwickshire residents vulnerable.

### **3.0 The Equality Impact Assessment Scope & Methodology Report**

- 3.1 Officers have reviewed this document and find it to be largely satisfactory and in line with the best practice.
- 3.2 However paragraph 3.6.5 on page 18 states “The EqIA **will not assess significance** of effects.....” This statement is contrary to the main purpose of an EqIA. An EqIA is a means for assessing the significance of the effects HS2 will have in relation to equality and diversity.
- 3.3 Officers consider that clarification should be sought as to why HS2 Phase 2b does not need to act upon and mitigate the findings of the EqIA. It is the council’s view that unless this is addressed, there is a significant risk that the subsequent draft EqIA and full EqIA will fail in its duty, leaving an unacceptable impact on vulnerable groups and communities.

### **4.0 Conclusion**

- 4.1 That the Portfolio Holder for Transport and Planning agrees the recommendation to approve the response to the consultation.

## **Appendices**

Appendix A – Warwickshire County Council’s response to the Environmental Impact Assessment Scope & Methodology report

Appendix B - Warwickshire County Council's response to the Equality Impact Assessment Scope & Methodology Report

**Background Papers**

None

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# HS2 Phase 2b Scope & Methodology Report consultation comments

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## 1. Introduction

- 1.1 The S&MR for Phase 2b of the HS2 route covers the possible impacts of the railway line from the end of 2a at Crewe to Manchester and on the eastern side through from Kingsbury railhead in North Warwickshire through the borough and on towards Leeds.
- 1.2 The S&MR sets out in principle the main areas of consideration for the subsequent draft and full environmental statements. The document establishes the scope, possible effects, their magnitude and duration. At this stage it does not conclude what those effects are or how to mitigate them.

## 2. Technical comments on the consultation report.

- 2.1 Table 1 below sets out the specific comments of the County Council in respect to the open consultation. The tabulated layout sets out the document reference, an abridged version of the HS2 report the two right-hand columns identify the broad concern of the council, then finally what the alternative preferred measure or action should be.



Table 1: EIA comments

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
<b>Section 1: Introduction</b>			
1.6.3	<p>Four underlying sustainable development priorities were used for the assessment:</p> <ul style="list-style-type: none"> <li>protecting natural and cultural resources and providing environmental enhancement;</li> </ul>	The Council welcomes these underlying principles.	
1.7.8	The EMRs will also impose requirements on the nominated undertaker to use reasonable endeavours to adopt measures to further reduce the adverse environmental effects reported in the ES, provided that this does not add unreasonable cost or delay to the construction or operation of the Proposed Scheme.	The Council acknowledges that ecological impacts look to be reduced during the construction phase. It remains important for the ES to demonstrate how important habitats or species have been avoided and where this is not possible the reasons why they could not be avoided.	The council expects that HS2 will actively mitigate the ecological effects and plan to avoid the impacts now, rather than rely on the hybrid bill and planning regime at a later stage.
<b>Section 2: Changes between Phase One, Phase 2a and Phase 2b approach to EIA</b>			
2.4.6	<p>There are a number of changes contained in the EIA Directive 2014, which include the following:</p> <ul style="list-style-type: none"> <li>the need to address the significant effects of projects on</li> </ul>	The Council welcomes this change and as it illustrates a commitment that reflects the need to ensure paragraph 1.7.8 is not used as benchmark for the bare minimum.	The council expects HS2 will actively mitigate the ecological effects and plan to avoid the impacts now, rather than rely on the hybrid bill and planning regime at a

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	<p>biodiversity, to avoid or minimise such effects (Article 3 refers to 'Biodiversity with particular reference to species and habitats protected under Directive 92/43/EEC and Directive 2009/147/EC');</p> <ul style="list-style-type: none"> <li>in relation to historical and cultural heritage and landscape - the need to address the visual impacts of projects, in relation to the built or natural landscape and urban areas;</li> </ul>		later stage.
<b>Section 3: Stakeholder engagement &amp; consultation</b>			
section 3.2.1	<p>HS2 Ltd will organise and facilitate stakeholder engagement activity, working closely with its consultant team. The general approach to stakeholder engagement for the Proposed Scheme will comprise.....</p>	<p>The council welcomes the proactive approach to engaging stakeholders</p> <p>Further clarification is requested on the use of 'varied engagement techniques'. This is a qualitative statement which provides no certainty as to what these techniques will be or how they will achieve successful engagement.</p>	<p>The council requests that HS2 provides details on the exact usage of techniques and how they are to be measured.</p>
3.2.2	<p>Building on stakeholder engagement work already undertaken, it is important that</p>	<p>Reference is made to obtaining local experience and knowledge to identify effects not previously</p>	<p>HS2 to provide information on data capture and reporting.</p>

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
	engagement is used to provide a voice to those who may be affected by the Proposed Scheme generally, but also specifically to those who may be more vulnerable to impacts.....	identified.  We welcome this and would like to know how this information will be captured and reported on.	
3.3.4 and 3.3.5	Engagement, and specifically the formal period of consultation, will adopt a 'design-led' approach which will present the Proposed Scheme from a multi-disciplinary perspective.....	We are pleased to note that engagement and consultation will be design led and stakeholders will have the opportunity to help identify mitigation.	Clarity from HS2 on who the stakeholders are for each area and detail how their input will be recorded is essential.
3.4.5	The role of ongoing community engagement will be to consider local issues and discuss potential ways to avoid and mitigate impacts of the Proposed Scheme, such as screening views of the railway, managing noise and reinstating highways, and identifying possible community benefits.	The suggestion of "community benefit" maybe confused with the Community Environment Fund in Phase one.	The council wishes to see clarity on this point and establish what the statement means.
3.4.6	Reporting will be undertaken on a community area basis to assist engagement and understanding of the impacts of the Proposed Scheme within local communities across the route. The list of community areas is set out in	There needs to be a definition of the 'community areas' and a rationale as to what basis these areas have been selected.  Are they based on recognised community/ administrative	HS2 to define areas and selection criteria.

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
	Section 4.1.12 of this SMR.	boundaries or engineering packages of work for the scheme	
3.4.8	Engagement will continue with local authorities throughout the design and assessment processes to maximise the opportunity for local authorities and parish councils to positively inform the development of the Proposed Scheme both in the context of technical input to the assessment and local knowledge and issues.	We welcome the intention to continue to engage with local authorities. However, the reference to local authorities 'positively informing' the development of the proposed scheme is presumptive. Due to the nature of the scheme, the county council cannot be reasonably expected to provide a positive emphasis on each interaction with HS2 Ltd.	HS2 must provide a balance when wording this.
3.5.1	The feedback and data received from stakeholders through both ongoing engagement and formal periods of consultation will be recorded and used to influence the design and assessment of the Proposed Scheme, where appropriate. Ongoing engagement will provide the opportunity to update stakeholders on the design evolution and assessment progress, identifying where feedback has helped inform both,	The council endorses the approach to keep stakeholders updated throughout the hybrid bill development.	The council requests that HS2 establish specific milestones in advance of engagement to manage and inform community expectation.

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	up to hybrid Bill deposit.		
<b>Section 4: Environmental Impact assessment (EIA) methodology</b>			
4.2.4	<p><b>Scope of Assessment – Temporal scope</b> Effects arising from longer term considerations after the opening of Phase One, Phase 2a and Phase 2b, the progressive growth in background road traffic or the maturing of mitigation (e.g. growth of planting or habitat creation) will be considered. Where this applies, the environmental topic sections in Part B of this SMR identify the appropriate temporal scope that would be adopted, taking account of these factors.</p>	The Council understands that Natural England Guidance on Temporal factors relating to habitat creation is forthcoming and could be available to inform this aspect of the ES.	<p>The Council believes the HS2 should be an active participant in the consultation.</p> <p>Until such time as the Sec. of State, Environment makes this national policy.</p>
4.2.6	<p><b>Scope of Assessment – Geographic scope</b> The term geographic scope (also called spatial scope) means the area over which the EIA will consider effects. In general, this will take into account the distance from the Proposed Scheme over which changes to the environment are likely to occur as a result of the</p>	The Council suggests that the scheme could impact (positively or negatively) on national and regional ecological flows (how species move through a geographical area). This has not been recognised in this chapter.	Suggested addition: <i>“National baseline ecological habitat data will acquired to predict impacts, be these positive or negative, on ecological connectivity”.</i>

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	construction or operation of the Proposed Scheme.		
4.3.1	<p><b>Approach to mitigation</b> The ES will set out mitigation measures that would help to avoid, reduce, repair or, where appropriate, offset significant adverse effects. The EIA Regulations 2017 require an ES to include “a description of any features of the proposed development, or measures envisaged in order to avoid, prevent or reduce and, if possible, offset likely significant adverse effects on the environment” .....</p>	<p>The Council welcomes this acknowledgement of the 2017 changes that embeds the ‘Mitigation Hierarchy’ into the ES process. It also is encouraged to see that ‘offsetting’ will be considered at the onset and recommends that the Ecological Community is involve at the early stages to assist with the mechanisms to evaluate and deliver mitigation/compensation.</p>	<p>The Council recommends that an Ecology Group is established as soon as possible. This could utilise the existing HS2 Ecology Technical Group or extend the membership for Phase 2b.</p>
4.4	<p><b>Cumulative effects</b> Cumulative effects are broadly defined as incremental effects that result from the accumulation of a number of individual effects. They may result either from.....</p>	<p>The Council notes that this chapter does not recognise that impacts can be positive as well as negative.</p>	<p>Suggested addition text in bold: <i>“Cumulative effects <b>can be negative and positive and are broadly defined as incremental effects that result from the accumulation of a number of individual effects. They may result either from:</b>”</i></p>
4.6.6	<p>It is likely that there will be topic specific limitations due to gaps in data sets and lack of survey data</p>	<p>The Council believes that predictive modelling should be employed for a number of species (e.g. great</p>	<p>Suggested addition text in bold: <i>“It is likely that there will be topic specific limitations due to gaps in</i></p>

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	<p>where access to land has not been obtained. Such limitations will be set out in the ES. Assessments may employ professional judgement, where the definition of baselines is constrained by lack of data; use of professional judgement will be made explicit in the ES.</p>	<p>crested newt and bats) to reduce the need for early survey work. This will significantly reduce the costs and expectations on HS2 and smooth the process. However it is essential that this modelling is accepted by the ecological community and so recommends that an Ecology Review Group is established as soon as practically possible. This utilise the existing independent HS2 Ecology Technical Group.</p>	<p><i>data sets and lack of survey data where access to land has not been obtained. Such limitations will be set out in the ES. <b>Where there are gaps in data these will be initially filled through predictive modelling based on accepted scientific principles. Where this is not possible, assessments may employ professional judgement, where the definition of baselines is constrained by lack of data; use of professional judgement will be made explicit in the ES.</b></i></p>
<b>5: Reporting of alternatives</b>			
The Council has no comment on this section			
<b>6: Agriculture, forestry &amp; soils</b>			
The Council has no comment on this section			
<b>7: Air Quality</b>			
The Council has no comment on this section			
<b>8: Climate Change</b>			
The Council has no comment on this section			
<b>9: Community</b>			

Section 9.1.7	This will include community facilities and infrastructure such as education, health, emergency services.....	It is key that stakeholders across the whole health economy are included in the EIA. Each of the clinical commissioning groups (CCG) in Warwickshire hold Local Estates Forums (LEF) on a regularly basis.	WCC Public Health wish to see representations from primary, secondary and mental health trusts at each of them.
9.2.1	The potential for adverse impacts on communities has influenced the development of the Proposed Scheme.	There is no qualification for this statement. On its own it has limited value.	The council requests an explanation of the actual adverse impacts that have been considered.
9.2.5	The baseline will include data collected on both resources and receptors. Potential resources include:.....	There are other physical elements of community infrastructure to consider. This should include pubs, shops, bus stops, post boxes, noticeboards and any technology elements - broadband connections.	HS2 to include and consider additional physical aspects of community infrastructure in the Environmental Statement.
9.2.8	The information collected on community resources and receptors, drawing on the above sources, will be limited by the extent of publicly available data and data obtained through consultation and engagement with communities.	Reference is made to data obtained through consultation and engagements with communities themselves. The council is aware that some communities and groups have undertaken, or intend to undertake, their own surveys for village plans and HS2 research. These are an important source of material and must not be overlooked.	HS2's commitment must be extended to include consideration of this specific type of data collection during the compilation of the Environmental Statement.
9.5.3	The temporal scope for this topic is outlined in Section 4.2 (Scope of the assessment). Community	The council welcomes the temporal scope of assessment to a year after the opening of the railway. It would	HS2 to extend the assessment period.



Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	effects will be assessed for the construction period (including a period of commissioning) (2023 - 2033) and for the year of opening in 2033. However, the assessment will also need to reflect the temporal scope of other topic assessments such as Air quality (Section 7); Landscape and visual (Section 15); Sound, noise and vibration (Section 18) and Traffic and transport (Section 19).	be advantageous for this to be considered for longer.	
9.7.1	For assessment purposes it will be necessary to assume that the baseline characteristics established during the EIA process will remain largely unchanged. However, where it is possible to predict change, or to identify planned community facilities.....	We welcome the intention to incorporate changes into the future baseline. During the development of Phase One of the HS2 hybrid bill. During Phase 1 there was a significant change to the scheme (Kingsbury Railhead) in Warwickshire. The council would not expect to see a similar situation occur in Phase 2b.	The council expects that sufficient planning will be possible to avoid any significant changes to the scheme. Significance is defined as any changes requiring additional land or structures to the original scheme.
<b>10: Ecology</b>			
10.2.1	<b>Ecology - Establishment of baseline and definition of survey</b> The baseline conditions for the ES will be established through a	The Council suggests that the ES would be greatly enhanced by modelling impacts for certain species.	Suggested addition text in bold: <i><b>“The baseline conditions for the ES will be established through a combination of desk study,</b></i>

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	combination of desk study, field survey and consultation.		<b>scientific modelling, field survey and consultation.</b> ”
10.2.2	Existing biological data for the route of the Proposed Scheme will be obtained from relevant Biological Records Centres and from national and local specialist data sources, such as bat groups. The data to be collated will include.....	National data should be acquired at a Land Cover Level (or a derived output from this source) to conduct ecology flow (connectivity) modelling. The Council considers this interpretation in a material consideration with ES production to comply with Local Planning Authority Local Plan Policies regarding Green Infrastructure.	Suggested addition text in bold as bullet points: <ul style="list-style-type: none"> <li>• <b>National Land Cover data (or a derived output from this source) to evaluate ecology connectivity</b></li> <li>• <b>Master Map</b></li> </ul>
10.2.5	The width of the survey corridor will be defined by the potential area of ecological impact. This will vary depending on a number of factors, including the engineering of the route, the topography and ecological connectivity of the landscape, and the ecological receptor. In rural sections, the survey corridor for some species, such as great crested newt, could extend up to 500m either side of the land required for construction; in urban sections, the survey corridor will, in general, be much narrower as the zone of impact will	The Council is encouraged that ‘ecological connectivity of the landscape’ is contained in the scoping document. However, there is not reference to the data needed to evaluate this impact.	Please note comments to 10.2.1 and 10.2.2 above.

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
	be more restricted.		
10.2.7	Specialist surveys will include: <ul style="list-style-type: none"> <li>• Great Crested Newt Habitat Suitability Index (HSI) surveys of water bodies and eDNA surveys;</li> </ul>	<p>The Council notes that population estimate surveys have not been included in this list (e.g. bottle trapping). This infers that HS2 will be modelling sensitivity and predicting impacts on great crested newts populations based on HIS scores, presence and absence and suitable habitat. This approach is being pioneered by the Council with Natural England.</p> <p>If this assumption is correct then the Council has expertise in this approach, but it is reliant on acquiring data at a greater spatial level than the prescribed distances within the Scoping Report to date. The Council also notes that the list is an 'inclusive' list not an 'exclusive' list. Therefore, suggests that the NERC Act Section 41 lists are included in this section of the document. The Council notes that the NERC Act (2006) is referenced in section in 10.5.5.</p>	<p>The Council seeks clarification on how great crested newts will be considered within the ES.</p> <p>For the avoidance of doubt, the Council recommends a reference to the NERC Act (2006) within this section.</p>
10.2.9	The desk study and field surveys, aided by consultation, will support	The Council welcomes the inclusion of local Green Infrastructure (GI)	

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
	the identification of sites and features of value. In addition, the assessment will identify landscape-scale ecological features, such as linear features (e.g. hedgerows, watercourses, and disused railway lines) that have additional value in providing habitat connectivity and potential migration corridors. This will include identification of landscape scale initiatives such as green infrastructure strategies and living landscape initiatives.	strategies, but would like to inform HS2 that The Council's GI strategy is based on connectivity mapping and the data analysis available online at <a href="http://maps.warwickshire.gov.uk/greeninfrastructure">maps.warwickshire.gov.uk/greeninfrastructure</a> . Therefore, to comply to or take into consideration this strategy the Council would expect the use of modelling reference in our comments 10.2.1, 10.2.2 and 10.2.5 above.	
10.3	Consultation & engagement	In addition to the statutory agencies and environmental NGOs local users of and residents have a large stake in the natural environment. The EIA needs to reflect Multiple Value Systems, including those expressed by the general public, to determine significance. Significance should be expressed in a rational, consistent, impartial and transparent way.	
10.5.7	In order to ensure that all likely significant effects of the Proposed Scheme will be identified, where	The Council welcomes the adoption of the 'precautionary approach'.	

