

To: Leader and Members of the Executive Board
(Councillors M Stanley, Hayfield, Humphreys, Moore, Morson, Phillips, Simpson, Smith and Sweet)

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.

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

10 FEBRUARY 2015

The Executive Board will meet in the Committee Room at the Council House, South Street, Atherstone, Warwickshire on Tuesday 10 February 2015 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 Meetings of the Board held on 24 November 2014** - copies herewith to be agreed as a correct record and signed by the Chairman.
- 5 **Requests for discussion of En Bloc items and approval of remaining En Bloc items.**
- 6 **Public Participation**

Up to twenty minutes will be set aside for members of the public to ask questions or to put their views to elected Members. Participants are restricted to five minutes each. If you wish to speak at the meeting please contact David Harris on 01827 719222 or email democraticservices@northwarks.gov.uk.

PART A – ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

- 7 **External Audit Plan 2014/15** - Report of the Deputy Chief Executive

Summary

The main purpose of this report is to inform Members of the External Auditors' plan for their work related to 2014/15, and the Certification Report for 2013/14 grants to those charged with governance.

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

- 8 **Corporate Plan 2015/16** – Report of the Chief Executive.

Summary

The Corporate Plan is updated on an annual basis. The purpose of this report is to recommend that the Council adopts the Corporate Plan and to agree the 2015-16 Service Plan for the Assistant Chief Executive & Solicitor to the Council.

The Contact Officer for this report is Jerry Hutchinson (719200).

- 9 **The Capital Strategy** – Report of the Assistant Director (Finance and Human Resources).

Summary

This report updates the Capital Strategy approved by the Council in February 2014.

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

- 10 **The Proposed 3 Year Capital Programme 2015/16 – 2017/18 – Report of the Management Team.**

Summary

This report puts forward proposals for the Three Year Capital Programme and outlines the availability of capital resources and the options to meet any shortfalls.

The Contact Officer for this report is Steve Robbins (719337)

- 11 **General Fund Fees and Charges 2015/16 – Report of the Assistant Chief Executive and Solicitor to the Council**

Summary

The report covers the fees and charges for 2014/15 and the proposed fees and charges for 2015/16.

The Contact Officer for this report is Nigel Lane (719371).

- 12 **Broadband Match Funding - Further Information – Report of the Assistant Director (Corporate Services)**

Summary

The report asks the Board to decide if the Council will provide additional match funding for investment in improving the Broadband infrastructure in the Borough as part of CSW Broadband project. This report was deferred by the Board's meeting in November to enable it to be considered as part of the budget setting process.

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

- 13 **General Fund Revenue Estimates 2015/16 – Report of the Deputy Chief Executive.**

Summary

This report covers the revised budget for 2014/15 and an estimate of expenditure for 2015/16, together with forward commitments for 2016/17, 2017/18 and 2018/19.

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

- 14 **General Fund Revenue Estimates 2015/16 and Setting the Council Tax 2015/16 - Report of the Deputy Chief Executive.**

Summary

This report sets out the proposed General Fund Revenue Estimate for 2015/16 and the options available when setting the 2015/16 Council Tax for the Borough in the context of the Authority's Revenue Support Grant settlement, and the effect on General Fund balances.

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

- 15 **Revised Calendar of Meetings 2015/16** - Report of the Chief Executive.

Summary

The purpose of this report is to consider a revised calendar of meetings for 2015/16.

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

**PART B – ITEMS FOR EN BLOC DECISIONS
(YELLOW PAPERS)**

- 16 **High Speed 2 - HS2** - Report of the Assistant Chief Executive and Solicitor to the Council.

Summary

This report updates Members on recent developments regarding HS2.

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

- 17 **Regulation of Investigatory Powers Act 2000 - Policy** - Report of the Assistant Chief Executive and Solicitor to the Council.

Summary

This report seeks Member endorsement of the revised Policy.

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

- 18 **Town/Parish Councils Charter** - Report of the Assistant Chief Executive and Solicitor to the Council.

Summary

This report seeks Member approval to adopt the Town and Parish Councils Charter.

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

- 19 **Designation of Neighbourhood Plans** - Report of the Assistant Chief Executive and Solicitor to the Council.

Summary

The Board is invited to delegate the designation of Neighbourhood Plan areas to the Assistant Chief Executive and Solicitor to the Council where there are no substantial objections following consultation.