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
	<p>baseline information is incomplete a precautionary approach of assuming a reasonable worst-case evaluation is to be adopted. This approach will be utilised to assign precautionary values to both known receptors and potential receptors based on the best available information. Further details are provided in the Ecological assessment method Technical note (referenced in Annex A).</p>		
10.5.13	<p>The Government and HS2 Ltd are also seeking to achieve no net loss of biodiversity for the Proposed Scheme. The methodology used for this no net loss assessment has been adapted from the approach used for Phase One and Phase 2a, taking account of the review undertaken by Natural England during 2016. It will be used to compare the habitats present pre and post-construction, see Technical note Methodology for demonstrating no net loss in biodiversity (referenced in Annex</p>	<p>The Council suggests that Government and HS2 commit to a net gain for the proposed scheme. At a minimum the word 'seeking' is not acceptable. A net gain approach would meet the Government's commitment to leave the environment in a better state than when it came into government. It would also support the NPPF and Local Plan policies within the Warwickshire LAs. The Council needs the Scoping Report to acknowledge that if the scheme impacts on an</p>	<p>The Council recommend either of the following changes to the document: <i>"The Government and HS2 Ltd <b>will</b> achieve no net loss of biodiversity for the Proposed Scheme"</i> or <i>"The Government and HS2 Ltd <b>will</b> achieve a net <b>gain</b> of biodiversity for the Proposed Scheme</i> "</p>

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
	A). The outputs from the no net loss calculation will be reported separately at <a href="http://www.gov.uk/hs2">www.gov.uk/hs2</a> .	irreplaceable habitat (e.g. Ancient Woodland) then a net gain objective cannot be achieved for this habitat type. The Council welcomes the commitment to the reporting of no net loss / net gain calculations, but would seek how often this reporting will take place and what protocols will be in place to hold the Government and HS2 to account on this objective.	
10.6.3	The assessment also takes into account relevant guidance set out in national, regional and local planning policy and other guidance, including, but not limited to;:	The Council welcomes the commitment to ‘take into account’ the listed policies and guidance, but would like to note for the record that North Warwickshire Borough Council’s Local Plan requests that all development will result in a ‘no net biodiversity loss’. This is stronger than the commitment within 10.5.13 that ‘seeks’ to result in no net loss. However, the Council acknowledges that if an Ecological Community agreed Defra metrics accounting system is used appropriately in the measuring of	

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
		biodiversity impact, then a 'net gain' or not net loss' objective become a minor issue.	
10.6.13	In the event that any significant residual impacts remain, procedures for monitoring those significant effects will be developed, as appropriate, as part of the overall monitoring approach.	The Council welcomes this approach and would suggest working with the ecological community and so recommends that an Ecology Review Group is established as soon as practically possible. This utilise the existing independent HS2 Ecology Technical Group. The Council would like HS2 to consider the formation of a Biodiversity Strategy to outline how nature conservation will be considered within the scheme.	
	<b>Unconsidered impacts</b>	The ES does not include in its scope the need to consider turbulence and air pressure effects as high speed vehicles pass under hard structures. Evidence suggests that there a significant sudden pressure changes that may cause bat fatalities (barotrauma).	The Council recommends that the effects of pressure changes of sensitive ecological species and their receptor sites are include in the scope of the ES.
<b>11 Electromagnetic Interference</b>			
The Council does not wish to comment on this section			
<b>12: Health</b>			

Overall WCC Public Health agrees with and supports the proposed methodology for carrying out the health section of the EIA.			
Section 12.2.1		WCC Public Health collects and has access to a wide variety of health and wellbeing data for Warwickshire.	WCC Public Health can provide the most up-to-date and relevant health and wellbeing data, we would expect this resource to be used in the EIA process.
Section 12.3.5		WCC Public Health note the list of key stakeholders missed some groups.	WCC Public Health expect key stakeholders will also need to include Clinical Commissioning Groups (CCGs) as commissioners of primary care; and local hospital trusts as providers of secondary care.
Section 12.3.6		WCC Public Health note the stakeholder identification.	WCC Public Health can identify the most appropriate local health and wellbeing groups to be used in the EIA process.
<b>13: Historic environment</b>			
13.2.8, pg. 137	That the study area for data gathering to identify impacts upon non-designated assets will encompass the entire land requirement plus 500m either side in rural areas and 250m in urban areas; that the study area for data gathering to identify impacts on designated heritage assets... will be 2km either side of the land required in rural areas and urban areas.	Paragraph 139 of the NPPF states that 'Non-designated heritage assets of archaeological interest that are demonstrably of equivalent significance to scheduled monuments, should be considered subject to the policies for designated heritage assets'. The proposed method may result in non-designated heritage assets of equivalent significance to designated sites being missed.  The primary dataset for designated	The data gathering should extract data on non-designated sites from an equivalent areas to that proposed for designated sites in order to ensure that any non-designated sites of equivalent significance to designated sites are identified and the impacts upon them appropriately assessed.  The above comments are primarily in respect of the data gathering process rather than the area to be subject to detailed assessment.



<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
		<p>sites does not include non-designated sites (irrespective of their significance), the extraction of data from that source would not identify any such heritage assets, and the data extraction from the sources for non-designated heritage assets would only extract data from a study area within 500m of the land requirement. Therefore any non-designated heritage assets which are of equivalent significance to designated sites which lie outside of the 500m study area would not be identified e.g. a non-designated heritage asset which should be assessed in the same way as a designated heritage asset could lie &gt;500m from the route and not be identified by the proposed study parameters.</p>	

13.3.3, page 138		It states that the analysis will include consideration of non-designated heritage assets of schedulable quality. However, this is not referenced in para. 13.2.8, or how this is to be achieved if information on any such sites is not obtained during the data gathering.	The council wishes to see clarity on this point
<b>Section 14: Land quality</b>			
The Council does not wish to comment on this section			
<b>Section 15: Landscape &amp; visual</b>			
The Council does not wish to comment on this section			
<b>Section 16: Major accident &amp; disasters</b>			
Table 32,	Receptors to be excluded from assessment of major accident and or disasters	This doesn't seem to cover wider site impacts, eg neighbouring sites that might have a relationship on the route.	That neighbouring sites are considered
16.4.14 page 183	Spatial Scope	There does not appear to be any mention of Counter Terrorism or similar threats in the assessment	That counter terrorism and malicious threat must form part of the assessment
16.5.12 Page 183	Risk identification will use existing sources of information wherever possible	There is no indication of who the sources are.	That the partners are identified and listed
16.5.16		Noted the omission of Civil Contingences Act	The Civil Contingences Act should be referenced

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
General observation		There is little to no information on the linkage between the CCA and how this links to Network Rail and operating companies.	
General observation		The document focuses on the H&S aspects in preference to the resilience	
16.6.2	In terms of the assessment methodology the following assumptions are made	There appears to be no specific mention on multi-agency working, engagement, response and recovery considerations	
<b>Section 17: Socio Economic</b>			
Section 17.0 Page 193		This section is broad and does not appear to recognise the visitor economy in its own right. There will be locations along the route that are key attractors in the local tourism and day visitor sector. Their value and contribution should be assessed	The council wishes to see clarity and confirmation that micro and small business interests will be assessed and not overlooked by a desk top study. In Warwickshire this is particularly important at Kingsbury Water Park and Pooley Park.
17.5.1 Table 36 Page 197	The table identifies “moderate” as measurement term	The use of moderate as a term leaves much to the interpretation of the reader.  Moderate at a national level of review may be high or severe if	The council requests that a clear definition of narrative terms is established here and throughout the document.

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
		reviewed at a sub-regional level	
General observation		The council wishes to see the assessment take account of the unprecedented levels of growth and development outlined in the North Warwickshire local plan and the Combined authority aspirations for regional growth as well as the consented development as at August 2017	
<b>Section 18: Noise</b>			
The council does not wish to comment on this section			
<b>Section 19: Traffic &amp; transport</b>			
19.2.1	Traffic data, traffic surveys and, where appropriate, modelling will be undertaken to inform the transport assessment along the route of the proposed scheme, this data will also be used to provide information to determine the baseline for the traffic and transport assessment within the ES.	WCC would recommend road condition surveys included for all LA routes proposed for use by construction traffic, and to feed into models for predicted life expectancy of carriageways etc. WCC would like bridge condition surveys included. Also, accident data, to identify at an early stage any routes or locations where may need remedial or mitigation measures.	Accident data – should be site specific (cluster sites) and route lengths (acc/km). Including data for HGV accidents per km.
19.2.2	The future baseline will include consideration of the growth in	WCC welcomes this. However, development opportunities are	The use of the local plans as a measure of development is strongly

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
	travel demand, including changes arising from other developments and proposed transport network improvements	ongoing. Any newly emerging developments should be included as they emerge.	recommended.
19.3.3	Engagement with <ul style="list-style-type: none"> <li>• Highway Authorities</li> <li>• Highways England</li> <li>• Network Rail</li> </ul>	The emergency services as statutory engagement partners is necessary.	The council expects to see the emergency services actively engaged.
19.5.2	Spatial Scope – construction The assessment will focus on traffic and transport issues resulting from land required for the proposed schemes, lands required for worksites, the presence of construction traffic on the local road network and effects on routes crossing the construction areas (PRoW and highways).	Mitigation measures should be considered for locations off line of the construction route where diversion to normal base line traffic flow is expected to avoid long delays because of construction.  It is unclear how the highway network is affected. Or why only the Strategic road network is referred to.	The council expects an Aol (area of influence) to be agreed prior to any survey work
19.5.4	Spatial scope – operation  assessment	It is not clear from the text whether the assessment deals only with the immediate impact or whether the total impact on the network is assessed.	The council wish to see the overall displacement of traffic on the wider network assessed not just a series of isolated incidents that underplay the full effects on the Warwickshire road network.  WCC has a suite of microsim models available for this purpose.

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
19.5.5	Temporal scope <ul style="list-style-type: none"> <li>• Common Base Year</li> </ul>		The council requires clarification of this term and the use of it in the assessment.
19.6.1	The traffic and transport effects arising from the construction strategy and engineering design for the proposed Scheme will be assessed as part of the EIA process.....	It is unclear from the text how the background growth be determined or what focus will be given to accounting for relevant Local Plan proposals in growth calculations.	The council would wish to see local growth assumptions agreed prior to any assessment work.
19.6.3	The criteria used for the identification and assessment of potentially significant impacts are ..... and professional judgement.	If professional judgement is being used then the document needs to identify what judgement is being used.	The council expects that their “local experts” and professional judgement will be used throughout the exercise. Furthermore all Computer modelling platforms and assumptions should be agreed beforehand.
19.6.8	Significance criteria for construction assessment – Impacts with a duration of less than 4 weeks not considered significant	Any impact of whatever length of time (less than 4 weeks) that results in significant accidents patterns emerging must be considered significant.	The council expect HS2 to address this and amend the methodology.
19.6.9	Public transport delays	In rural areas, such as North Warwickshire, there is likely to be a significant impact on rural public transport journeys. Rural public transport plays a vital part in ensuring communities have access	Public transport must be maintained throughout the construction phase without undue delays or timetable changes.

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
		<p>to services and facilities. Frequency of bus journeys must be maintained as should journey times and timetabling. Failure to achieve this may lead to the withdrawal of vital services and cause unnecessary isolation.</p>	
19.6.11	Traffic delays	<p>This is likely to have significant impact on journey times to some minor villages and settlements during the construction phase. HS2 need to consider the proposals for diversions/road closures/traffic management to ensure no community is “cut-off” from access to public transport. May have significant ‘severance’ impact for some communities.</p> <p>It is unclear how will a "significant change to delay" will be determined in the “Microsim” model which do not provide degree of saturation, network delay over the AoI and journey time routes should be considered.</p>	The council expects that school bus routes will not be subject to delays or disruption even for a short period of time as this poses an unacceptable burden on the education of young people and their attendance records. .
19.6.12	Vulnerable Road Users	Many villages have an older population who rely on walking and	The council expects care and consideration is given to enable

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
		<p>cycling routes as a main form of transport link. Severance in rural communities can be severe and has a detrimental effect on people's sense of well-being and community. In addition, there are many locations where equestrian activities are common.</p>	<p>these activities to remain safe and accessible throughout the construction period.</p>
19.6.31	<p>Accidents and Safety Significant impacts on accidents and safety risks will be defined for links and junctions for which data is available that have experienced more than nine personal injury accidents in the latest available three year period and which would also be subject to an increase of 30% or more in total traffic flow during construction.</p>	<p>The measure of accidents at junctions of 9 Personal Injury Accident is higher than expected, for use as a base line. WCC would prefer 6 PIA's to be used as the baseline number. WCC is concerned that over a route length the number of PIA per km should be measured, and used as a baseline. Including a risk factor for Killed or Seriously injured accidents (KSI) where HGV's were involved. Concerned about the need to have 30% additional traffic before the route is considered for safety improvements.</p> <p>Also a need to look at any alternative routes being used by traffic, to avoid lengthy delays due</p>	<p>The council expects that 6 PIA's should be used as the baseline, rather than 9. This is because 6 is the standard "professional judgement" used by most local authorities.</p> <p>The council expects the project to consider both the nodes and links especially where HGV's are involved in collisions thus reducing the possibility of undervaluing the collision data.</p> <p>The council does not consider that there should be a specific % increase in traffic before safety measures are considered and implemented as needed. It is the councils view that failure to assess</p>



<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative/ inclusion</b>
		to construction, to see if there is a spike in accidents as a result of rat-running.	the either/ or of links and nodes is an artificial suppression of data and possible safety.
19.6.39	Traffic flows and delays to vehicle occupants. If there is a significant delay in relation to junction congestion resulting from the operation of the proposed scheme is forecast in the traffic model.	WCC wishes to see confirmation that if traffic delays occur (that have not been predicted in the traffic model), then these will be dealt with quickly.	That unforeseen traffic delays (not identified prior to the construction phase) will be addressed and remediated as necessary.
19.6.41	Traffic related severance	WCC has a mostly rural community in this area. Severance due to traffic is a real issue, and may increase due to construction traffic. Consideration at an early stage should be given to reducing the impact of traffic, either directly or indirectly associated with the construction or enabling works.	
19.7.2	The traffic and transport assessment will require a number of assumptions to be made.....	The text does not give clarity on what or how assumptions will be determined	The council expects that any assumptions will be agreed with the local authorities prior to assessment.  It is the local authorities who are the experts in these matters.
<b>Section 20: Waste &amp; Minerals</b>			
The council does not wish to comment on this section			

Document reference	HS2 statement	WCC observation	Preferred alternative/ inclusion
<b>Section 21: Water resources and flood risk</b>			
21.4.1, second bullet point	“the assessment will consider whether existing drainage systems will be impeded.”	This should also include natural drainage features and flow paths.	The council requests that an assessment will consider whether existing drainage systems <i>or flow paths</i> will be impeded.
Paragraph 21.5.1	Professional judgement will then be used to decide whether additional assessment of these is required.	There should be some consultation with LLFAs, the EA, and IDBs to help inform this decision.	The council requests that a consultation is undertaken
Paragraphs 21.6.3 to 21.6.5	Significance criteria	We would seek clarification on the magnitude of impact and value of receptors when there are properties at risk of internal flooding and a “moderate” impact of a >50mm increase in flood level may be the difference between water entering the property or not. This level difference could be the difference between PLR and other resilience measures working or not.	Consider whether properties at risk of flooding (and on the edge of flood risk zones) can be assigned to a higher value receptor value as they are more sensitive to increases in flood level.
Paragraph 21.6.16	A separate stand-alone, route-wide WFD compliance assessment will be undertaken.	A route-wide WFD compliance assessment may be too general. The route passes through several areas with their own River Basin Management Plans and possibly own priorities.	The WFD assessment should consider the different RBMPs and any differences between them that may be relevant.



# Warwickshire County Council's response to the Equality Impact Assessment (EqIA) Scope & Methodology Report consultation 2017

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## 1. Introduction

1.1 An EqIA is a way of considering the effect on different groups protected from discrimination by the Equality Act, such as people with a disability. There are two reasons for this:

1. to consider if there are any unintended consequences for some groups
2. to consider if the policy will be fully effective for all target groups

1.2 It involves using equality information and the results of engagement with protected groups and others, to understand the actual effect or the potential effect of your functions, policies or decisions. It can help to identify practical steps to tackle any negative effects or discrimination, to advance equality and to foster positive relations.

## 2. Technical comments on the consultation report.

2.1 Table 2 below sets out the specific comments of the County Council in respect to the open consultation. The council only has one point to make on the EQIA, namely that by only establishing and not assessing the effects, the document fails in its primary purpose.

**Table 2: EQIA comments**

<b>Document reference</b>	<b>HS2 statement</b>	<b>WCC observation</b>	<b>Preferred alternative</b>
3.6.5 Page 18	The EqlA will <b>not assess</b> significance of effects.	<p>Whilst carrying out an EqlA, it is necessary to ensure public sector organisations comply with the PSED (Public Sector Equality Duty.)</p> <p>The point of an EqlA is to assess the significance of the effects, building HS2 will have in relation to equality and diversity.</p> <p>The point of an EqlA is to measure the impact of any change that is put forward.</p> <p>Therefore, this sentence is contradictory and will do what the exact opposite of what an EqlA is intended for.</p>	<p>To use the EqlA as a means for assessing the significance of the effects HS2 will have in relation to equality and diversity.</p> <p>The text as currently drafted does not give that certainty.</p>

## Agenda Item No 15

### Executive Board

18 September 2017

**Report of the  
Assistant Chief Executive and Solicitor to  
the Council**

**Unauthorised Encampments  
Protocol**

#### 1 Summary

1.1 This report asks Members to adopt the Unauthorised Encampments Protocol.

#### **Recommendation to the Council**

**That the Unauthorised Encampments Protocol is adopted and that the Council will have regard to the Protocol in cases of unauthorised encampments.**

#### 2 Report

2.1 Officers have been working with other agencies in Warwickshire, led by the Police and Crime Commissioner, in developing the Unauthorised Encampments Protocol attached as the Appendix to this report.

...

2.2 Members will be aware that we have occasional incidents of unauthorised encampments in the Borough but the Council is able to resolve them reasonably swiftly.

2.3 The problem would appear to be greater elsewhere in the County, particularly in the South.

2.4 The Protocol is welcomed albeit that the Council does not have to slavishly adhere to it if it considers its current methods produce quicker results. It does however include helpful commitments from other agencies to provide timely assistance should that be needed.

2.5 It is recommended therefore that the Protocol be adopted and regard had to it when the Council is involved in such cases.

The Contact Officer for this report is Steve Maxey (719438).



Philip Seccombe  
**Police and Crime  
Commissioner**  
for Warwickshire

# The Warwickshire Protocol 2017

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**Dealing with Unauthorised Encampments in Warwickshire**



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## 1. Introduction

1.1. Research and experience tends to strongly suggest that over the last four years most local authority areas in Warwickshire have experienced an increase in unauthorised encampments by Gypsy and Traveller communities. This experience has also been felt in Coventry and the West Midlands as a whole. It is probable this is due to a lack of suitable sites for prolonged stopping, population growth in the Gypsy and Traveller communities and due to members of the community continuing to practice a nomadic habit of life in accordance with their cultural identity.

1.2. This has led to increasing tensions and criticism from settled residential communities who seek effective responses from their local elected representatives. In some instances it has led to criminal and anti-social behaviours from within and outside the encampment. Consequently the effects have impacted on local authorities, private landowners, the courts and the police in terms of resource, time and cost.

1.3. This protocol is aimed at ensuring that the response to unauthorised encampments from local authorities, private landowners, the police and other salient agencies is cohesive, consistent, efficient and effective. It seeks to provide a set of shared principles and processes with clearly identified leads

1.4. Good communications and negotiation, setting clear expectations, seeking positive outcomes and being committed to challenging crime and disorder are key themes of this document. It is very important to maintain public confidence and uphold the law whilst being cognisant of the rights of the Gypsy and Travelling communities. Post encampment review is also a vital aspect of this document.

1.5. In following this protocol some key principles need to be established. The law needs to be upheld and action applied in a pragmatic, fair and balanced way. Behind all decision making should be the principles of justification, proportionality, legality and absolute necessity.

1.6. Whilst action will in most cases inevitably have to be taken, it is in a spirit of negotiation, clear communication and a partnership approach. Decision makers should take account of threat, harm and risk presented by the unauthorised encampment whilst being cognisant of issues relating to vulnerability, welfare and safeguarding in relation to members of the encampment. Ultimately decision making should take into account the needs, fears and concerns of the settled community.

## 2. Initial Actions

2.1. Following the report of an unauthorised encampment the information detailed within Appendix 2 should be collated upon first response to the encampment. It is the responsibility of the lead agency (see para. 2.2) to ensure this information is recorded. It is accepted it may not be the lead agency making the first response. Experience would tend to suggest it will probably be the police. However, the lead agency should ensure it is in possession of the information no later than one working day after receiving the first report of the encampment.

2.2. A positive and professional initial response is essential in setting the tone and effectiveness of the subsequent processes. It is a first priority to establish whether the land in question is owned by any of the signatories to this Protocol and if it is, that agency will be the lead agency.

2.3. Where the land trespassed on is owned privately, the district/borough local authority will offer initial advice if requested as the landowner may be inexperienced in such matters. However, it should be noted a district/borough local authority cannot make decisions for a private landowner. Distinct ownership and efficient positive action are the key steps to successful outcomes. ***It is vital the lead agency has a clearly appointed person(s) able to deal with and make decisions about the encampment.*** It is also extremely important to engage with the trespassers present at the encampment and those residing on the unauthorised encampment as the Site Code of Conduct Notice should be explained and served as soon as practicable by the lead agency or by the police on behalf of the lead agency. (See Appendix 3)

2.4. Within one to two working days an information sharing meeting should have been established to consider the views of all relevant stakeholders including the Gypsy and Travelling community. This is the responsibility of the lead agency. This may be a physical meeting, on or off site or virtual e.g. telephone conferencing, video conferencing. It is imperative that views are taken from decision makers representing all the relevant partners. A full assessment of the situation and associated risks should be made. The meeting should be documented, actions clearly identified, owned and completed. The meeting record should be shared and updated.

2.5. The Warwickshire County Council Gypsy and Traveller Liaison Team will ensure a document is created on ECINS for every unauthorised encampment. This is in order for the lead agency to log all salient information about the unauthorised encampment, such as, strategy, meetings, discussions, decision making and rationale. The log may also incorporate the Warwickshire Police Site Assessment document that is created by the police. This will be at the discretion and judgement of the Warwickshire Police Gypsy and Traveller Liaison Officer.

2.6. The meeting should clearly define the planned way forward for the next 48 hours whether leading to a scheduled eviction or a tolerated trespass arrangement. The plan should be revisited and revised regularly according to need. A significant incident on the site or raised tensions in the local settled community should give cause to conducting an early review.

2.7. Key issues to take into account are the intentions of the Gypsy and Travelling community, their actual behaviours, any welfare issues and the potential for criminal or anti-social activity associated with the unauthorised encampment. It is also very important to be cognisant of any criminal or anti-social activity being perpetrated by members of the settled community towards the encampment. Such behaviours and disruption will be viewed seriously. Whether the encampment is on land that is private; residential; public or business related is irrelevant. However, it is accepted local authorities have no control over private land owners actions or decisions. Private land owners do have recourse to powers under common law to help resolve the situation.

### **3. Communication**

3.1. Good, timely, communication at all stages of dealing with an unauthorised encampment is vital to ensuring that local residents and businesses and the Gypsy and Traveller community are aware of the actions that are being taken to bring about a positive resolution. This protocol does not seek to prescribe all communication methodologies as the circumstances of each unauthorised encampment will be different and the communications tailored to suit as necessary. However, it should be a key priority when an unauthorised encampment occurs to establish a communication strategy, owned by the lead agency and supported by the other agencies as appropriate. This will provide consistency of communications and allow for a co-ordinated response.

3.2. The lead agency will be responsible for the co-ordination of the communications activities and should ensure clear ownership is established for individual elements, though these may be delivered by other agencies. For example, a leaflet to residents might be produced by the lead agency but delivered within the local area by the police Safer Neighbourhoods Team. A suggested template for a leaflet to residents and businesses is included at Appendix 5.

3.3. It should be recognised that communication is a two-way process and, as such individuals and networks can pass back information in respect of the impact the encampment is having on the local settled communities. Such feedback should be acknowledged and documented and used by the responsible agencies to further assess the encampment and its consequences. Any criminal activity or anti-social behaviour should be reported directly to the police.

3.4. As a general principle, it is important that the public has clear information about the ways in which agencies will deal with unauthorised encampments, before, during and after they occur. This should deal not only with encampments on public/local authority land or the highway, but also provide practical information and guidance for members of the public dealing with encampments on private land.

3.5. Consistency of communication is key to ensuring that conflicting information is avoided. It is preferable that there should be one central 'hub', to which agencies can signpost the public towards and from which updates can be shared. The Warwickshire County Council unauthorised traveller sites web page at <http://www.warwickshire.gov.uk/travellerunauthorisedsites> is the suggested basis for such an information hub, particularly as it allows the public to report encampments online and then be kept directly updated on progress. Local authorities can send updates direct to the WCC Gypsy and Traveller Liaison Team who will then update the web site.

3.6. Effort should be made to communicate with key local networks and individuals who can help convey messages on behalf of the responsible agencies, including elected members. Email, website, social media and direct messaging (for example leaflets distributed to affected residents and businesses) should be considered alongside the traditional print and broadcast media as the circumstances dictate, with the aim of maximising the reach of updates. Information updates should be timely, accurate and concise and signpost towards ways in which further feedback can be given.

## 4. The Law

4.1. Utilising the most relevant and effective legislation for the unauthorised encampment in question is a matter for the lead agency and its legal advisors. The following, though, may help decision makers in determining the best way forward via a legal route.

- Common Law – can be used by the landowner to regain possession of the land; does not require use of a court; enforced by the landowner or private bailiffs; has no sanctions should trespassers return. This option is available to public bodies but government policy discourages its use.
- Part 55 Civil Procedure Rules – can only be used by the landowner to regain possession of the land; requires a civil court procedure; possession can be enforced by county court bailiffs; no sanctions should trespassers return unless means have been adopted to identify the persons unknown. Sanctions become unavailable after the 3 month period where the court order is valid expires.

- Sections 77 – 78 Criminal Justice and Public Order Act 1994 – can only be used by a local authority on land forming part of the Highway, unoccupied land or occupied land without the consent of the occupier; used to remove identified individuals; magistrates court required when those directed do not leave; possession enforced by local authority; return of campers and or their vehicles within three months carries criminal sanctions.
- Sections 61 – 62 Criminal Justice and Public Order Act 1994 – can only be used by police; on any land except the highway; to direct that persons leave the land and remove any vehicles they have with them or any other property and a failure to do so or a return to the land within three months empowers a Police constable to seize and remove that vehicle; it is not only triggered where there are two or more persons trespassing with 6 or more vehicles but can be triggered where there are two or more persons trespassing and that any of those persons trespassing has caused damage to the land or to property on the land or where they have used threatening, abusive, insulting words or behaviour towards the occupier of the land, a member of the occupier's family or an employee or agent of the occupier; does not require the courts; possession enforced by police; return within three months – criminal sanctions.
- Section 62A-E Criminal Justice and Public Order Act 1994 – can be used by a Senior Police Officer to direct 1 or more trespassers to leave land and take any vehicles with them, but where it appears that the trespassers are in possession or control of caravans, there has to be a suitable pitch available on a relevant site before such a direction can be delivered; can be used on any land; is used for identified individuals and or their vehicles; does not require the courts; possession enforced by the police; return to the local authority area within three months – criminal sanctions.
- Injunction - Can be drafted to prohibit named individuals from engaging in certain activities or behaviours; can be expensive and difficult to obtain; a few local authorities have taken the approach and may be a viable longer term option.

4.2. In considering the legal approach decision makers need to be mindful of Article 8 of the Human Rights Act 1998 and being cognisant of the right to respect for private and family life. Decision makers will also need to be mindful of the fact that Gypsy and Travellers are a recognised ethnic group for the purposes of the Equality Act 2010 for which public bodies have a public sector equality duty.

4.3. For more detail on relevant legislation the document, *'Dealing with illegal and unauthorised encampments – a summary of available powers'* DCLG March 2015 is recommended reading.

## **5. Data Protection**

5.1. All information sharing commitments as made under the Protocol will be compliant and within the parameters of the Data Protection Act 1998 and any future amendments to the Act. It is for the agency sharing information to satisfy itself of that accordingly.

## **6. Post-Incident Debriefing**

6.1. Following the departure of the encampment, within 48 hours a debriefing meeting should be held by the lead agency. This meeting could be virtual, or by way of telephone/video conference. At the very least the lead agency, within 48 hours of the departure of the encampment, should ensure that the ECINS log created for the unauthorised encampment is updated. It is very important that information reflecting what went well, not so well and any lessons learnt is documented. Constant improvement in dealing with unauthorised encampments and information sharing will be golden threads of the debriefing process.

6.2. Whilst action around unauthorised encampments is not at all designed to criminalise any members of the Gypsy and Traveller communities – law breaking will not be tolerated. In that respect as part of the debriefing process it is important the police document and appropriately share information and intelligence in respect of any criminal aspects of the encampment. The police will also utilise the information and intelligence gathered to help build up a picture of the problem across the County. This will help ensure agencies are intelligence led going forward and best placed to make good decisions and use of resources to deal with the challenges posed.

## **7. Summary**

7.1. In summary this protocol seeks to bring cohesion, consistency and sustainable effectiveness to the challenge of dealing with unauthorised encampments. It is absolutely recognised that such encampments can have a very significant and adverse impact on settled communities. Whilst consistent, positive and effective response is imperative it will be in a context of justification, proportionality, legality and absolute necessity. Negotiation should always prevail over any inclination for confrontation. However, criminal behaviour will not be tolerated whether within or outside of the encampment. It is an expectation of this protocol that the police will robustly gather information and intelligence and utilise it positively to neutralise any criminal behaviours.

7.2. The longer term sustainable solutions to unauthorised encampments go beyond the scope of this protocol and probably lie within the realm of national and local government planning and housing strategies. Warwickshire will contribute to the bigger conversation both on a regional and national basis as it is fully recognised and accepted that a wider collaborative approach is needed as part of the overall strategy.

## **8. Review**

8.1. This protocol document will be reviewed every 12 months from the date of adoption.

## Appendix 1a: Signatories to Protocol

Signed: .....Date: .....

On behalf of Warwickshire Police and Crime Commissioner

Signed: .....Date: .....

On behalf of Warwickshire County Council

Signed: .....Date: .....

On behalf of Warwickshire Police

Signed: .....Date: .....

On behalf of North Warwickshire Borough Council

Signed: .....Date: .....

On behalf of Nuneaton & Bedworth Borough Council

Signed: .....Date: .....

On behalf of Rugby Borough Council

Signed: .....Date: .....

On behalf of Warwick District Council

Signed: .....Date: .....

On behalf of Stratford-on-Avon District Council

Signed: .....Date: .....

On behalf of Warwickshire Fire and Rescue Service



## Appendix 1b: Tactical and Operational leads for use of the Protocol

Organisation	Contact; Role; Address	Phone	E mail
Warwickshire Police and Crime Commissioner	Chris Lewis; Policy and Research Officer; 3, Northgate St., Warwick CV34 4SP	01926 418086 07971 602631	chrislewis@warwickshire.gov.uk
Warwickshire County Council			
Warwickshire Police			
North Warwickshire Borough Council			
Nuneaton & Bedworth Borough Council			
Rugby Borough Council			
Warwick District Council			
Stratford-on-Avon District Council			
Warwickshire Fire and Rescue Service			

## **Appendix 2: Notification to Authorities of an Unauthorised Encampment**

Experience to date shows that in the vast majority of instances when an unauthorised encampment is reported, the police are the first to be notified. Warwickshire Police commence an 'Initial Site Assessment Form'. Warwickshire Police will utilise the form to convey the following information to the relevant authorities:

- Date of arrival of travellers
- Address and location of encampment
- Land ownership
- Number of units and vehicles
- Profile of encampment e.g. numbers of families; business activities; associated equipment/effects; presence of animals
- Intended departure date
- Immediate problems/welfare issues
- Contact details

It is then expected that the ECINS log (see para. 2.5.) created for the unauthorised encampment will be utilised by the lead agency.

## Appendix 3: Site Code of Conduct



### Unauthorised Encampments

#### Code of Conduct

To ensure those members of the settled and gypsy and travelling communities can live together in a peaceful and unprejudiced way we expect you to comply with this Code of Conduct. We expect you to treat the land you have occupied with respect, and that you respect the rights and freedoms of other people who also wish to use the area.

Behaviour that may result in your eviction from a site includes the following:

- Camping upon any land designated as a public amenity, such as parks, recreation areas, school fields and similar locations - this is not an exhaustive list.
- Interfering with the rights and freedoms of other members of the public, including interrupting the operation of legitimate businesses.
- Forcing entry to land, by causing damage to any fixtures, fittings or landscaping (including planted areas). This includes digging away of earthwork defences, which have been placed at landowner's expense to prevent trespass.
- Causing any other damage to the land itself, or property on it. Particular care should be taken not to cause damage to those features provided as public amenities.
- Driving vehicles along any footpath, or other highway not specifically designed for road vehicles. This practice is not only unlawful but is also highly dangerous.
- Parking vehicles or caravans on any road, footpath or other highway that causes an obstruction to other people wanting to pass by. This includes parking immediately next to footpaths.
- Burning, dumping or tipping rubbish, waste materials or trade waste such as tree cuttings, rubble, etc. It is your responsibility to keep the site clean and tidy. Council Traveller Liaison Officers can direct you to Civic Amenity Sites (Council Tips) where you will be able to pay to dispose of trade waste.
- Using the area for open toileting. You must NOT deposit or leave human waste in or near this unauthorised encampment area.
- Abuse, intimidation or harassment of any person who is lawfully using the area.
- Excessive noise or other forms of anti-social behaviour especially after 10pm and before 7am.
- Animals that are not kept under control (including dogs fouling public places) or that attack persons lawfully on the land or nearby.
- Interference with electrical, water or gas supplies. Any person(s) found abstracting electricity, or wasting quantities of water may be subject of criminal proceedings.

These principles are the same standards of behaviour that are expected of the settled community. Warwickshire Police are committed to ensuring that all policing issues that affect you are balanced; however behaviour that is deemed unacceptable within society will not be tolerated.

## Appendix 3: Guidance Notes

The above Code of Conduct has been successfully used by Warwickshire Police in recent times and it is proposed this document will be suitable for the foreseeable future. Even though the police are not the lead agency in the main, it seems practical for them to continue serving the Code of Conduct on initially attending the site having received the report of the encampment. The following notes are provided to help give guidance to the use of and interpretation of the Code:

The purpose of this code of conduct is to build relationships between all relevant parties and encourage good social behaviours by members of the encampment. Active compliance and cooperation with this code and respect for the site and its neighbours is essential. It should be noted, however, that the literary skills of members of unauthorised encampments can be varied. It cannot be assumed that by physically serving the Code, the process is complete. Verbal explanation should be provided.

Active compliance does not mean that the members of the encampment will be offered a tolerated trespass arrangement. The presumption is that the site will be vacated as soon as possible and ideally within 24 hours. It should be made clear that the failure to follow the Code of Conduct could result in enforcement action against any and all individuals.

Enforcement may include the use of Community Protection Notices. Such action is a relatively new consideration in dealing with unauthorised encampments. These notices were introduced under the Anti-Social Behaviour, Crime & Policing Act 2014 to stop businesses, organisations or individuals over the age of 16 from committing anti-social behaviour which spoils the communities' quality of life. They can be used to deal with most problems or nuisances which negatively impact on or affect the community, by targeting those responsible.

The lead agency may give consideration to the installation of temporary bins and toilets. Such measures could lead to cost savings in the longer term. However, it is fully recognised this is a decision for each local authority dependent on a range of local policy and cost recovery fact.

Damage to property or the environment will not be tolerated. However, Warwickshire Fire and Rescue Service may, dependant on location and circumstances, deem small camp fires as acceptable and safe. Costs for remedying any damage caused should be paid by the group or will lead to eviction from the affected site and all future sites.

Any allegations of criminal behaviour will be reported to the police.

## Appendix 4: Information Sharing Meeting Checklist

In undertaking a full assessment of the unauthorised encampment it is recommended that the following topics, as a minimum, are considered in order to achieve a good and comprehensive decision making process. This list is not definitive and decision makers should consider all issues they believe to be relevant in the context of the particular unauthorised encampment that is being considered:

- In relation to the location of encampment – has ownership of the land been confirmed? Has the lead agency been established?
- Is there any particular sensitivity or risks in relation to the site? The level and type of complaints received; associated political issues and pressures may have to be taken into consideration.
- Any significant nuisance related to use of site? e.g. burning of fires/rubbish/ incorrect or illegal disposal of waste materials.
- Any damage to any surrounding properties or places occurred due to the setting up of the encampment?
- Are there stray animals of any description related to the encampment causing public nuisance.
- Are there any safety implications related to site in particular public health issues?
- Are there any relevant planning permissions associated with site?
- What are the travel intentions of the encampment?
- Are any members of the encampment presenting with any welfare issues in relation to health, safeguarding or vulnerability?
- Are there any education requirements to be considered?
- What are the actual numbers of people and vehicles involved with the encampment? Have details been documented where appropriate?
- Has the encampment Code of Conduct been served? Is there any evidence of breach or non-compliance?
- If there are breaches should the police be considering utilising powers under sections 61 and 62 of the Criminal Justice and Public Order Act 1994?

## Appendix 5: Template leaflet for residents and businesses

Other local authorities outside of Warwickshire have effectively utilised leaflets in neighbourhoods affected by unauthorised encampments. The following wording may be of use should any Warwickshire lead agency choose to take such an approach:

### Unauthorised encampment in your area

*Relevant local authority/public body/landowner*, Warwickshire Police and your local councillors are aware of the unauthorised encampment in your area.

We want to reassure you that we are working together with the settled and traveller communities to resolve the situation as quickly as possible.

This can take time and may be subject to a legal process.

If you have any issues of anti-social behaviour or crime, please report these to the police on 101.

If you wish to report other issues to your local authority please email [email.address@xcouncil.gov.uk](mailto:email.address@xcouncil.gov.uk) or call *[insert number]*

Further updates about the steps the agencies are taking to resolve the situation will be published online at <http://www.warwickshire.gov.uk/travellerunauthorisedsites>

You can also report issues online through this site and provide contact details to be kept directly informed of key developments.