The Contact Officer for this report is Dorothy Barratt (719250).

- 20 **Member Induction 2015** - Report of the Chief Executive.

Summary

The Board is invited to endorse an outline programme of induction for new members following the Borough elections in May 2015.

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

- 21 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2014 to December 2014** – 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 December 2014.

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

- 22 **Corporate Plan Targets related to Consultation and Communication** – Report of the Assistant Director (Corporate Services)

Summary

This report provides an update on the work done to contribute to the corporate plan targets associated with the Councils Priority on "Consultation and Communication".

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

- 23 **Information Security Policy** - Report of the Assistant Director (Corporate Services)

Summary

The purpose of this report is to seek approval for the Council's Information Security Policy which has been updated to ensure it reflects changes in legislation, other Council Policy and the changing nature of the threats to the Council's information.

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

- 24 **Minutes of the meetings of the Special Sub-Group held on 15 December 2014 and 13 January 2015** copies herewith to be received and noted.
- 25 **Minutes of the meeting of the Local Development Framework Sub-Committee held on 21 January 2015** copy herewith to be received and noted.
- 26 **Minutes of the meeting of the Safer Communities Sub-Committee held on 5 February 2015** (copy to be circulated) to be received and noted.

JERRY HUTCHINSON
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE BOARD

24 November 2014

Present: Councillor Sweet in the Chair

Councillors Hayfield, Humphreys, Moore, Morson, Phillips, Smith and Winter

Apologies for absence were received from Councillors Simpson and M Stanley (substitute Councillor Winter).

Councillor Forwood was also in attendance.

40 **Declarations of Personal or Prejudicial Interest**

None were declared at the meeting.

41 **Minutes of the meeting of the Board held on 22 September 2014**

The minutes of the meeting of the Board held on 22 September 2014, copies having been circulated, were approved as a correct record and signed by the Chairman.

42 **2013/14 Annual Audit Letter**

The Deputy Chief Executive submitted the 2013/14 Annual Audit Letter received from the Council's external auditors PricewaterhouseCoopers LLP.

Matthew Elmer from PricewaterhouseCoopers was in attendance at the meeting and presented his report on which Members asked a number of questions.

Recommended:

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

43 **The Local Government Pension Scheme**

The Deputy Chief Executive reported on some of the detail on the Local Government Pension Scheme operated by the Council.

Recommended:

That the report be noted.

44 Council Tax Support Grant to Parish Councils

The Deputy Chief Executive informed the Board of the Council Tax support grant allocations to Parish Councils for 2015/16.

Recommended:

- a That the grant allocation of £82,367 to Parish Councils be approved; and**
- b That future grant allocations are scaled in line with reductions in general grant funding.**

45 Council Tax Support Scheme 2015/16

The Assistant Chief Executive (Community Services) detailed the options for a Council Tax Support Scheme for 2015/16.

Recommended:

- a That the retention of an 8.5% reduction in Council Tax Support to all current working age customers, in the 2015/16 Council Tax Support Scheme be approved.**
- b That the Council Tax Support Scheme adopted for 2014/15 be updated in line with the statutory increases as notified by the Department of Work and Pensions; and**
- c That following the initial 12 month period of setting up a new business, future income projections for self-employed people will be based on the customer receiving as a minimum the equivalent of the National Minimum wage.**

46 Broadband Match Funding

The Board was asked to decide if the Council would provide additional match funding for investment in improving the Broadband infrastructure in the Borough as part of CSW Broadband project.

Recommended:

That this item be deferred and considered as part of the budget setting process.

47 High Street Innovation Fund - Coleshill

The Assistant Chief Executive and Solicitor to the Council sought the Board's approval for the grants specified in the report.

Recommended:

That the grants specified in the report of the Assistant Chief Executive and Solicitor to the Council be awarded.

48 HS2 and Business Rates

The Deputy Chief Executive informed the Board about a decision taken under the Council's urgent business procedure to commission a report on the potential impact of HS2 on business rates income.

Recommended:

That Members note the action taken.

49 Representation on Boards and Committees

The Assistant Chief Executive and Solicitor to the Council sought approval for changes to the make-up of Boards following recent Councillor changes.

Recommended:

**a That the revised representation on Boards be agreed;
and**

**b That Group Leaders confirm their nominations for
approval at Council on 10 December 2014.**

50 Economic Development

The Assistant Chief Executive and Solicitor to the Council reported on recent economic development work.