#### Local Authority

#### Warwickshire Police

## **Agenda Item No 16**

### **Executive Board**

**18 September 2017**

#### **Report of the Chief Executive**

#### **Local Government Ombudsman Annual Review 2016/17**

### **1 Summary**

- 1.1 This report informs the Board about the results of the Local Government and Social Care Ombudsman Annual Review 2016/17. The report highlights the number of complaints and enquiries considered by the Ombudsman relating to the Council and the outcome of their determinations. The report also provides some context information about the compliments and complaints received via the Council's corporate Compliments and Complaints Procedure.

#### **Recommendation to the Board**

**That the report be noted.**

### **2 Consultation**

- 2.1 Consultation has been carried out with the chair, vice chair and opposition spokesperson. Any comments received regarding the report will be highlighted to the Board.

### **3 Background**

- 3.1 This report has been prepared following receipt of the Annual Review 2016/17 letter from the Local Government and Social Care Ombudsman. The Annual Review provides a summary of the complaints and enquiries made to the Ombudsman relating to the Council during the 2016/17 year. The Annual review also shows what decisions the Ombudsman made about the complaints and enquiries received.

### **4 Annual Review 2016/17**

- 4.1 Attached at Appendix A is a copy of the letter received by the Chief Executive from the Local Government and Social Care Ombudsman dated 20 July 2017. The annual review shows that 5 complaints or enquiries were made to the Ombudsman relating to the Council. The 5 complaints and enquires were determined in the following way:

- 3 were closed after initial enquiries
- 1 was referred back for local resolution
- 1 involved advice being given

- 4.2 None of the complaints or enquiries resulted in an investigation by the Ombudsman. Members should also note that 1 complaint relating to the

Council was investigated by the Housing Ombudsman in the 2016/17 year separately to the Local Government and Social Care Ombudsman. This investigation determined that there was no maladministration in serving a notice seeking possession but maladministration with the communications prior to serving the notice.

- 4.3 The Housing Ombudsman investigates complaints regarding social housing and they have a Memorandum of Understanding with the Local Government and Social Care Ombudsman. More information about what kind of complaints they can investigate is shown on the website link below:

<http://www.housing-ombudsman.org.uk/learning-faqs/factsheets/what-kind-of-complaints-can-we-consider/#.WX8L6HIK2Uk>

- 4.4 The 5 complaints and enquiries received by the Local Government and Social Care Ombudsman were regarding the following services:

- Benefits and Tax 1
- Corporate 1
- Housing 1
- Planning and Development 2

- 4.5 It is pleasing to report that none of the complaints and enquires resulted in the Ombudsman carrying out an investigation. The outcomes of the complaints and enquiries are shown above at paragraph 4.1.

## 5 Compliments and Complaints 2016/17

- ... 5.1 Attached at Appendix B is a table showing the numbers of compliments and complaints received by service department through the Council's corporate procedure during the 2016/17 year. The table shows that 58 complaints, 67 requests for service and 61 compliments were received in the 2016/17 year. The number of complaints is a decrease of 15 (20%) from 2015/16. The requests for service are complaint contacts which were considered not to be actual complaints. These can include the raising of a particular issue for the first time without the relevant service being aware of the issue.
- 5.2 Housing and Revenues and Benefits have received the majority of the complaints totalling 24 and 10 respectively. The majority of complaints are in service areas with high customer contacts which is to be expected. Decreases have been seen in Revenues by 6 and in Streetscape by 3. Overall the number of complaints is very low when compared to the total number of contacts received and people dealt with.
- 5.3 An outcome status against each complaint has been shown to show whether the complaint is considered to be justified or not upheld. This can be a matter of judgement and there will be some complaints which can be interpreted either way. Some complaints will have elements that could have been dealt with differently or better on occasions. Of the complaints received in 2016/17 32 (55%) are considered to be not upheld and 26 (45%) justified.



5.4 The compliments received show some examples of positive feedback received from residents and customers. The compliment figures do not include customer feedback responses received by Housing and Community Support which are monitored within their division.

5.5 Shown below is a table of the totals of compliments and complaints received during the last 8 years.

5.6 Table of Compliments and Complaints Totals

<b>Year</b>	<b>Compliments</b>	<b>Complaints</b>
2008/09	31	33
2009/10	43	30
2010/11	55	25
2011/12	45	40
2012/13	37	46
2013/14	46	95
2014/15	53	54
2015/16	79	73
2016/17	61	58

## **6 Summary**

6.1 Overall the number of complaints received is low in comparison to the number of customer contacts the Council has. The Local Government and Social Care Ombudsman has determined not to investigate any of the complaints or enquiries made to them. Members are requested to note the report and to identify any areas that require further consideration.

## **7 Report Implications**

### **7.1 Legal and Human Rights Implications**

7.1.1 Some complaint cases can ultimately be investigated by either the Local Government Ombudsman or the Housing Ombudsman. Legal and Human Rights implications can be a consideration of some complaint investigations.

### **7.2 Environment and Sustainability Implications**

7.2.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. Feedback and learning from Complaints and Compliments helps the Divisions identify service improvements. The Procedure includes a specific requirement to identify any service improvements arising from each complaint investigation.

### **7.3 Risk Management Implications**

7.3.1 Effective performance monitoring and analysis of complaints received will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance and quality level.

#### 7.4 **Equality Implications**

7.4.1 The monitoring of complaints and compliments helps inform the Council's consideration of meeting the Equality Act requirements. Any specific equality related implication arising from a complaint investigation is considered in liaison with Policy Support and Legal Services as necessary.

#### 7.5 **Financial Implications**

7.5.1 Any financial payments and credits identified in complaint investigations are made from the appropriate service budget under provisions relating to that service.

#### 7.6 **Links to Council's Priorities**

7.6.1 By having an open and accessible complaints procedure this will contribute towards the achievement of the Council's priorities and in particular promoting vibrant and sustainable communities.

The Contact Officer for this report is Robert Beggs (719238).

### **Background Papers**

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>

20 July 2017

*By email*

Jerry Hutchinson  
Chief Executive  
North Warwickshire Borough Council

Dear Jerry Hutchinson,

### **Annual Review letter 2017**

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGO) about your authority for the year ended 31 March 2017. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

The reporting year saw the retirement of Dr Jane Martin after completing her seven year tenure as Local Government Ombudsman. I was delighted to be appointed to the role of Ombudsman in January and look forward to working with you and colleagues across the local government sector in my new role.

You may notice the inclusion of the '*Social Care Ombudsman*' in our name and logo. You will be aware that since 2010 we have operated with jurisdiction over all registered adult social care providers, able to investigate complaints about care funded and arranged privately. The change is in response to frequent feedback from care providers who tell us that our current name is a real barrier to recognition within the social care sector. We hope this change will help to give this part of our jurisdiction the profile it deserves.

### **Complaint statistics**

Last year, we provided for the first time statistics on how the complaints we upheld against your authority were remedied. This year's letter, again, includes a breakdown of upheld complaints to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us.

We have chosen not to include a 'compliance rate' this year; this indicated a council's compliance with our recommendations to remedy a fault. From April 2016, we established a new mechanism for ensuring the recommendations we make to councils are implemented, where they are agreed to. This has meant the recommendations we make are more specific, and will often include a time-frame for completion. We will then follow up with a council and seek evidence that recommendations have been implemented. As a result of this new process, we plan to report a more sophisticated suite of information about compliance and service improvement in the future.

This is likely to be just one of several changes we will make to our annual letters and the way we present our data to you in the future. We surveyed councils earlier in the year to find out, amongst other things, how they use the data in annual letters and what data is the most useful; thank you to those officers who responded. The feedback will inform new work to

provide you, your officers and elected members, and members of the public, with more meaningful data that allows for more effective scrutiny and easier comparison with other councils. We will keep in touch with you as this work progresses.

I want to emphasise that the statistics in this letter comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

### **The statutory duty to report Ombudsman findings and recommendations**

As you will no doubt be aware, there is duty under section 5(2) of the Local Government and Housing Act 1989 for your Monitoring Officer to prepare a formal report to the council where it appears that the authority, or any part of it, has acted or is likely to act in such a manner as to constitute maladministration or service failure, and where the LGO has conducted an investigation in relation to the matter.

This requirement applies to all Ombudsman complaint decisions, not just those that result in a public report. It is therefore a significant statutory duty that is triggered in most authorities every year following findings of fault by my office. I have received several enquiries from authorities to ask how I expect this duty to be discharged. I thought it would therefore be useful for me to take this opportunity to comment on this responsibility.

I am conscious that authorities have adopted different approaches to respond proportionately to the issues raised in different Ombudsman investigations in a way that best reflects their own local circumstances. I am comfortable with, and supportive of, a flexible approach to how this duty is discharged. I do not seek to impose a proscriptive approach, as long as the Parliamentary intent is fulfilled in some meaningful way and the authority's performance in relation to Ombudsman investigations is properly communicated to elected members.

As a general guide I would suggest:

- Where my office has made findings of maladministration/fault in regard to routine mistakes and service failures, and the authority has agreed to remedy the complaint by implementing the recommendations made following an investigation, I feel that the duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report on complaints to members, for example.
- Where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, I would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.
- In the unlikely event that an authority is minded not to comply with my recommendations following a finding of maladministration, I would always expect the Monitoring Officer to report this to members under section five of the Act. This is an exceptional and unusual course of action for any authority to take and should be considered at the highest tier of the authority.

The duties set out above in relation to the Local Government and Housing Act 1989 are in addition to, not instead of, the pre-existing duties placed on all authorities in relation to Ombudsman reports under The Local Government Act 1974. Under those provisions, whenever my office issues a formal, public report to your authority you are obliged to lay that report before the council for consideration and respond within three months setting out the action that you have taken, or propose to take, in response to the report.

I know that most local authorities are familiar with these arrangements, but I happy to discuss this further with you or your Monitoring Officer if there is any doubt about how to discharge these duties in future.

### **Manual for Councils**

We greatly value our relationships with council Complaints Officers, our single contact points at each authority. To support them in their roles, we have published a Manual for Councils, setting out in detail what we do and how we investigate the complaints we receive. When we surveyed Complaints Officers, we were pleased to hear that 73% reported they have found the manual useful.

The manual is a practical resource and reference point for all council staff, not just those working directly with us, and I encourage you to share it widely within your organisation. The manual can be found on our website [www.lgo.org.uk/link-officers](http://www.lgo.org.uk/link-officers)

### **Complaint handling training**

Our training programme is one of the ways we use the outcomes of complaints to promote wider service improvements and learning. We delivered an ambitious programme of 75 courses during the year, training over 800 council staff and more 400 care provider staff. Post-course surveys showed a 92% increase in delegates' confidence in dealing with complaints. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training)

Yours sincerely

A handwritten signature in black ink, appearing to read 'M King', with a stylized flourish at the end.

Michael King  
Local Government and Social Care Ombudsman for England  
Chair, Commission for Local Administration in England

**Local Authority Report:** North Warwickshire Borough Council  
**For the Period Ending:** 31/03/2017

For further information on how to interpret our statistics, please visit our website:  
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	1	1	0	0	0	1	2	0	5

## Decisions made

Decisions made				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
0	1	1	3	0	0	0%	5

### Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.  
 The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

### Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement
0	0

## Table of Complaints

DEPARTMENT	NUMBER OF COMPLAINTS	NUMBER OF COMPLIMENTS
<b>Chief Executive</b>		
<ul style="list-style-type: none"> <li>Management Team &amp; Civic Support Unit</li> </ul>		
<b>Assistant Chief Executive &amp; Solicitor to the Council</b>		
<ul style="list-style-type: none"> <li>Legal</li> </ul>		
<ul style="list-style-type: none"> <li>Democratic Services</li> </ul>		
<ul style="list-style-type: none"> <li>Policy Support</li> </ul>		
<ul style="list-style-type: none"> <li>Environmental Health</li> </ul>		1
<b>Development Control</b>		
<ul style="list-style-type: none"> <li>Development Control</li> </ul>	7	4
<ul style="list-style-type: none"> <li>Forward Planning</li> </ul>		3
<ul style="list-style-type: none"> <li>Building Control – Nuneaton &amp; Bedworth Council</li> </ul>		
<ul style="list-style-type: none"> <li>Enforcement</li> </ul>		
<b>Assistant Chief Executive (Community Services)</b>		
<ul style="list-style-type: none"> <li>Revenues</li> </ul>	10	2
<ul style="list-style-type: none"> <li>One Stop Shop/ Contact Centre</li> </ul>	4	4
<b>Deputy Chief Executive</b>	1	
<b>Corporate Services</b>		
<ul style="list-style-type: none"> <li>Computer Services</li> </ul>		
<ul style="list-style-type: none"> <li>Central Services – Land Charges/Personal Searches</li> </ul>		
<ul style="list-style-type: none"> <li>Central Services – Street Naming</li> </ul>		
<ul style="list-style-type: none"> <li>Procurement</li> </ul>		
<ul style="list-style-type: none"> <li>Public Relations</li> </ul>		1
<b>Finance &amp; Human Resources</b>		
<ul style="list-style-type: none"> <li>Financial</li> </ul>		
<ul style="list-style-type: none"> <li>Human Resources</li> </ul>		
<b>Housing</b>		
<ul style="list-style-type: none"> <li>Housing Management</li> </ul>	11	
<ul style="list-style-type: none"> <li>Housing Maintenance</li> </ul>	10	4
<ul style="list-style-type: none"> <li>Community Support</li> </ul>		2
<ul style="list-style-type: none"> <li>Private Sector Housing</li> </ul>	3	2
<b>Leisure &amp; Community Development</b>		
<ul style="list-style-type: none"> <li>Landscape Management</li> </ul>		
<ul style="list-style-type: none"> <li>Community Development</li> </ul>		
<ul style="list-style-type: none"> <li>Leisure Facilities</li> </ul>	2	
<b>Streetscape</b>	9	37
<b>Audit</b>		
<b>Other</b>		
<b>Request for Service</b>	67	
<b>Corporate</b>	1	
<b>TOTAL</b>	<b>125</b>	<b>61</b>

Table of Complaints

<b>Complaint User Satisfaction Summary</b>		
<b>Question</b>	<b>Yes</b>	<b>No</b>
Did you find it easy to complain?	4	
Were you given an apology?	1	4
Were you satisfied with the explanation given?	1	4
Was the complaint dealt with quickly enough?	4	2

**2016/17**

Not upheld = 32 (55%)

Justified = 26 (45%)

Outstanding = 0

Total = 58



## **Agenda Item No 17**

### **Executive Board**

**18 September 2017**

**Report of the  
Assistant Director  
(Leisure and Community Development)**

**Bretts Hall Play Area – Use of  
Urgent Business Powers**

#### **1 Summary**

- 1.1 This report seeks the Board's endorsement of action taken under the Chief Executive's Urgent Business Powers to contract a play equipment supplier to undertake the previously approved work at Bretts Hall Recreation Ground, Ansley Common, and asks Members to approve an increase in the Capital Programme budget through which to carry out this work.

#### **Recommendation to the Board**

- a That the action taken under the Chief Executive's Urgent Business Powers to contract a play equipment supplier to undertake the approved work at Bretts Hall Recreation Ground be noted; and**
- b That the Board approves the £38,800 increase in the Capital Programme budget, consequent upon the progression of the play area scheme at Bretts Hall Recreation Ground.**

#### **2 Consultation**

- 2.1 The Chairman, Vice-chairman and Opposition Spokesperson for the Executive, Resources and Community and Environment Boards, together with Members with responsibility for Health, Wellbeing and Leisure and young people, have all had an opportunity to comment on the content of this report. Any comments received will be reported verbally to the Board.

#### **3 Report**

- 3.1 Members will be aware that, at its meeting held in July 2017, the Community and Environment Board received a progress report in respect of the commitment to enhance play provision at Bretts Hall Recreation Ground in Ansley Common. A copy of that report, which was approved by the Board, is attached for information at Appendix A.

...

- 3.2 At the time of reporting progress to the Community and Environment Board in July, the approved scheme was ready to proceed and if the equipment was to be installed during the autumn it was necessary to place the related order at

that time. A failure to place the order before the end of July 2017 carried a risk that the selected contractor may seek to amend its tender price, which had been secured within a full procurement exercise undertaken in accordance with the Council's Contract Standing Orders.

- 3.3 Given the delays in progressing with the play area project, caused, in part, by two external funding applications, there was a desire to ensure that the installation of the equipment was undertaken in the autumn. In this regard, and in consultation with the Leader of the Council and the Chairman of the Resources Board, the engagement of the selected contractor was approved by the Chief Executive under his Urgent Business Powers. The Board is asked to note this course of action.
- 3.4 The approved Capital Programme currently includes provision of £30,000 for the project. The overall cost, however, is £68,800, with the balance being made up by external funding and a contribution from the Authority's Equality Fund (the details of both of which are included in the report attached at Appendix A). An adjustment to the Capital Programme, therefore, is required, which the Board is asked to approve. This adjustment, to reflect a total project cost of £68,800, does not impact on the Authority's overall capital allocation or on any other project within the Programme.

## **4 Report Implications**

### **4.1 Finance and Value for Money Implications**

- 4.1.1 The total cost of the play area development project at Bretts Hall Recreation Ground, Ansley Common, is £68,800. The Capital Programme currently includes an allocation of £30,000 for the scheme. An adjustment to the Programme, therefore, is required.
- 4.1.2 Details associated with the funding of the project are included within the report attached at Appendix A.

### **4.2 Safer Communities Implications**

- 4.2.1 Projects advanced through the Play Area Development Programme contribute to community safety by providing well-managed facilities and play spaces that afford opportunities for positive activity.

### **4.3 Legal and Human Rights Implications**

- 4.3.1 Projects advanced through the Play Area Development Programme are compliant with all relevant legislation and European Union standards.

### **4.4 Environment and Sustainability Implications**

- 4.4.1 Delivery of priorities identified in the Play Area Development Programme contributes indirectly to environmental improvements and the enhancement of

biodiversity, in that the play areas conform to good practice that advances the need to design spaces that are sympathetic towards, and in keeping with, their environment. Related activity also helps to build sustainable and vibrant communities.

#### **4.5 Human Resources Implications**

4.5.1 There is no human resource implication arising directly out of this report.

#### **4.6 Health, Wellbeing and Leisure Implications**

4.6.1 Provision and appropriate management of play spaces have a positive impact on the health and wellbeing of individuals and communities by providing opportunities for outdoor leisure and recreation activities and by contributing to an improved quality of life.

#### **4.7 Risk Management Implications**

4.7.1 The corporate risk management process identifies and scores risks associated with the provision and maintenance of green space, including play areas. Services must manage operational risks to be as low as practicably possible. Implementation of the Play Area Development Programme is a control measure that helps to maintain low risk scores, as set out in the report to the Community and Environment Board in October 2015.

#### **4.8 Equalities Implications**

4.8.1 The provisions of the Play Area Development Programme are targeted at reducing inequalities in access to good quality play provision for children and young people. The equalities implications of all projects advanced through the Development Programme are considered as part of the project management process.

#### **4.9 Links to Council's Priorities**

4.9.1 The Play Area Development Programme has direct and positive links to the following corporate priorities:

- Responsible financial and resource management
- Creating safer communities
- Improving leisure and wellbeing opportunities
- Promoting sustainable and vibrant communities

4.9.2 The Play Area Development Programme contributes directly to the following priorities of the Sustainable Community Strategy:

- Raising aspirations, educational attainment and skill levels
- Developing healthier communities
- Improving access to services

The Contact Officer for this report is Becky Evans (719346)

### **Background Papers**

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
1	Assistant Director (Leisure and Community Development)	Community and Environment Board Report (Play Area Development Programme – Bretts Hall Play Area)	July 2017

**Agenda Item No 7**

**Community and Environment Board**

**17 July 2017**

**Report of the  
Assistant Director  
(Leisure and Community Development)**

**Play Area Development  
Programme - Bretts Hall Play Area**

**1 Summary**

- 1.1 This report informs the Board of the progress being made in respect of the commitment to enhance play provision at Bretts Hall Recreation Ground.

**Recommendation to the Board**

**That Members note and comment on the progress being made in respect of the commitment to enhance play provision at Bretts Hall Recreation Ground**

**2 Consultation**

- 2.1 The Chairman, Vice-Chairman and Opposition Spokesperson for the Community and Environment and Resources Boards and the Safer Communities Sub-Committee, Members with responsibility for Health, Well-being and Leisure and Young People, together with appropriate Ward Members, have had the opportunity to comment on the content of this report. Any comments received will be reported verbally at the meeting.

**3 Background**

- 3.1 The Play Area Development Programme, through which the Authority determined to redevelop and / or enhance its play spaces in order to provide facilities that were safe, accessible, of good play value and appropriate to local needs, was formally adopted by the Borough Council in 2005. Phase one of the Programme included the installation of new equipment for teenagers at Bretts Hall Recreation Ground in 2006. The Programme also included an approved commitment to develop a play space for younger children at this location in its final phase, subject to the availability of resources. This commitment is additionally set out as an area-based priority within the adopted Green Space Strategy.

## **4 Bretts Hall Play Area Provision**

4.1 It was reported to the Board at its meeting held in March 2015 that a scheme had been prepared and tenders received for improvements to the Recreation Ground, including play provision, at Bretts Hall in Ansley Common, but that the associated costs of approximately £100,000 were over the available budget. Since then, work has been undertaken with Ansley Common Residents' Association and, with support from Ansley Parish Council; an evidence based funding application was submitted to Veolia Environmental Trust in May 2016. Unfortunately, due to being significantly oversubscribed, the application was unsuccessful. A further application was submitted to Veolia Environmental Trust in March 2017 for a smaller sum of £25,000. Although the application met the relevant criteria at stage one of the process, it again proved to be unsuccessful at stage two.

4.2 In March 2017, it was reported to Members that if the revised application to Veolia Environmental Trust proved to be unsuccessful, a smaller play area would be installed within the Recreation Ground, based upon the level of funding already secured for the project, a course of potential action that had been discussed and agreed with the Ansley Common Residents' Association.

4.3 To supplement the Borough Council's approved capital programme contribution of £30,000, the Project has additionally been awarded £16,000 of external funding, through the local County Councillor (£500), the Tesco "Bags of Help" scheme (£8,000) and Smart Start funding (£7,500). There have also been contributions from the Ley Group (£1,055.18), Ansley Common Residents' Association (ACRA) (£747.21) and Ansley Parish Council (£2,697.61). Further, given the nature of the proposed development, it is proposed to use a contribution of £18,300 towards the project from the Authority's Equality (formerly DDA) Fund. Specifically, the Fund contribution will be used to support the provision of an equality compliant path and five items of equipment that are designed to improve access for people with a disability. The total extent of funding available for the Project, therefore, is £68,800. As a consequence, it has been necessary to remove two items of equipment from the overall play area design, a breakdown of which is attached at Appendix A.

...

4.4 The tender process referred to in paragraph 4.1 (above) has been revisited, a final design approved and installation of the play equipment will be completed during the autumn.

## **5 Report Implications**

### **5.1 Finance and Value for Money Implications**

5.1.1 As detailed above, the total funding for the project is £68,800, of which £30,000 is being contributed through the Borough Council's approved capital programme, together with an additional contribution of £18,300 from its Equality Fund. The remaining funding for the project has been sourced from external partners, including; the local County Councillor (£500), the Tesco "Bags of Help" scheme (£8,000), Smart Start (£7,500), the Ley Group (£1,055.18),

Ansley Common Residents' Association (£747.21) and Ansley Parish Council (£2,697.61).

## **5.2 Safer Communities Implications**

5.2.1 Projects advanced through the Play Area Development Programme contribute to community safety by providing well-managed facilities and play spaces that afford opportunities for positive activity.

## **5.3 Legal and Human Rights Implications**

5.3.1 Projects advanced through the Play Area Development Programme are compliant with all relevant legislation and European Union standards.

## **5.4 Environment and Sustainability Implications**

5.4.1 Delivery of priorities identified in the Play Area Development Programme contributes indirectly to environmental improvements and the enhancement of biodiversity, in that the play areas conform to good practice that advances the need to design spaces that are sympathetic towards, and in keeping with, their environment. Related activity also helps to build sustainable and vibrant communities.

## **5.5 Health, Well-being and Leisure Implications**

5.5.1 Provision and appropriate management of play spaces have a positive impact on the health and well-being of individuals and communities by providing opportunities for outdoor leisure and recreation activities and by contributing to an improved quality of life.

## **5.6 Risk Management Implications**

5.6.1 The corporate risk management process identifies and scores risks associated with the provision and maintenance of green space, including play areas. Services must manage operational risks to be as low as practicably possible. Implementation of the Play Area Development Programme is a control measure that helps to maintain low risk scores, as set out in the report to this Board in October 2015.

## **5.7 Equalities Implications**

5.7.1 The provisions of the Play Area Development Programme are targeted at reducing inequalities in access to good quality play provision for children and young people. The equalities implications of all projects advanced through the Development Programme are considered as part of the project management process.

## **5.8 Links to Council's Priorities**

5.8.1 The Play Area Development Programme has direct and positive links to the following corporate priorities:

- Responsible financial and resource management
- Creating safer communities

- Improving leisure and well-being opportunities
- Promoting sustainable and vibrant communities

5.8.2 The Play Area Development Programme contributes directly to the following priorities of the Sustainable Community Strategy:

- Raising aspirations, educational attainment and skill levels
- Developing healthier communities
- Improving access to services

The Contact Officer for this report is Becky Evans (719346)

### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
1	Assistant Director (Leisure and Community Development)	Report to Community and Environment Board (North Warwickshire Green Space Strategy Progress Report)	March 2015
2	Assistant Director (Leisure and Community Development)	Report to Community and Environment Board (North Warwickshire Green Space Strategy Progress Report)	October 2015
3	Assistant Director (Leisure and Community Development)	Report to Community and Environment Board (North Warwickshire Green Space Strategy Progress Report)	March 2016
4	Assistant Director (Leisure and Community Development)	Report to Community and Environment Board (North Warwickshire Green Space Strategy Progress Report)	October 2016
5	Assistant Director (Leisure and Community Development)	Report to Community and Environment Board (North Warwickshire Green Space Strategy Progress Report)	March 2017



# Quotation Response Document

Quotation No. Q-16455-Y0X0Rev2 Opt 1

## North Warwickshire BC

23 June 2017

**HAGS**  **SMP**  
Inspiring all generations

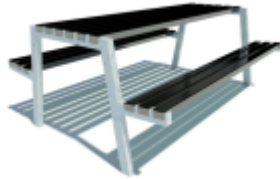
**Bretts Hall Recreation Ground,  
Ansley Common**



## Itemised Quotation

### Furniture

#### Essentials Picnic Table (Inclusive) Colour Coll 1 - (V-OFPICNIC(001))



Supply 1 No. Essentials Picnic Table (Inclusive)	£974.00
<i>UNIT DISCOUNT</i>	<i>-£48.70</i>
<b>UNIT PRICE</b>	<b>£925.30</b>

Soft Dig Installation	£178.00
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**Total** **£1,103.30**

#### Essentials Seat Colour Collection 1 - (V-OFSEAT(001))



Supply 2 No. Essentials Seats	£938.00
Soft Dig Installation	£178.00

**Total** **£1,116.00**

### Pathway

#### Groundworks for Resin Bonded Path (Sqm)



Excavate to 170mm & cart away spoil	£5,198.67
Supply & install 120mm MOT Type 1	
Supply & install 62m2 of 40mm tarmac base course	

**Total** **£5,198.67**

#### Resin Bonded Gravel Pathway (Sqm)



Supply & install 62m2 of 5mm Resin Bonded Surfacing	£1,658.67
---	-----------

**Total** **£1,658.67**

## PCC Edging



Supply & install 105 lm of PCC Edging 915 x 150 x 50mm for Pathway

£1,701.33

**Total**

**£1,701.33**

## Equipment/Surfacing

### Titan Colour Collection 8 - (CAR-TAN(008))

Age Range:6+



Supply 1 No. Titan Frame

£5,300.00

UNIT DISCOUNT

-£3,619.66

**UNIT PRICE**

**£1,680.34**

Supply 1 No. T Bar Hanger

£115.00

Supply 1 No. Mirage Seat

£420.00

Supply 1 No. Rope Ladder

£165.00

Supply 2 No. Pendulum Seats

£360.00

Soft Dig Installation

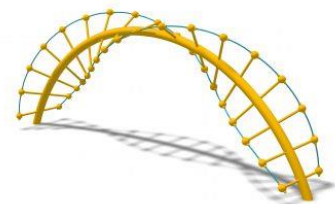
£1,333.00

**Total**

**£4,073.34**

### DNA Climber with Rope Warm Yellow - (HS8057073(01))

Age Range:5+



Supply 1 No. DNA Climber

£3,495.00

UNIT DISCOUNT

-£2,481.45

**UNIT PRICE**

**£1,013.55**

Soft Dig Installation

£846.00

**Total**

**£1,859.55**

### Cyclops Colour Collection 1 - (DSCYC(001))

Age Range:5+



Supply 1 No. Cyclops

£3,995.00

UNIT DISCOUNT

-£2,796.50

**UNIT PRICE**

**£1,198.50**

Soft Dig Installation

£1,060.00

**Total**

**£2,258.50**

**MANTIS Zipwire - 20m ramp for concrete - (HAG8036747)** **Age Range:5+**



Supply 1 No. Mantis Zipwire	£5,995.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£4,196.50</i></u>
<b>UNIT PRICE</b>	<b>£1,798.50</b>
Soft Dig Installation	£2,400.00
<b>Total</b>	<hr/> <b>£4,198.50</b>

**UniPlay Jillibrad Special - SP5776 - (HAG8057602)**



Supply 1 No. UniPlay Jillibrad Special - SP5776	£13,178.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£6,589.00</i></u>
<b>UNIT PRICE</b>	<b>£6,589.00</b>
Installation into Soft Dig	£2,400.00
<b>Total</b>	<hr/> <b>£8,989.00</b>

**2.4m Olympic Swing 4 Seat Colour Collection 1 - (SWO244(008))** **Age Range:2+**



Supply 1 No. 2.4m Olympic 2012 Swing 4 Seat Frame	£2,195.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£1,097.50</i></u>
<b>UNIT PRICE</b>	<b>£1,097.50</b>
Supply 2 No. Flat Seats	£280.00
Supply 1 No. Cradle Seat	£190.00
Supply 1 No. Tango Seat with 8mm Galvanised Chains, 2.4m high	£430.00
Soft Dig Installation	£612.00
<b>Total</b>	<hr/> <b>£2,609.50</b>

**Lillie Toddler Steel Basket Swing, 8019911 - (HAG036C)006** **Age Range:2+**



Supply 1 No. Lillie Swing - Basket	£1,898.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£949.00</i></u>
<b>UNIT PRICE</b>	<b>£949.00</b>
Soft Dig Installation	£509.00
<b>Total</b>	<hr/> <b>£1,458.00</b>



**Mini Titan Vibrant Green - (HS8050600(03))** **Age Range:2+**



Supply 1 No. Mini Titan Vibrant Green	£3,199.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£1,599.50</i></u>
<b>UNIT PRICE</b>	<b>£1,599.50</b>
Installation of Mini Titan	£488.00
<b>Total</b>	<hr/> <b>£2,087.50</b>

**UniMini Amris (HPL/ Steel) Park - Green Panel - (HAG8047450)** **Age Range:2+**



Supply 1 No. UniMini Amris (HPL/ Steel)	£9,327.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£5,129.85</i></u>
<b>UNIT PRICE</b>	<b>£4,197.15</b>
Soft Dig Installation	£1,650.00
<b>Total</b>	<hr/> <b>£5,847.15</b>

**Rota Roka - (RA401S)** **Age Range:3+**



Supply 1 No. Rota-Roka	£1,492.00
<u><i>UNIT DISCOUNT</i></u>	<u><i>-£671.40</i></u>
<b>UNIT PRICE</b>	<b>£820.60</b>
Soft Dig Installation	£240.00
<b>Total</b>	<hr/> <b>£1,060.60</b>

**Playground Trampoline**



Supply 1 No. Playground Trampoline 2m x 2m	£3,657.14
Soft Dig Installation	£672.00
<b>Total</b>	<hr/> <b>£4,329.14</b>

## GRASSMATT FR SURFACING FLAME RETARDANT 1.5Mtx1Mt - (RP400S)



Supply 259.5 No. Grassmat tiles	£8,693.25
Grassmat Installation	£3,633.00
Provide and lay 40 M <sup>2</sup> of Topsoil & Turf	£560.00

<b>Total</b>	<b>£12,886.25</b>
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## Preliminaries

**Carriage** - Orders with equipment valued below £5,000 carriage is charged at 10%. Orders with equipment valued above £5,000, carriage is charged at 5%.

**Site Security** – As recommended by the Health and Safety Executive, 2m high temporary site security fencing will be erected whilst all installation works are undertaken.

**Project Management and CDM compliance** – We shall comply with the provisions of The Construction (Design and Management) Regulations 2015 (CDM) where it is reasonably practicable to do so and, at all times, consider the importance of The Health and Safety at Work Act 1974. For projects that are notifiable under CDM, we shall ensure that our workforce has access to the following, legally required, site welfare facilities:

- Wholesome drinking water, means to boil water and heat food
- Suitable facilities for rest, including tables and chairs with backs and, where necessary, changing rooms and lockers
- Suitable and sufficient toilets and washing facilities, including running cold and hot or warm running water

Our charge includes: visiting and off-site project management; delivery, maintenance and collection of temporary items; site safety signage; and, the safe disposal of excavations, where specifically necessary.

**Site storage** – Supply secure container for duration of the works inclusive of site compound management



Carriage charge	£3,000.00
Preliminaries which include; Security fencing, Welfare facilities, Site storage	£2,215.00
Post Installation Inspection	£350.00

<b>Total</b>	<b>£5,565.00</b>
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## Project Total

Quotation Sub Total	£97,179.06
<b>Total Equipment Discount Applied</b>	<b>-£29,179.06</b>
<b>Project Total</b>	<b>£68,000.00</b>
<b>Includes 2% ESPO Rebate</b>	<b>Plus VAT</b>



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## Agenda Item No 18

### Executive Board

18 September 2017

#### Report of the Chief Executive and the Deputy Chief Executive

#### Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2017

### 1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2017.

#### **Recommendation to Council**

**That Members consider the performance achieved and highlight any areas for further investigation.**

### 2 Consultation

- 2.1 Consultation has taken place with the relevant Members and any comments received will be reported at the meeting.

### 3 Background

- 3.1 This report shows the first quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2017/18. This is the first report showing the progress achieved so far during 2017/18.

### 4 Progress achieved during 2017/18

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with the national and local performance indicators during April to June 2017/18 for the Executive Board.
- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

Red – target not achieved (shown as a red triangle)

Amber – target currently behind schedule and requires remedial action to be achieved (shown as an amber circle)

Green – target currently on schedule to be achieved (shown as a green star)



## 5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2017/18 year.

## 6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 100% of the Corporate Plan targets and 37.5% of the performance indicator targets are currently on schedule to be achieved. The information for one indicator for killed and serious injuries is currently not available. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

### Corporate Plan

Status	Number	Percentage
Green	12	100%
Amber	0	0%
Red	0	0%
Total	12	100%

### Performance Indicators

Status	Number	Percentage
Green	3	37.5%
Amber	4	50%
Red	1	12.5%
Total	8	100%

## 7 Summary

- 7.1 Members may wish to identify any areas that require further consideration where targets are not currently being achieved.

## 8 Report Implications

### 8.1 Safer Communities Implications

- 8.1.1 The community safety performance indicators are included in the report.

## 8.2 Legal and Human Rights Implications

8.2.1 The national indicators were specified by the Secretary of State for Communities and Local Government. They have now been ended and replaced by a single list of data returns to Central Government from April 2011.

## 8.3 Environment and Sustainability Implications

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of targets and indicators included which contribute towards the priorities of the sustainable community strategy including financial inclusion, core strategy, community safety and affordable housing,

## 8.4 Risk Management Implications

8.4.1 Effective performance monitoring will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance level.

## 8.5 Equality Implications

8.5.1 There are a number of contributions towards equality related targets and indicators including, informing customers about opportunities to influence decision making, customer access, consultation, domestic abuse and financial inclusion highlighted in the report.

## 8.6 Links to Council's Priorities

8.6.1 There are a number of targets and performance indicators contributing towards the priorities of protecting our countryside and heritage, creating safer communities, responsible financial and resource management, supporting employment and businesses and promoting sustainable and vibrant communities.

The Contact Officer for this report is Robert Beggs (719238).









### Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97












Background Paper No	Author	Nature of Background Paper	Date





NWCP Executive Board 17/18

	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 004	To submit the revised Local Plan to the Planning Inspectorate in line with the Local Development Scheme	Protecting our Countryside & Heritage	Dorothy Barratt	Work is ongoing to consider the representations following the Regulation 18 consultation. An updated LDS will be brought to Board.	★ Green	➔
NWCP 005	Whilst continuing to oppose a) the route of HS2 Phase 2b in principle, to press for maximum mitigation and benefits for the Borough, required as a consequence of the HS2 proposal, in partnership with other affected Councils and community action groups and; b) To continue to oppose the principle of Opencast Mining and Mineral Extraction	Protecting our Countryside & Heritage	Dorothy Barratt	a) The route of Phase 2b has now been formally announced. Work on the petitioning process will take place in 2018. b) No recent updates	★ Green	➔
NWCP 008	To ensure that the Council is prepared for emergencies and has suitable emergency and business continuity plans, as required by the Civil Contingencies Act, and to review both the emergency and business continuity plans annually in March	Creating Safer Communities	Robert Beggs	Preparations to carry out an emergency exercise are being discussed with the CSWR team. A WLRP event regarding resilience risks associated with pipeline fuel thefts is being arranged in July. Chief Executive attended a SCG for Operation Mantleline in May following the terrorist attacks in Manchester and London.	★ Green	➔
NWCP 009	To achieve the savings required by the Budget Strategy including the commitment to keep Council Tax as low as possible and to update the Strategy to reflect future developments by September 2017	Responsible Financial & Resource Management	Sue Garner	Work on savings is in progress.	★ Green	➔
NWCP 010	To continue to implement more efficient ways of working, including exploring opportunities for shared working that may arise, with a view to achieving savings and/or increasing capacity	Responsible Financial & Resource Management	Chris Brewer	Shared working with Nuneaton & Bedworth BC on Revenues & Benefits. Exploring a new payroll system with Coventry City Council.	★ Green	➔
NWCP 042	To report on the Council's debt and reserves and options for narrowing the Council's capital funding gap by February 2018	Responsible Financial & Resource Management	Sue Garner	An initial review of reserves has been undertaken, but further work will be undertaken later in the year.	★ Green	➔
NWCP 076	To update the Medium Term Financial Strategy in September 2017 and February 2018, to take account of external funding changes relating to Business Rates	Responsible Financial & Resource Management	Sue Garner	Updated MTFS is due to be reported at the Sep meeting.	★ Green	➔
NWCP 078	To continue to work with partner organisations in the Coventry, Warwickshire and Hinckley Joint Committee and to consider further options for joint work in the light of Central Government proposals for greater devolution, if this proves beneficial to the local economy	Supporting Employment & Business	Steve Maxey	The Council is a Non Constituent Member of the West Midlands Combined Authority and involved in a number of work streams. The Joint Committee for Coventry and Warwickshire continues its work, primarily on joint planning issues	★ Green	➔

	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 080	To continue to work with Warwickshire County Council, the Environment Agency and local communities to mitigate the effects of, and protect against, the impacts of localised flooding and to update as part of the quarterly performance reports	Creating Safer Communities	Richard Dobbs/Steve Maxey	Current flood risks are raised at the Warwickshire Strategic Flood Forum. This helps identify strategic priorities for remedial and mitigation measures. Work to move the Fillongley flood warning equipment has been carried out. Local Flood Groups currently meeting in Austrey and Fillongley.	 Green	
NWCP 092	To ensure we communicate effectively to help inform residents, businesses and all sections of our communities of the Council's services and priorities and made clear the opportunities for them to be involved in decision making via consultation. To take into account the LGA Communications Health-Check and the commitments in the Council's Customer Access Strategy in all aspects of work in this area and to report on progress by May 2018	Promoting Sustainable & Vibrant Communities	Linda Bird/Steve Maxey/Bob Trahern	This work is all in hand and will be reported at appropriate boards at intervals throughout the rest of the financial year	 Green	
NWCP 110	To develop an action plan based on the Economic Review and Impact Assessment and report on progress by March 2018	Supporting Employment & Business	Steve Maxey	The Review has completed and will be reported to the Executive Board in September	 Green	
NEW	To adopt an updated Customer Access Strategy (2018 to 2023) by March 2018	Promoting Sustainable & Vibrant Communities	Bob Trahern/Steve Maxey/Linda Bird	Work to update the existing Customer Access Strategy is planned to start in the Autumn with a view to adopting the revised strategy by March as planned.	 Green	

NWPI Executive Board 17/18

Ref	Description	Section	Priority	Year End Target 2017/18	Outturn 2016/17	April - June Performance	Traffic Light	Direction of Travel	Comments
	<b>Council Performance Indicators</b>								
NWLPI 158	To respond to all complaints and requests for service within three working days	Env Health (C, L & HP)	Public Services and Council Tax	99	97	100	 Green		
NWLPI 162	Percentage of Freedom of Information replies dealt with within 20 days	Policy Support	Public Services & Council Tax	100	96%	96%	 Red		169 Freedom of Information requests received, 162 completed within 20 days, 6 over 20 days and 1 outstanding and overdue
New	The number of LG & Housing Ombudsman complaints determined as maladministration	Policy Support	Public Services & Council Tax	0	1	0	 Green		The two most recent Ombudsman complaints are from the 2016/17 year. One case found maladministration with no injustice and the other case was not investigated. An apology and £50.00 payment for time and trouble paid to the complainant following Housing Ombudsman determination.
	<b>State of the Borough Indicators</b>								
NWLPI 153	Number of residential burglaries in the Local Authority area	Policy Support	Crime and Disorder	244	266	91	 Amber		This indicator is a change in line with national guidance. This replaces how burglaries and burglary other are recorded. The figure includes burglary residential dwelling and non dwelling. The breakdown is 59 residential dwelling and 32 non dwelling. The direction is slightly downwards in the first quarter.
NWLPI 154	Number of violent offences and sexual offences in the local authority area	Policy Support	Crime and Disorder	1249	1250	277	 Green		The first quarter is showing a reduction in the number of offences recorded. The level should be viewed with some caution as there is still potential for additional offences to be recorded as part of ongoing recording changes. Positive position if sustained following increases over more than a 12 month period.
NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	489	490	108	 Amber		The figure includes theft of vehicle and theft from vehicles. Reduction in the first quarter but the longer term trend is increasing. High end vehicles are often targeted. Security of some Ford vehicles highlighted.

Ref	Description	Section	Priority	Year End Target 2017/18	Outturn 2016/17	April - June Performance	Traffic Light	Direction of Travel	Comments
@NW:NI032	Violence Against the person with injury Offences related to Domestic Violence	Policy Support	Crime and Disorder	144	145	36	Amber 		The levels recorded in the first quarter are consistent with the 2016/17 year. Additional local support services from the Domestic Abuse Counselling Services are being funded for North Warwickshire.
@NW:NI047	People killed or seriously injured in road traffic accidents	Policy Support	Crime and Disorder	51	62	15	Amber 		The figure quoted is for the months of April and May only. The figure for June is still to be confirmed. Overall the trend line for killed or serious injuries is slightly upwards.

## **Agenda Item No 19**

**Executive Board**

**18 September 2017**

**Report of the Assistant Director  
(Corporate Services)**

**Residents Satisfaction with  
Communication Survey 2017  
Results.**

### **1 Summary**

- 1.1 This report provides members with the results of the Communication Survey carried out in July 2017 and makes recommendations for decisions, based on the results, in some areas.

#### **Recommendation to the Council**

- a That the survey results be noted; and**
- b That the recommendations in section 5 of this report be agreed.**

### **2 Consultation**

- 2.1 All Members were sent the LGA's report on the survey for information on 17 August 2017. Councillor Humphreys (Chair), Councillor D Wright (Vice Chair) and Councillor Farrell (Spokesperson) have been sent an advanced copy of this report. Any comments received will be reported at the meeting.

### **3 Background**

- 3.1 One of the issues identified by the Local Government Association (LGA) in last year's Communications Health Check was the Council had little independent information on what residents think about how the Council communicates and engages with them. The information it has is out of date (last updated 2009) and therefore isn't relevant to what local people need now or want in the future.
- 3.2 On completing the health check the LGA agreed a package of work to support the Council. One project the LGA agreed to fund and commission was a resident survey to enable the Council to understand:
- The general level of satisfaction with the Council,
  - how residents get information about the Council,
  - what they feel about the Council's North talk publication and the website,
  - how residents would prefer to get information in the future and
  - how confident people are doing a range of tasks online.

3.3 The LGA commissioned M.E.L Research to do the survey, which after two delays due to purdah started on 12th June. 552 residents completed the telephone survey using landline (230 people) and mobile (322) contact numbers. M.E.L were asked to ensure the sample reflected the profile of residents by age, gender and whether they lived in an urban and rural area, as we felt these factors were important in informing what we do in the future.

3.4 The responses to two of the questions were compared with the LGA's national poll of 1002 adults (June 2017). As 552 residents were surveyed the results we have are regarded as having a statistical significance of 95%.

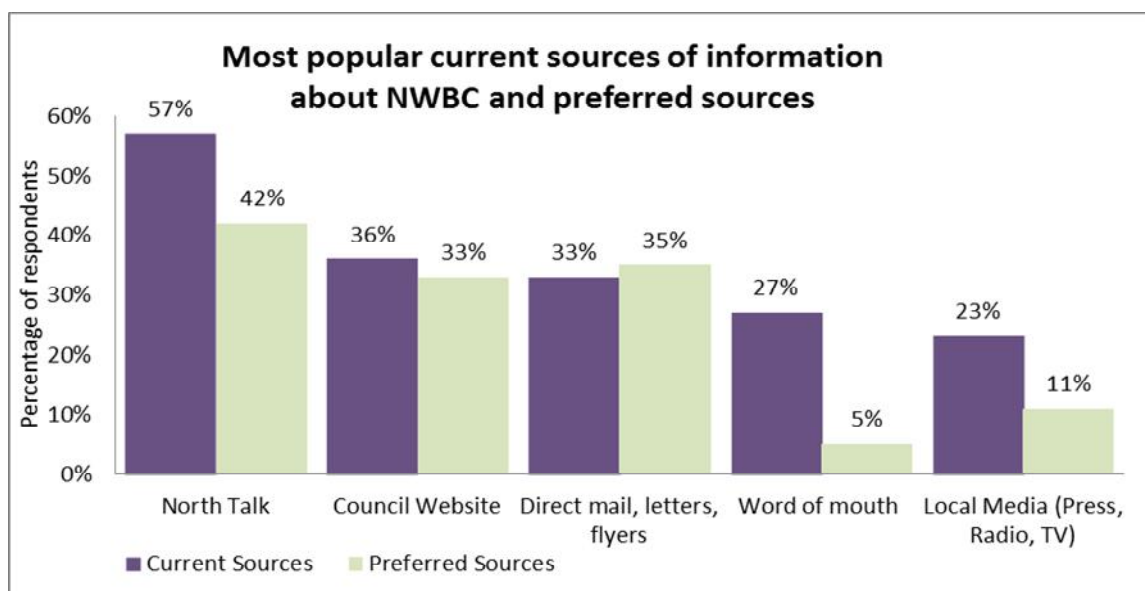
#### 4 Resident Satisfaction with Communications

... 4.1 The full report produced by the LGA is attached as Appendix 1. Annex A of the report lists the questions that were asked, the options people were given and the methodology for each question. In addition to the report's 'Key Findings' LGA staff commented that they were a positive set of results when compared against the national picture. The key findings from the survey are summarised below:

#### 4.2 Nationally comparable responses

- **Satisfaction with how the Council runs things**
  - 72% of local respondents were 'satisfied', compared to 66% nationally.
  - 13% were 'dissatisfied', compared with 21% nationally.
- **How informed do you think the Council keeps residents.**
  - 67% of respondents felt very or fairly well informed by the Council about the services and benefits it provides, compared with 58% nationally.
  - However, a third of our residents felt they are not well informed.

4.3 **Sources of Information** - people were asked where they are most likely to hear about the Council and its services. The most popular sources are:





4.3.1 Council email is the only other source where people's preference increases, with it increasing from just 2% currently to 10% in the future.

4.3.2 A number of sources were identified as being less popular in the future. These were mainly options that require people to go somewhere, e.g. an office or meeting, or to listen to someone e.g. contact an organisation or councillor. This seems to support the reported trend that people want information 'pushed' to them so that they can choose to use or ignore it at their convenience.

4.4 **North talk** - A Scrutiny Task and Finish Group reviewed communications in 2015/16. The Group explored North talk's production, content and costs and co-ordinated a reader survey. The survey resulted in positive feedback but the response was low and wasn't taken as representative as it was mainly completed by North talk readers. The Task and Finish Group recommended that officers gather information and consider options for further consideration.

4.4.1 To provide more robust data on North talk two specific questions were asked of residents to establish awareness of it - 1. The extent to which it is read and how well informed it keeps people; and 2. The level of interest in different areas of content.

- 84% of respondents had heard of North talk.
- 48% always read it, plus 27% sometimes read it – 75% readership.
- 78% of those who had heard of it said it kept them very or fairly informed.

4.5 **What sort of information is of interest?** – Residents were asked how interested they would be in receiving information about services from the Council. Table 6, page 10/11 of Appendix 1 shows which service areas or types of information people were asked about and their level of interest. The topics which over 70% of respondents said they were interested in were:

<b>Interest in receiving information about:</b>	<b>% Very or Fairly Interested</b>
<b>Waste and recycling</b>	78%
<b>Council services available for residents</b>	77%
<b>Council Tax and spending</b>	73%
<b>Voting and elections</b>	71%

4.6 **Internet Usage and Skills** – The public sector has been working to move services online for well over a decade. The Council has made good progress on this but has been mindful of not excluding people from accessing services due to their lack of internet skills, access or interest. Two specific questions were asked to help us get a better, up to date understanding of local people's access to, and confidence in using, the internet.

4.6.1 Residents were first asked if they used the internet, at least occasionally, 77% of people said they did, which is down on the national figure of 89%<sup>1</sup>, but higher than we may have assumed previously.

<sup>1</sup> ONS – Internet access – households and individual – 2017 (3/8/2017)

4.6.2 Of the 77% of people who use the internet, 87% of them said they were very or fairly confident in their ability to do various online tasks. This means that 67% of residents have access to the internet and confidence in their ability to use it, not just to search for information but, to carry out a range of more complex tasks. The detailed response to this question can be found in Table 7, page 12 of Appendix 1.

4.6.3 Another perceived barrier to using the internet is people's lack of trust in it and in organisations ability to keep their information secure. The crime and community safety results from the Living in Warwickshire survey (2016) provide information relating to cybercrime which showed that overall 87% of Warwickshire residents report to having an understanding of the risks faced online. One of the key defences against cybercrime is awareness.

4.7 **The Council's website** – The website was upgraded in late 2015 and since then has performed well technically and has had a growing number of visitors. However, data about using the website and its usefulness to customers was also out of date. Therefore, three questions were asked about the website.

4.7.1 People were asked if they had visited the Council's website, 65% of respondents had. Those that had used it were then asked if, overall, they were satisfied or dissatisfied with it; 85% said they were either very or fairly satisfied. Only 7% said they found the website unsatisfactory.

4.7.2 The people who had used the website were then asked why they had used it. By far the most frequent reason given was to 'Get information or advice'. The second set of reasons, given by far fewer people, were 'Apply for a service' and 'Report and problem', both 14%.

4.8 **Engagement with the Council** – The final question asked related to people's views on how successfully the Council engages with residents. Almost two-thirds of respondents (65%) were very or fairly satisfied with the level of engagement offered by the Council. This compares very favourably with the national figure which is 46%<sup>2</sup>.

4.8.1 The 35% who gave a neutral or negative response were asked what three things could the Council do better to engage with local residents. Table 12 on page 18 of Appendix 1 lists the options that they could choose from and shows the percentage of people that chose each option and gives a comparison against the figures from the national survey. The actions most commonly selected by North Warwickshire residents were:

- Be more visible in the community – 35%
- Explain more clearly how it is using your money – 28%
- Explain more clearly its decisions when they affect you – 26%

## 5 Conclusions and Recommendations

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<sup>2</sup> Question asked as part of the LGA's national polling of satisfaction (February 2017)

- 5.1 **Communications Survey** - The survey gives the Council evidence that can be used to help with decision making and to inform future strategy, policy and service planning. The pace of change in communications, technology and people's preferences for how they are informed suggest that regular follow up surveys would help inform future decisions and ensure the Council is communicating in the best way for local people.
- 5.1.1 The information provided by the survey will be considered by Extended Management Team and used to inform Service Plans and by the officer Communications Group.
- 5.1.2 Preferences expressed on future sources of information help inform decisions about the Council's approach to meetings. There is a report on the future of Area Forums elsewhere on the agenda for this Board.
- 5.1.3 The responses also challenge service models that requires people to come to organisations to find things out compared to their stated preference to have information 'pushed' to them in publications, electronically or by phone. However, there is some conflicting evidence in the response to engagement, where people want the Council to be visible in the community.
- 5.1.4 **Recommendation** – Subject to budget being made available in future years, or using low/no costs survey methods, a Communications Survey is carried out every three years, with the next one being in 2020.
- 5.2 **North talk** - The last edition was published in March/April 2017, after which it was put on hold pending the survey and in response to the Scrutiny Task and Finish group which was undecided on its future.
- 5.2.1 The survey shows there is a good level of awareness of North talk and it has a high readership. The Public Relations Officer has also received questions from some current advertisers about the next edition and they voiced their support for it. The survey also provided evidence on the sort of information people want and need and this should be taken into account if further editions are produced.
- 5.2.2 **Recommendation** – That approval is given to the production of a winter edition of North talk (Nov/Dec 2017) and up to 3 editions during 2018/19 and 2019/20, depending on the needs of the Council.
- 5.3 **Customer Access Strategy** – The Council's Customer Access Strategy is due to be updated this financial year. The results of the survey will inform and feed into its direction and action plan.

## **6 Report Implications**

### **6.1 Financial Implications**

6.1.1 There are no financial implications arising from the report. There is a proposal for funding future surveys but this would be considered as part of the relevant year's budget process.

### **6.2 Safer Communities Implications**

6.2.1 None.

### **6.3 Legal and Human Rights Implications**

6.3.1 None.

### **6.4 Environment and Sustainability Implications**

6.4.1 Some electronic and online methods of communication can reduce the impact on the environment. However, these need to be balanced against communicating in ways people currently want and value.

### **6.5 Health Implications**

6.5.1 Feeling informed, involved and engaged in your community is seen as important to people's health. Being able to effectively communicate information about Council services and benefits that help maintain or improve people's health, well-being or safety is essential.

### **6.6 Risk Management Implications**

6.6.1 Not communicating effectively and in ways that suit local people and organisations risks service not being taken up by people who need them. Poor communication results in risks to the Council's reputation.

### **6.7 Equality Implications**

6.7.1 The survey was carried out with regard to population demographics. We were keen to ensure that rural and urban residents were surveyed, in the proportion that they exist in the borough, due to known problems with access to online communications in rural areas.

6.7.2 The Council has a duty to communicate effectively with its residents and to give them the opportunity to engage with the Council on matters which affect and interest them.

### **6.8 Links to Council's Priorities**

6.8.1 The results of the Resident Satisfaction with Communications from North Warwickshire survey will inform and influence actions relating to all Council priorities.

The Contact Officer for this report is Linda Bird (719237).

# Resident satisfaction with communication from North Warwickshire Council

July 2017





## Acknowledgements

The Local Government Association (LGA) Research and Information team would like to thank M·E·L Research for conducting this polling. We would also like to thank all the participants who took part in it.

To view more research from the Local Government Association Research and Information team please visit: <https://www.local.gov.uk/our-support/research>

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## Introduction

This report outlines the results of a survey of 552 North Warwickshire residents undertaken in June 2017. The overarching aim of the survey was to gauge the opinions of local residents on aspects of North Warwickshire Borough Council's communication and engagement functions.