Recommended:

That the report be noted.

51 Calendar of Meetings 2015/16

The Chief Executive sought approval for a draft calendar of meetings for 2015/16.

Recommended:

The draft calendar of meetings for 2015/16 as submitted at Appendix A to the Chief Executive's report be approved.

52 Budgetary Control Report 2014/15 - Period Ended 31 October 2014

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2014 to 31 October 2014. The 2014/2015 budget and the actual position for the period, compared with the estimate at that date, was given, together with an estimate of the out-turn position for services reporting to this Board.

Resolved:

That the report be noted.

53 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2014 to September 2014

The Chief Executive informed Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to September 2014.

Resolved:

That the report be noted.

54 Minutes of the meetings of the Special Sub-Group held on 20 October and 17 November 2014

The minutes of the meetings of the Special Sub-Group held on 20 October and 17 November 2014 were received and noted. The Chief Executive reported further on the devolution agenda.

Chairman

Agenda Item No 7

Executive Board

10 February 2015

**Report of the
Deputy Chief Executive**

External Audit Plan 2014/15

1 Summary

- 1.1 The main purpose of this report is to inform Members of the External Auditors' plan for their work related to 2014/15, and the Certification Report for 2013/14 grants to those charged with governance.

Recommendation to the Board

That the reports presented as Appendices A and B be noted.

2 Report

- 2.1 The Council's appointed auditors, PricewaterhouseCoopers LLP, have considered the work they need to carry out relating to the 2014/15 financial year, to meet their audit responsibilities. A report detailing the scope of their work and the audit approach that will be used is attached as Appendix A.

- 2.2 Certification work on grant claims relating to the 2013/14 financial year has been completed. A report on work undertaken is attached as Appendix B.

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)

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North Warwickshire Borough Council

External Audit Plan 2014/15

Government and
Public Sector

February 2015

APPENDIX A

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any member or officer in their individual capacity or to any third party.

Executive summary

Background

We have prepared this Audit Plan to provide the Executive Board of North Warwickshire Borough Council (the 'Authority') with information about our responsibilities as external auditors and how we plan to discharge them for the audit of the financial year ended 31 March 2015.

Framework for our audit

We are appointed as your auditors by the Audit Commission as part of a national framework contract and consequently we are required to incorporate the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local government bodies (the 'Audit Code') as well as the requirements of International Standards on Auditing (UK & Ireland) ('ISAs').

The remainder of this document sets out how we will discharge these responsibilities and we welcome any feedback or comments that you may have on our approach.

We look forward to discussing our Audit Plan with you at the Executive Board meeting on Tuesday 10th February. Attending the meeting from PwC will be Matthew Elmer.

Our responsibilities

Our responsibilities are as follows:

Perform an audit of the accounts in accordance with the Auditing Practice Board's International Standards on Auditing (ISAs) (UK&I).

Report to the National Audit Office on the accuracy of the consolidated back the Authority is required to prepare for the Whole of Government Accounts.

Form a conclusion on the arrangements the Authority has made for securing economy, efficiency and effectiveness in its use of resources.

Consider the completeness of disclosures in the Authority's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work and consider whether it complies with CIPFA / SOLACE guidance.

Consider whether, in the public interest, we should make a report on any matter coming to our notice in the course of the audit.

Determine whether any other action should be taken in relation to our other responsibilities under the Audit Commission Act.

Issue a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

Our audit engagement begins with an evaluation of the areas of audit risk.

Audit approach

Our audit is risk based which means that we focus on the areas that matter. We have carried out a risk assessment for 2014/15 prior to considering the impact of controls, as required by auditing standards, which also draws on our understanding of your business.

Understanding the Authority's business issues

You continue to face significant pressures on central government funding, a position enforced by the Local Government finance settlement for 2015/16. Welfare reform (such as the benefits cap and universal credit) and changes to the way that local authorities administer income from business rates have tested your resilience to change.

During the 2014/15 year to date you have performed strongly against your general fund budget and as at the end of month 7 you were forecasting a reduction in the contribution required from your general fund balances of £212,000 (budgeted £595,000 contribution vs month 7 forecast of £383,000). The drivers for your forecast outturn are primarily additional planning fee income (£200,000), rental income (£80,000) and staffing vacancies (£50,000) against your 2014/15 budget. To counter this you are forecasting an additional £200,000 spend on refuse and recycling costs.