The results are intended for use by North Warwickshire Borough Council and the LGA's communications team. The results will feed into a process of developing the council's communications strategy, to help ensure that it communicates the right messages to the right people in the right way.

The survey questions focused on:

- Satisfaction with North Warwickshire as a place to live.
- Satisfaction with the ways the council runs its services (including refuse collection, street cleaning, housing, leisure and planning).
- Current and preferred ways of finding out about the council and its services.
- Readership of North Talk, the council's magazine.
- Internet usage and satisfaction with the council's website.
- Satisfaction with level of engagement offered by council.

This local poll provides useful context for considering residents' views. Such views, however, will be influenced by many factors at a local level, including local demographics, economic factors and social circumstances. Therefore, while the results of the poll in North Warwickshire provide a good high-level indication of residents' views, it is important to note that these polling results are seen as complementary to a wider approach to understanding and responding to communities at a local level.

In the report, where appropriate, comparisons are made to the LGA's national poll of British residents, which takes place every four months.<sup>1</sup> The most recent poll, made up of a representative random sample of 1,002 British adults (aged 18 or over), was carried out by telephone between 22 and 25 June 2017.<sup>2</sup>

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<sup>1</sup> In order to ensure that comparisons between datasets are robust and fair, the LGA recommends that polling questions are ordered in a specific way. This is because testing has identified that respondents' answers to the questions are influenced by earlier questions (known as 'context' and 'position' effects). Some questions in the North Warwickshire were ordered in a different way to the LGA's national poll. Therefore, caution should be applied when considering any comparisons between the two sets of results.

<sup>2</sup> The results of the most recent LGA polling can be found here: <https://www.local.gov.uk/polling-resident-satisfaction-councils-february-2017>

## Methodology

Between 12 and 27 June a statistically representative random sample of 552 North Warwickshire residents (aged 18 or over) was polled by telephone.<sup>3</sup> The question set is outlined in Annex A, for information. A proportion of the sample were interviewed using a landline phone (230 people), and another using mobile phone numbers (322 people).

Where tables and figures report the base, the description refers to the group of people who were asked the question. The number provided refers to the number of respondents who answered each question.

Please note the following when reading the report:

- throughout the report percentages in figures and tables may add to more than 100 due to rounding
- the following conventions are used in tables: '\*' - less than 0.5 per cent; '0' – no observations; '-' – category not applicable/data not available
- statistical significance is tested at the 95 per cent level.

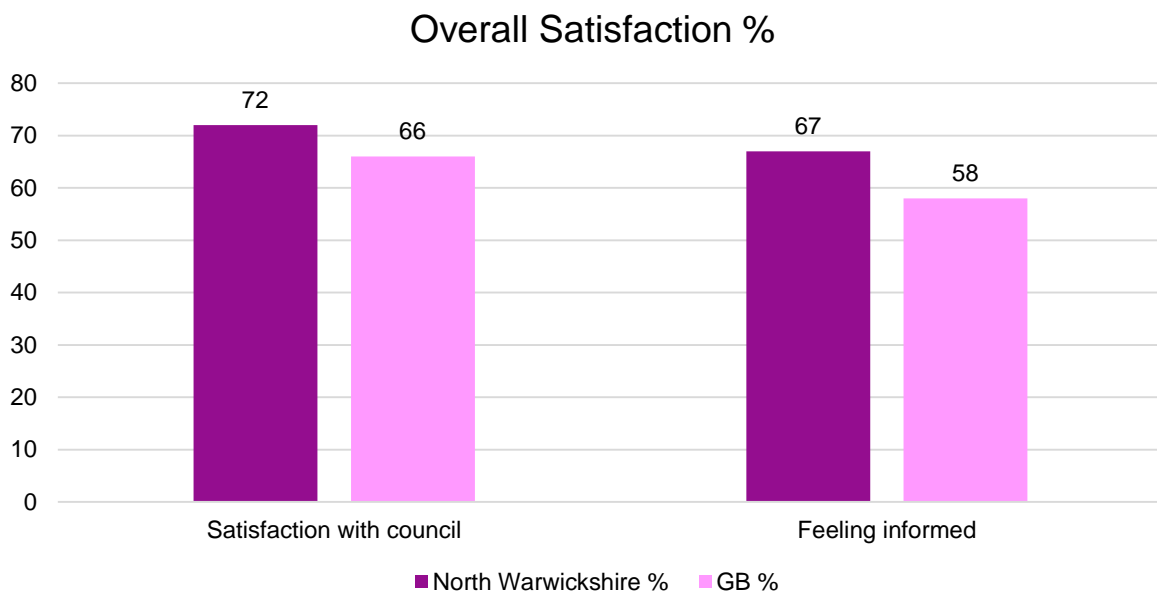
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<sup>3</sup> Quotas were set on age, gender and rural/urban ratio (non-interlocking). The sample is representative of the known North Warwickshire profile in terms of age, gender and rural/urban split, however, owing to the size of each subgroup, meaningful comparisons cannot be established within or across these. The polling was conducted by M·E·L Research.

## Key Findings

Polling on resident satisfaction with North Warwickshire Borough Council observed good levels of satisfaction with regards to the way the council runs things and respondents' level of feeling informed about the services and benefits provided by the council (see Figure 1). Indeed, for both measures, a significantly higher proportion of respondents in North Warwickshire gave a positive reply compared to the proportion observed in the LGA's latest national poll.<sup>4</sup>

**Figure 1: Percentage of respondents replying positively when asked about satisfaction with the way the council runs things and level of feeling informed**



**Satisfaction with way council runs things:** Seventy two per cent of respondents reported overall satisfaction with the way North Warwickshire runs things – a significantly higher proportion than the amount observed nationally (66 per cent).

**Feeling informed:** Sixty seven per cent of respondents reported that North Warwickshire Borough Council keeps residents either 'very well informed' or 'fairly well informed' about the services and benefits it provides – a significantly higher proportion than observed in our national poll (58 per cent).

**Current sources of information about the council:** 'North Talk' (the council's magazine, delivered to home three times a year) was the most likely way in which respondents heard about the council (57 per cent). The second most likely source was 'council website' (36 per cent) and the third was 'letter, direct mail and flyers provided by the council, excluding North Talk' (33 per cent).

<sup>4</sup> Some questions in the North Warwickshire were ordered in a different way to the LGA's national poll. Therefore, caution should be applied when considering any comparisons between the two sets of results.

**Preferred sources of information about the council:** 'North Talk' was respondents' most preferred information source for hearing about their council and the services it provides (42 per cent). This was followed in popularity by 'letter, direct mail and flyers provided by the council, excluding North Talk' (36 per cent) and 'council website' (33 per cent).

**North Talk readership:** Most respondents (84 per cent) said they had heard of North Talk. Almost half of all respondents (48 per cent) said they 'always read' the publication, whereas 27 per cent said they 'sometimes read it'.

**Preferred content:** Most respondents (between 53 and 78 per cent) said they would be 'very' or 'fairly' interested in receiving a range of information about North Warwickshire Borough Council, from the council. The most popular topics were 'waste and recycling' (78 per cent), 'council services available for residents' (77 per cent), 'council tax and spending' (73 per cent) and 'voting and elections' (71 per cent).

**Internet usage and skills:** Most respondents (77 per cent) reported that they used the internet. These respondents had good or high levels of confidence in carrying out a range of digital tasks.

**North Warwickshire Borough Council's website:** Sixty five per cent of respondents had visited North Warwickshire Borough Council's website. Of those who had visited the website, 85 per cent were 'very' or 'fairly' satisfied with the website, as a whole. The most common reason for visiting, by far, was to 'get information or advice' (70 per cent).

**Engagement offered by the council:** Two-thirds of respondents (65 per cent) were, overall, satisfied with the level of engagement offered by their council – the figure nationally is 46 per cent.<sup>5</sup> Those giving a neutral or negative response were asked what the council could do better to engage with local residents. The most commonly selected actions were 'be more visible in the community' (35 per cent), 'explain more clearly how it is using your money' (28 per cent) and 'explain more clearly its decisions when they affect you' (26 per cent).

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<sup>5</sup> Based on LGA figures from February 2017 (<https://www.local.gov.uk/polling-resident-satisfaction-councils-february-2017>)

# North Warwickshire Results

This report presents the full set of results for our North Warwickshire resident satisfaction poll which took place in June 2017.

## Satisfaction with way council runs things

Overall satisfaction among respondents in North Warwickshire with the way their local council runs things was high. Seventy two per cent were either ‘very’ or ‘fairly’ satisfied – which is a significantly higher proportion than the amount observed nationally (66 per cent, for the same period). The proportion of residents responding ‘very satisfied’ in North Warwickshire (24 per cent) is significantly higher than the national picture (17 per cent).<sup>6</sup> See Table 1.

Table 1: Overall, how satisfied or dissatisfied are you with the way North Warwickshire Borough Council runs things?		
	North Warwickshire	GB
	Per cent	Per cent
<b>Total: Satisfied</b>	<b>72</b>	<b>66</b>
Very satisfied	24	17
Fairly satisfied	48	49
Neither satisfied nor dissatisfied	14	13
Fairly dissatisfied	7	13
Very dissatisfied	6	8
Don't know	1	1

Base (all respondents) 552; 1002 GB (June 2017)

## Feeling informed

Sixty seven per cent of respondents said, overall, they thought North Warwickshire Borough Council keeps residents ‘fairly’ or ‘very’ well-informed about the services and benefits it provides. Again, this proportion is significantly higher than that observed in our national poll (58 per cent, for the same period). Specifically, a higher proportion said they were ‘very well informed’ (18 per cent compared with 11 per cent nationally). See Table 2.

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<sup>6</sup> Some questions in the North Warwickshire were ordered in a different way to the LGA’s national poll. Therefore, caution should be applied when considering any comparisons between the two sets of results.

**Table 2: Overall, how informed do you think North Warwickshire Borough Council keeps residents about the services and benefits it provides?**

	North Warwickshire	GB
	Per cent	Per cent
<b>Total: Informed</b>	<b>67</b>	<b>58</b>
Very well informed	18	11
Fairly well informed	48	47
Not very well informed	20	30
Not very well informed at all	11	11
Don't know	2	1

Base (all respondents) 552; 1002 GB (June 2017)

### Current and preferred sources of information about the council

The majority of respondents (57 per cent) said they were most likely to hear about North Warwickshire Borough council via 'North Talk', the council's magazine, delivered to home three times a year (see Table 3). The next most likely sources, although less widespread, were 'council website' (36 per cent) and 'letter, direct mail and flyers provided by the council, excluding North Talk' (33 per cent).

Among respondents, 'North Talk' was the most preferred information source when it came to hearing about North Warwickshire Borough Council and the services it provides (42 per cent). This was followed in popularity by 'letter, direct mail and flyers provided by the council, excluding North Talk' (36 per cent) and 'council website' (33 per cent).

**Table 3: Where are you most likely to hear about North Warwickshire Borough Council and the services it provides? And from which three of these sources would you PREFER to find out about North Warwickshire Borough Council and the services it provides?**

	Current sources	Preferred sources
	Per cent	Per cent
North Talk, the council's magazine	57	42
Council website	36	33
Letter, direct mail and flyers provided by the council (in your letterbox) excluding North Talk	33	36
Word of mouth (e.g. friends, neighbours, relations)	27	5
Local media (e.g. newspapers, TV, radio, news website)	23	11
By phoning the Council	20	12
Council's social media sites (e.g. Facebook, Twitter, YouTube)	11	8
From Warwickshire County Council or your Parish Council	11	2
At council locations (e.g. Council office, Council Hub, Leisure centre)	10	2
Council emails	7	10
From your local borough councillor	7	2
At council meetings and events (e.g. Area Forum meetings, Tenants forum, community event)	4	1
Do not find out any information	4	3
Other (please specify)	1	1
Don't know	1	1

Base (all respondents) 552. Please note that percentages sum to more than 100 as respondents could select multiple answer options in column 1 and up to three answers in column 2.

**North Talk readership**

Eighty four per cent of respondents had heard of North Talk. In terms of the magazine’s readership, almost half of all respondents (48 per cent) said they ‘always read’ the publication, whereas 27 per cent said they ‘sometimes read it’ (see Table 4).

**Table 4: Have you heard of North Talk, the council’s magazine, which is delivered to your door three times a year?**

	Per cent
Yes, I have heard of it and always read it	48
Yes, I have heard of it and sometimes read it	27
Yes, I have heard of it but don’t read it	9
No, I haven’t heard of it	16
Don’t know	0

Base (all respondents) 552

All respondents who said they had heard of North Talk were asked about the extent to which the publication kept them informed about North Warwickshire Borough Council’s activities. Almost eight out of ten (79 per cent) said, overall, it kept them informed (53 per ‘fairly informed’ and 26 per cent ‘very informed’). See Table 5.

**Table 5: How well informed would you say, North Talk keeps you informed about North Warwickshire Borough Council’s activities?**

	Per cent
<b>Total: Informed</b>	<b>79</b>
Very informed	26
Fairly informed	53
Not very informed	8
Not at all informed	2
I don’t read it	10
Don’t know	2

Base (all who had heard of North Talk) 462

**Preferred content**

Most respondents (between 53 and 78 per cent) said they would be ‘very interested’ or ‘fairly interested’ in receiving a range of information about North Warwickshire Borough Council (see Table 6). More than three-quarters would be interested, overall, in receiving information about ‘waste and recycling’ and ‘council services available for residents’ (78 per cent and 77 per cent, respectively). Approximately seven out of ten said they would be ‘very’ or ‘fairly’ interested in receiving information about ‘council tax and spending’ (73 per cent) and ‘voting and elections’ (71 per cent).

**Table 6: I'd like to ask you some questions about the sort of information you might be interested in receiving from your council. How interested would you be in receiving information about:**

	Council events	Council tax and spending	Community consultations	Council services available for residents	Decisions from council meetings	How well the council is performing	Licensing and planning applications	Sports and leisure activities	Voting and elections	Waste and recycling
	%	%	%	%	%	%	%	%	%	%
<b>Total: Interested</b>	<b>53</b>	<b>73</b>	<b>59</b>	<b>77</b>	<b>59</b>	<b>66</b>	<b>60</b>	<b>60</b>	<b>71</b>	<b>78</b>
Very interested	20	38	28	40	24	26	28	30	41	43
Fairly interested	33	35	31	37	35	40	32	30	31	36
Not very interested	19	11	14	8	15	14	16	16	11	8
Not at all interested	27	16	27	15	25	20	24	24	17	14

Base (all respondents) 552

### Internet usage and skills

The next questions focus on identifying residents' internet use and confidence with using the internet to perform a number of different tasks. This information will help the council to identify levels of digital competence across the borough and help to inform the need for future online facilities.

Respondents who said they used the internet (77 per cent, 426 individuals) had good or high levels of confidence in carrying out a range of digital tasks (see Table 7).

Confidence levels were highest in relation to the following:

- Use a search engine to look for information online – 96 per cent
- Find a website you have visited before – 96 per cent
- Send a personal message to another person via email or online messaging service – 95 per cent
- Verify sources of information you found online – 92 per cent
- Buy items or services from a website – 90 per cent
- Complete online application forms which include personal details – 90 per cent



**Table 7: I'd like to ask you about using the internet. How confident are you with using the internet to do the following?**

Digital skills	Digital tasks	Total: confident	Very confident	Fairly confident	Not very confident	Not at all confident	Don't know
		%	%	%	%	%	%
<b>All skills:</b>		<b>87</b>	<b>67</b>	<b>20</b>	<b>5</b>	<b>7</b>	<b>0</b>
Managing information	Use a search engine to look for information online	96	82	15	1	2	0
	Download/save a photo you found online	84	68	17	5	10	1
	Find a website you have visited before	96	78	19	1	3	0
Commissioning	Send a personal message to another person via email or online messaging service	95	81	13	2	3	0
	Carefully make comments and share information online	84	62	22	6	10	0
	Buy items or services from a website	90	71	19	4	5	0
	Buy and install apps on a device	82	63	19	7	11	0
Problem solving	Solve a problem you have with a device or digital service using online help	84	57	27	8	8	0
	Verify sources of information you found online	92	61	30	5	4	0
Creating	Complete online application forms which include personal details	90	67	22	4	6	0
	Create something new from existing online images, music or video	65	43	22	15	19	1

Base (all respondents who used the internet) 426

Questions based on the 'Get Digital' basic skills assessment questions ([www.thetechpartnership.com](http://www.thetechpartnership.com))

## North Warwickshire Borough Council's website

Two-thirds of respondents (65 per cent) had visited North Warwickshire Borough Council's website. See Table 8.

Table 8: Have you ever visited North Warwickshire Borough Council's website?	
	Per cent
Yes	65
No	35

Base (all respondents) 522

A high level of overall satisfaction with North Warwickshire Borough Council's website was observed among respondents who had visited the site – with 85 per cent saying they were either 'very satisfied' or 'fairly satisfied' with the website, as a whole (see Table 9).

Table 9: How satisfied or dissatisfied were you with the website, overall?	
	Per cent
<b>Total: Satisfied</b>	<b>85</b>
Very satisfied	36
Fairly satisfied	48
Neither satisfied nor dissatisfied	8
Fairly dissatisfied	4
Very dissatisfied	3
Don't know	1

Base (all respondents who have visited council's website) 359

To 'get information or advice' was by far the most frequently given reason for visiting the council's website – seven out of ten respondents selected this option. The second set of reasons, given by far fewer respondents, were 'apply for service' (14 per cent) and 'report a problem' (14 per cent).

Table 10: And, for which of the following reasons did you visit the North Warwickshire Borough Council's website?	
	Per cent
Get information or advice	70
Apply for a service	14
Report a problem	14
Make a payment	9
Make a booking	3
Comment on a consultation/planning application	7
Other	6
Don't know	1

Base (all respondents who visited council's website) 359. Please note that percentages will sum to more than 100 as respondents could select multiple answer options.

## Engagement offered by the council

Respondents were asked about their satisfaction, or dissatisfaction, with the level of engagement offered to residents by North Warwickshire Borough Council (see Table 11).<sup>7</sup> Almost two-thirds of respondents (65 per cent) were satisfied overall with the level of engagement offered by their council – the figure nationally stands at 46 per cent.<sup>8</sup>

**Table 11: Overall, how satisfied or dissatisfied are you with the level of engagement your council offers to local residents?**

	North Warwickshire Jun-2017	GB Feb-2017
	Per cent	Per cent
<b>Total: Satisfied</b>	<b>65</b>	<b>46</b>
Very satisfied	15	11
Fairly satisfied	49	34
Neither satisfied nor dissatisfied	17	29
Fairly dissatisfied	11	12
Very dissatisfied	6	12
Don't know	1	*

Base (all respondents) 552 (June 2017); 1007 GB (February 2017)

Respondents giving a neutral or negative response when asked about North Warwickshire Borough Council's level of engagement with residents were asked what three things the council could do better to engage with local residents. 'Be more visible in the community' was the most commonly selected action (35 per cent), followed by 'explain more clearly how it is using your money' (28 per cent) and 'explain more clearly its decisions when they affect you' (26 per cent). See Table 12 for North Warwickshire and national results.<sup>9</sup>

<sup>7</sup> Engagement was defined as: "...giving local people information about the council, asking them for their views and giving them a direct say in decision-making."