You have identified the required savings to ensure you achieve your budget for 2014/15. You have recognised the need to identify further savings for 2015/16 and beyond and you have implemented actions to identify and review potential cost savings across the Authority's portfolio of services. We will review your savings plans and assumptions underpinning them as part of our work around value for money.

There remains uncertainty and risk around your revenues and expenditure over the medium term. We will continue to meet with management to discuss the Authority's response to these risks and future plans.

Relevant risks

We determine if risks are significant, elevated or normal and whether we are concerned with fraud, error or judgement as this helps to drive the design of our testing procedures:

-
- | | |
|----------------------|---|
| ● Significant | Those risks with the highest potential for material misstatement due to a combination of their size, nature and likelihood and which, in our judgement, require specific audit consideration. |
| ○ Elevated | Although not considered significant, the nature of the balance/area requires specific consideration. |
-

The table below highlights all risks which we consider to be either significant or elevated in relation to our audit for the year ended 31 March 2015.

Risk	Categorisation	Audit approach
<p>Management override of controls</p> <p>ISA (UK&I) 240 requires that we plan our audit work to consider the risk of fraud, which is presumed to be a significant risk in any audit. In every organisation, management may be in a position to override the routine day to day financial controls. Accordingly, for all of our audits, we consider this risk and adapt our audit procedures accordingly.</p>	<p>Significant ●</p>	<p>As part of our assessment of your control environment we will consider those areas where management could use discretion outside of the financial controls in place to misstate the financial statements.</p> <p>We will perform procedures to:</p> <ul style="list-style-type: none"> - review the appropriateness of accounting policies and estimation bases, focusing on any changes not driven by amendments to reporting standards; - test the appropriateness of journal entries and other year-end adjustments, targeting higher risk items such as those that affect the reported year-end position; - review accounting estimates for bias and evaluate whether judgment and estimates used are reasonable (for example pension scheme assumptions, valuation and impairment assumptions); - evaluate the business rationale underlying significant transactions outside the normal course of business; and - perform unpredictable procedures targeted on fraud risks. <p>We may perform other audit procedures if necessary.</p>

Risk

Risk of fraud in revenue and expenditure recognition

Under ISA (UK&I) 240 there is a presumption that there are risks of fraud in revenue recognition.

We extend this presumption to the recognition of expenditure in local government because the opportunities to perpetrate fraud, which the ISA considers are usually present in relation to revenue, are more likely to present themselves through manipulation of expenditure in the public sector.

Categorisation

Significant ●

Audit approach

We will seek to understand and evaluate relevant revenue and expenditure controls and test controls to confirm they are operating effectively.

We will:

- continue our regular dialogue with the statutory officers of the Authority;
- seek to place reliance on internal audit work on key income and expenditure controls;
- evaluate the accounting policies for income and expenditure recognition to ensure that they are consistent with the requirements of the Code of Practice on Local Authority Accounting;
- test the appropriateness of journal entries and other adjustments;
- review accounting estimates for income and expenditure, for example, provisions;
- perform cut-off tests at year-end and after date cash testing to ensure items have been recorded in the appropriate period; and
- perform unrecorded liabilities testing.

Risk

Meeting the financial challenge

All local government organisations are faced with increased challenges in their medium term financial outlook. There continues to be a number of risks to the delivery of the plan, particularly in respect of national changes, such as:

- the Council Tax Freeze Grant;
- Welfare Reform Act (the effects of the benefits cap and the universal credit); and
- business rates retention.

As a result, the following risks are increased:

- slippage- the Authority may not be able to achieve the savings planned either from service reductions or through efficiencies;
- timing- the timing of planned savings, service reductions and funding announcements may impact delivery against the Comprehensive Spending Review targets; and
- assumptions- significant policy changes might impact on the Authority's ability to deliver a balanced budget over the period of the plan.

There is also a risk of deteriorating operational performance and quality due to reduced resources and management capacity where cost savings are made without careful consideration.

Categorisation

Significant ●
VFM opinion

Audit approach

We will review your Medium Term Financial Strategy and your savings plans. We will consider their robustness and review your key assumptions. We will also consider your performance during the current financial year in meeting your savings plan.

We will specifically consider:

- the impact of new arrangements in relation to the Authority;
- retention of business rates on the Authority's financial position;
- the Authority's intentions to take advantage of the Council Tax Freeze Grant;
- the governance structure in place to deliver the targets;
- the level and extent of accountability;
- project management arrangements;
- monitoring and reporting;
- progress on delivering the plan; and
- how the assumptions applied in the Authority's plan compare with other organisations and best practice.