<sup>8</sup> The same question was asked, albeit in a different order, as part of the LGA's national polling on resident satisfaction in February 2017 (<https://www.local.gov.uk/polling-resident-satisfaction-councils-february-2017>)

<sup>9</sup> The same question was asked, albeit in a different order, as part of the LGA's national polling on resident satisfaction in February 2017 (<https://www.local.gov.uk/polling-resident-satisfaction-councils-february-2017>)

**Table 12: What three things do you think your council could do better to engage with local residents?**

	North Warwickshire Jun-207	GB Feb-2017
	Per cent	Per cent
Be more visible in the community	35	31
Explain more clearly how it is using your money	28	41
Explain more clearly its decisions when they affect you	26	32
Make it clearer how residents can get involved in decision-making	21	33
Demonstrate more clearly how it is acting on residents' feedback	18	32
Further improve its customer service	13	20
Make more use of jargon-free and plain English	7	15
Increase residents' access to local councillors	6	17
Make more use of existing community networks	6	13
Encourage more people to vote in local elections	5	20
Other	11	10
Don't know	17	4

Base (all respondents who gave a neutral response or were dissatisfied with their council's level of engagement): 189 North Warwickshire adults; 548 British adults in February 2017. Please note that percentages sum to more than 100 as respondents could select up to three answers.

## Annex A: Polling Questions

1. **Overall, how satisfied or dissatisfied are you with the way North Warwickshire Borough Council runs things?**

Very satisfied  
Fairly satisfied  
Neither satisfied nor dissatisfied  
Fairly dissatisfied  
Very dissatisfied

2. **Overall, how well informed do you think North Warwickshire Borough Council keeps residents about the services and benefits it provides?**

Very well informed  
Fairly well informed  
Not very well informed  
Not well informed at all

3. **Where are you most likely to hear about North Warwickshire Borough Council and the services it provides?**

North Talk, the Council's magazine  
Council website  
Council emails  
Letter, direct mail and flyers provided by the council (in your letterbox) excluding North Talk  
At council locations (e.g. Council office, Council Hub, Leisure centre)  
At council meetings and events (e.g. Area Forum meetings, Tenants forum, community event)  
Council's social media sites (e.g. Facebook, Twitter, YouTube)  
By phoning the Council  
From your local borough councillor  
From Warwickshire County Council or your Parish Council  
Local media (e.g. newspapers, TV, radio, news website)  
Word of mouth (e.g. friends, neighbours, relations)  
Do not find out any information  
Other (please specify)

4. **And from which three of these sources would you PREFER to find out about North Warwickshire Borough Council and the services it provides?**

North Talk, the Council's magazine  
Council website  
Council emails and e-newsletters  
Letter, Direct mail and flyers provided by the council (in your letterbox) excluding North Talk  
At council locations (e.g. Council office, Council Hub, Leisure centre)  
At council meetings and events (e.g. Area Forum meetings, Tenants meeting, community event)  
Council's social media sites (e.g. Facebook, Twitter, YouTube)  
By phoning the Council  
From your local borough councillor  
From Warwickshire County Council or your Parish Council  
Local media (e.g. newspapers, TV, radio, news website)  
Word of mouth (e.g. friends, neighbours, relations)

Do not find out any information  
Other (please specify)

**5. Have you heard of North Talk, the Council's magazine, which is delivered to your door 3 times a year?**

Yes, I have heard of it and always read it  
Yes, I have heard of it and sometimes read it  
Yes, I have heard of it but don't read it  
No, I haven't heard of it

**IF ANY 'YES' AT Q5**

**6. How well informed, would you say, North Talk keeps you about North Warwickshire Borough Council's activities?**

Very informed  
Fairly informed  
Not very informed  
Not at all informed  
I don't read it

**7. I'd like to ask you some questions about the sort of information you might be interested in receiving from your council. How interested would you be in receiving information about:**

Very interested/Fairly interested/Not very interested/Not at all interested

Council events  
Council tax and spending  
Community consultations  
Council services available for residents  
Decisions from council meetings  
How well the council is performing  
Licensing and planning applications  
Sports and leisure activities  
Voting and elections  
Waste and recycling

**8. Do you use the internet, at least occasionally?**

Yes/No

**9. I'd like to ask you about using the internet. How confident are you with using the internet to do the following?**

Very confident/Fairly confident/Not very confident/Not at all confident/Not applicable

Use a search engine to look for information online  
Download/save a photo you found online  
Find a website you have visited before  
Send a personal message to another person via email or online messaging service  
Carefully make comments and share information online  
Buy items or services from a website  
Buy and install apps on a device  
Solve a problem you have with a device or digital service using online help

Verify sources of information you found online  
Complete online application forms which include personal details  
Create something new from existing online images, music or video

**10. Have you ever visited North Warwickshire Borough Council's website?**

Yes/No

**IF YES AT Q9**

**11. How satisfied or dissatisfied were you with the website, overall?**

Very satisfied  
Fairly satisfied  
Neither satisfied nor dissatisfied  
Fairly dissatisfied  
Very dissatisfied

**12. And, for which of the following reasons did you visit North Warwickshire Borough Council website?**

Get information or advice  
Apply for a service  
Report a problem  
Make a payment  
Make a booking  
Comment on a consultation/planning application  
Other (please specify)

**13. Overall, how satisfied or dissatisfied are you with the level of engagement your council offers to local residents? *By engagement we mean giving local people information about the council, asking them for their views and giving them a direct say in decision-making.***

Very satisfied  
Fairly satisfied  
Neither satisfied nor dissatisfied  
Fairly dissatisfied  
Very dissatisfied  
Don't know

IF NEITHER SATISFIED NOR DISSATISFIED, FAIRLY DISSATISFIED OR VERY DISSATISFIED AT Q12 THEN

**14. What three things do you think your council could do better to engage with local residents?**

Make it clearer how residents can get involved in decision-making

Be more visible in the community

Make more use of existing community networks

Further improve its customer service

Make more use of jargon-free and plain English

Demonstrate more clearly how it is acting on residents' feedback

Increase residents' access to local councillors

Explain more clearly its decisions when they affect you

Explain more clearly how it is using your money

Encourage more people to vote in local elections

Don't know

Other (please specify)





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We consider requests on an individual basis.

## **Agenda Item No 20**

### **Executive Board**

**18 September 2017**

#### **Report of the Assistant Director (Corporate Services)**

#### **Corporate Narrative**

### **1 Summary**

- 1.1 This report provides Members with the final draft of the 'Corporate Narrative' developed as one of the agreed actions from the Council's Communications health check, carried out by the Local Government Association (LGA).

#### **Recommendation to the Council**

- a That the draft 'Corporate Narrative' provided as Appendix 1 is approved ; and**
- b That Members decide on their preferred strapline from the shortlist detailed in section 5.2 of this report.**

### **2 Consultation**

- 2.1 All Members were invited to the workshops organised to develop the new corporate narrative and associated strapline. They were subsequently sent draft and final draft versions of the narrative and were involved in selecting the straplines to be included in the shortlist.
- 2.2 Councillor Humphreys (Chair), Councillor D Wright (Vice Chair) and Councillor Farrell (Spokesperson) have been sent an advanced copy of this report. Any comments received will be reported at the meeting.

### **3 Background**

- 3.1 As part of a very positive corporate Peer Challenge in 2013, comment was made that the Council needed to have a more forward-looking narrative which not only reflects its heritage, but also celebrates its dynamic, modern economy.
- 3.2 This view was reinforced by last year's Local Government Association (LGA) communications health check which recommended the Council develop a corporate narrative that describes its vision for the Borough and the Council's aspirations for local people and communities.
- 3.3 The intention is that the essence and elements of the corporate narrative will be used in Council documents and that services will use it as a basis for developing their own stories. The aim is that we give consistent messages that provide an accurate reflection of what the Council represents and where it wants to go, that others will recognise as North Warwickshire's story.

## 4 Corporate Narrative

- 4.1 The work to develop this narrative was agreed as part of support package, funded by the LGA, to help the Council implement the agreed recommendations of the health check. This piece project was started first as it underpins the rest of the work on improving communications.
- 4.2. Facilitated workshops involving around 30 Members, Extended Management Team and some senior officers were held in March 2017. Using the output from the two sessions the LGA's facilitator produced a draft corporate narrative and a list of suggested straplines, these were sent to all attendees for comment.
- 4.3 A final draft version of the corporate narrative was produced in early May to reflect the comments made. Two periods of purdah delayed further consultation resulting in the final draft being sent to all members and senior officers in early July. All the comments received about the final draft were positive. A few changes were made to emphasise the ambition to make it a forward looking account. The final draft version is attached as Appendix 1.
- ...
- 4.4 At the end of July the LGA asked the Council to contribute a case study to the guide they are developing on creating a corporate narrative. Members will be sent a link to it when it has been published.
- 4.5 Work to roll out and embed the corporate narrative in the Council's key document and thinking will be coordinated through Extended Management Team and the officer Communication Group.

## 5 Strapline

- 5.1 There was some discussion about the need for a strapline, their use and the desire for it to be relevant to, and identifiable with, North Warwickshire.
- 5.2 However, the workshops generated a lot of ideas and it was felt that a having a few words which capture the Council's ambitions for the area will be beneficial and provide a focus for changing communication.

The shortlisted straplines are:

- a. **Focused on the future, connected to its past; or**
  - b. **Positive about the future, passionate about the place.**
- 5.3 Members are asked to decide which strapline should be adopted.

5.4 The intention is that the strapline will be used on email footers, on relevant letter templates and on external publications and communications. Mindful of costs, existing stationery will be used up before templates are updated and it will only be used where its inclusion does not add to the cost of printing or production.

## 6 Report Implications

### 6.1 Financial Implications

6.1.1 There are no financial implications arising from the report.

### 6.2 Risk Management Implications

6.2.1 Not communicating effectively, consistently and in support of the Council's priorities results in risks to the Council's reputation. Having a corporate narrative as an overarching guide will help reduce this risk.

### 6.3 Links to Council's Priorities

6.3.1 The corporate narrative has been developed through workshops and using a collaborative approach. The intention is that it provides a vision of, and for, the borough that reflects and will inform and influence ambitions and actions relating to all Council priorities.

The Contact Officer for this report is Linda Bird (719237).

## Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

## **Main corporate narrative draft text**

North Warwickshire Borough Council is here to make life better for everyone who lives, works in or visits this beautiful, vibrant part of the country in the heart of England.

We strive to do our best for our communities. We're accountable, flexible and resilient and our partners – the people and organisations who work with us – value us for the way we do business; with integrity, a can-do attitude and a focus on fairness.

North Warwickshire has a long history, stretching back for centuries, of welcoming people to work here in mines, on farms and in industries like hatting. This history has created strong and proud communities, who value their heritage, and some of the most accessible and beautiful countryside in England.

Today the area's vibrant economy is based on its connectivity and access to the rest of the country, making it home to some of the country's largest international companies. The industrial heritage has largely been replaced by working rural communities and thriving historic market towns. Celebrating our past while we improve the future for all our communities is important to us.

There are challenges ahead for the Council and the people it serves. We want to make sure our young people aim high and have the skills they need and we're determined to close the attainment and aspiration gap in areas like education so young people are ready and able to do skilled work. We want the right homes, with the right services, in the right places for people who want to live and work here and we will continue to make our case heard for better transport infrastructure to keep the borough on the move.

But we – and the people of North Warwickshire – have a strong track record in supporting communities, finding innovative and practical solutions to challenges and making a positive difference to the quality of life here.

This means we are in a unique position to develop our successful role as a key economic and transport hub while we continue to protect the countryside on our doorsteps, historic towns and villages and the rivers, lakes and canals that make this area so distinctive and special. We've got a reputation for getting things done and working in partnership while staying close to local people and delivering the services that matter to them efficiently, flexibly and fairly.

In a fast-changing world with new pressures and challenges for councils, partners and the communities they serve, our values of integrity, honesty and friendliness have never been more important.

Our quiet pride in our place, our people and our achievements have helped us successfully deal with change in the past and they'll continue to do so in the future.

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SAFER COMMUNITIES  
SUB-COMMITTEE**

**18 July 2017**

Present: Councillor Davey in the Chair

Councillors Davis, Humphreys, Jarvis, M Stanley and Waters

Apologies for absence were received from Councillors Clews (substitute Councillor Jarvis), Morson, Payne (substitute Councillor Humphreys), Reilly, E Stanley and A Wright (substitute Councillor Waters).

**1 Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

**2 Minutes of the Meeting of the Sub-Committee held on 14 March 2017**

The minutes of the meeting of the Sub-Committee held on 14 March 2017, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

**3 Road Safety Overview**

Mark O'Connell, Warwickshire County Council gave an overview on Road Safety.

**4 North Warwickshire Improving Road Safety Action Plan Progress Report**

The Chief Executive provided Members with an update with progress with the North Warwickshire Road Safety Action Plan

**Resolved:**

**That the report be noted.**

**5 Fly Tipping Progress Report**

The Chief Executive provided Members with a progress report on the action plan for tackling fly tipping across the Borough and gave an update on the Fillongley Public Spaces Protection Order.

**Resolved:**

**That the report be noted.**

**6 Progress Report on Achievement of Corporate Plan Targets – April 2016 – March 2017**

The Chief Executive and the Deputy Chief Executive informed Members of the progress with the achievement of the Corporate Plan targets relevant to the Sub-Committee for April 2016 to March 2017.

**Resolved:**

**That the report be noted.**

**7 North Warwickshire Community Safety Partnership Update**

The Chief Executive provided Members with an update on recent activities with the North Warwickshire Community Safety Partnership.

**Resolved:**

**That the report be noted.**

**8 Coleshill Designated Public Places Order Review Update**

The Chief Executive updated Members on the requirement to review the Designated Public Places Order for Coleshill, which would become subject to revised regulations relating to Public Spaces Protection Orders under the Anti-Social Behaviour, Crime and Policing Act 2014.

**Resolved:**

**a That the proposed consultation to inform a review of the Coleshill Designated Public Place Order be endorsed; and**

**b That a report be brought to the December meeting of the Sub-Committee on the consultation results and progress with the review.**

**9 Living in Warwickshire Survey – Crime and Community Safety Results**

The Chief Executive informed Members of the crime and community safety results from the Living in Warwickshire survey which had been carried out during April to July 2016.

**Resolved:**

**That the report be noted.**



10 **Exclusion of the Public and Press**

**Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

11 **North Warwickshire Community Safety Partnership Update**

The Chief Executive provided an update on the North Warwickshire Community Safety Partnership.

**Resolved:**

**That the report be noted.**

P Davey  
CHAIRMAN

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**20 June 2017**

Present: Councillor Hayfield in the Chair

Councillors Humphreys, Jenns, Smith and M Stanley

Apologies for absence were received from Councillors Farrell (substitute Councillor M Stanley), Singh (substitute Councillor Smith) and Sweet

**5 Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

**6 Homeless Persons Officer**

The Assistant Director (Housing) reported on proposals to appoint a Homeless Persons Officer and the Sub-Group was asked to agree the staffing implications.

**Resolved:**

**That the revised structure of the Housing Management Section as set out in the report of the Assistant Director (Housing) be agreed.**

**7 Exclusion of the Public and Press**

**Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**8 Housing Maintenance Section**

The Assistant Director (Housing) reported on changes to the structure of the Housing Direct Works Team and the Sub-Group was asked to agree the staffing implications.

**Resolved:**

**That the new job descriptions that support the revised structure as set out in the report of the Assistant Director (Housing) be agreed.**

## 9 **Communication Resource Proposal**

Following consideration of this matter at the Executive Board on 19 June 2017 and the decision of that Board to request more detailed information, the report to the Sub-Group regarding the staffing implications was deferred to a future meeting.

Colin Hayfield  
Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**11 July 2017**

Present: Councillor Hayfield in the Chair

Councillors Humphreys, Jenns, Phillips, Singh and Sweet

An apology for absence was received from Councillor Farrell (substitute Councillor Phillips).

**10 Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

**11 Devolution Update**

The Chief Executive reported on the current position in relation to the West Midlands Combined Authority (WMCA) and the Devolution Agenda.

**Resolved:**

**That the report be noted.**

**12 Exclusion of the Public and Press**

**Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**13 Streetscape Staffing**

The Assistant Director (Streetscape) reported on proposals to create a full-time post of Streetscape Projects Officer within the Streetscape Division initially on a two-year fixed term basis and the Sub-Group was asked to agree the staffing implications.

**Resolved:**

**That the full-time post of Streetscape Projects Officer be created and filled internally on a two-year fixed term basis.**

Colin Hayfield  
Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP 15 August 2017**

Present: Councillor Humphreys in the Chair

Councillors Farrell, Jenns, Reilly and Sweet

An apology for absence was received from Councillor Hayfield (substitute Councillor Reilly) and Councillor Singh.

**14 Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

**15 Progress Report on Human Resources Issues**

The Assistant Director (Finance and Human Resources) reported on the work of the HR section in 2016/17 and updated Members on work being undertaken in the current year.

**Resolved:**

**That the report be noted.**

**16 Exclusion of the Public and Press**

**Resolved:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**17 Proposed Home Working Changes in the Community Services Division**

The Assistant Chief Executive (Community Services) reported on proposals to make changes to the home working arrangements of staff in the Benefits Team within the Community Services Division and the Sub-Group was asked to agree the staffing implications.

**Resolved:**

**The proposal for revising the terms and conditions of the current homeworkers, as set out in the report of the Assistant Chief Executive (Community Services), be endorsed and implemented at the earliest opportunity.**

18 **Leisure Facilities – Staff Structure Review**

The Assistant Director (Leisure and Community Development) reported further on the proposed changes to the staff structure within the Leisure Facilities section of the Leisure and Community Development Division and the Sub-Group was asked to note the staffing implications.

**Resolved:**

**That the outcomes of the job evaluation and formal staff consultation processes related to the approved change to the staff structure within the Leisure Facilities section, as set out in the report of the Assistant Director (Leisure and Community Development), be noted.**

Chairman

**Agenda Item No 24**

**Executive Board**

**18 September 2017**

**Report of the  
Chief Executive**

**Exclusion of the Public and Press**

**Recommendation to the Board**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**Agenda Item No 25**

**Communications Resourcing** - Report of the Assistant Director (Corporate Services)

Paragraph 1 - by reason of the report relating to staffing matters

The Contact Officer for this report is David Harris (719222).