We will consider any relevant accounting assumptions and whether they are realistic and reasonable.

**Overall
Materiality:
£992,000**

**Clearly trivial:
£50,000**

*Intelligent scoping
Materiality*

	£
Overall materiality	992,000
Clearly trivial reporting de minimis	50,000

We set overall materiality to assist our planning of the overall audit strategy and to assess the impact of any adjustments identified.

Overall materiality is based on your 2013/14 audited accounts and is set at 2% of expenditure. We will update this assessment if necessary in light of the Authority's actual results for 2014/15.

ISA (UK&I) 450 (revised) requires that we record all misstatements identified except those which are "clearly trivial" i.e. those which we do expect not to have a material effect on the financial statements even if accumulated. The ISA indicates that a benchmark of 5% of overall materiality is appropriate. This would mean a de-minimis reporting level of £50,000.

We seek the views of the Executive Board in agreeing a 'clearly trivial' reporting level.

Robust Testing

Where we do our work

As previously mentioned our audit is risk based which means we focus our work on those areas which, in our judgement, are most likely to lead to a material misstatement. In summary, we will:

- consider the key risks arising from internal developments and external factors such as policy, regulatory or accounting changes;
- consider the robustness of the control environment, including the governance structure, the operating environment, the information systems and processes and the financial reporting procedures in operation;
- understand the control activities operating over key financial cycles which affect the production of the year-end financial statements;
- validate key controls relevant to the audit approach; and
- perform substantive testing on transactions and balances as required.

When we do our work

Our audit is designed to quickly consider and evaluate the impact of issues arising to ensure that we deliver a 'no surprises' audit at year-end. This involves early testing at an interim stage and open and timely communication with management to ensure that we meet all statutory reporting deadlines. We engage early, enabling us to debate issues with you. We have summarised our formal communications plan in Appendix B.

Value for Money work

Our value for money code responsibility requires us to carry out sufficient and relevant work in order to conclude on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

The Audit Commission guidance includes two criteria:

- the organisation has proper arrangements in place for securing financial resilience; and
- the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

We determine a local programme of audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities.

Annual Governance Statement

Local Authorities are required to produce an Annual Governance Statement (AGS), which is consistent with guidance issued by CIPFA/SOLACE: "Delivering Good Governance in Local Government". The AGS is required to be presented by the Authority with the Statement of Accounts.

We will review the AGS to consider whether it complies with the CIPFA/SOLACE "Delivering Good Governance in Local Government" framework and whether it is misleading or inconsistent with other information known to us from our audit work.

Whole of Government Accounts

We are required to examine the Whole of Government Accounts schedules submitted to the Department for Communities and Local Government and issue an opinion stating in our view if they are consistent or inconsistent with the Statement of Accounts.

Meaningful conclusions

We believe fundamentally in the value of the audit and that audits need to be designed to be valuable to our clients to properly fulfil our role as auditors.

In designing the Authority's audit, our primary objective is to form an independent audit opinion on the financial statements; however, we also aim to provide insight.

Audit value comes from the same source as audit quality so the work that we do in support of our audit opinion also

means that we should be giving you value through our observations, recommendations and insights. We have set out some recent developments in Appendix C and we will provide other insights and observations to you in our audit reports throughout the year.

We have also developed a Local Government Centre of Excellence which supports your audit team in all aspects of the audit, including sharing insight and observations gained from audit teams across the country.

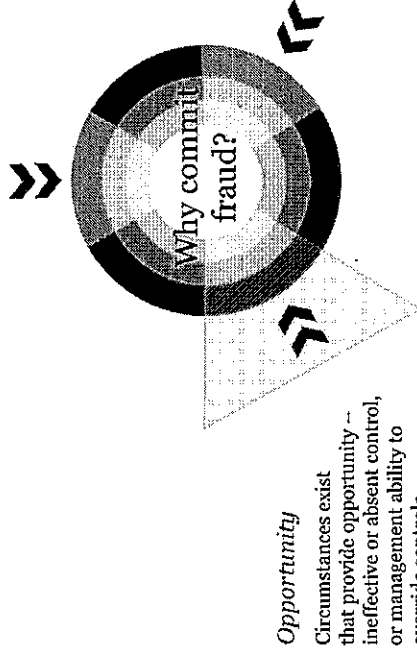
Risk of fraud

International Standards on Auditing (UK&I) state that we, as auditors, are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarised below:

Auditors' responsibility	Management's responsibility	Responsibility of the Executive Board
<p>Our responsibilities are:</p> <ul style="list-style-type: none"> • to identify and assess the risks of material misstatement of the financial statements due to fraud; • to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and • to respond appropriately to fraud or suspected fraud identified during the audit. 	<p>Management's responsibilities in relation to fraud are:</p> <ul style="list-style-type: none"> • to design and implement programmes and controls to prevent, deter and detect fraud; • to ensure that the entity's culture and environment promote ethical behaviour; and • to perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation. 	<p>Your responsibility as part of your governance role is:</p> <ul style="list-style-type: none"> • to evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate 'tone at the top'; and • to ensure any alleged or suspected instances of fraud brought to your attention are investigated appropriately.

Conditions under which fraud may occur

Management or other employees have an incentive or are under pressure
Incentive pressure



Your views on fraud

We enquire of those charged with Governance:

- Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management?
- What fraud detection or prevention measures (e.g. whistleblower lines) are in place in the entity?
- What role you have in relation to fraud?
- What protocols / procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?

Your PwC team

The individuals in your PwC team have been selected to bring you extensive audit experience from working with Local Authorities, the wider public sector and the commercial sector.

The core members of your audit team are:

Audit Team	Responsibilities
<i>Engagement Leader</i> Richard Bacon 07973 198707 richard.f.bacon@uk.pwc.com	Richard is responsible for independently delivering the audit in line with the Code of Audit Practice, including agreeing the Audit Plan, the quality of outputs and signing of opinions and conclusions. Richard is also responsible for liaison with the Chief Executive and the Board.

Engagement Manager

Tom Gibbs
07850 516 463
Thomas.j.gibbs@uk.pwc.com

Tom is responsible for the management and control of the external audit service, and for ensuring that our approach is focused on significant risk areas and reporting significant findings from our work. Also responsible for managing the audit team and liaison with finance staff on the scope and timing of our work.

Engagement Senior Manager
Matthew Elmer
07738 311296
matthew.r.elmer@uk.pwc.com

Matthew is responsible for overall control of the audit engagement, ensuring delivery to timetable, delivery and management of targeted work and the overall review of audit outputs.

Our audit fees are consistent with those set for the previous year.

Your audit fees

The Audit Commission has provided indicative scale fees for Local Authorities for the year ended 31 March 2015. No changes to the work programme have been proposed therefore scale audit fees for have been set at a similar level as the fees applicable for 2013/14. There is a slight increase in the scale fee to reflect the audit additional work required following the end of formal grant certification arrangements for National Non-Domestic Rates (NDR). The overall scale fee has reduced from the prior period.

Our indicative audit fee compared to the actual fee for 2013/14 is as follows:

Audit fee	Actual fee		Indicative fee
	2013/14	2014/15	
	£	£	£
Audit work performed under the Code of Audit Practice	55,581	56,481	56,481
- Statement of Accounts			
- Conclusion on the ability of the organisation to secure proper arrangements for the economy, efficiency and effectiveness in its use of resources			
- Whole of Government Accounts			
Certification of Claims and Returns	16,430*	13,340	13,340
Total Audit Code work	72,011	69,821	69,821
Planned non-audit work	-	-	-
Total fees (audit and non-audit work)	72,011	69,821	69,821

We have based the fee level on the following assumptions:

- Officers meeting the timetable of deliverables, which we will agree in writing;
- We are able to use, as planned, the work of internal audit;
- We are able to obtain assurance from your management controls;
- No significant changes being made by the Audit Commission to the local value for money work requirements; and
- Our value for money conclusion and accounts opinion being unqualified.

If these prove to be unfounded, we will seek a variation order to the agreed fee, to be discussed and agreed in advance with you and the Audit Commission.

*The actual fees for the 2013/14 certification of claims and returns are in the process of being agreed with the Audit Commission. The figure shown for 2013/14 in the table opposite is the indicative scale fee.

Appendices

We can provide assurance to the Executive Board that we are independent External Auditors.

Appendix A: Independence threats and safeguards

At the beginning of our audit process we are required to assess our independence as your external auditor. We have made enquiries of all PwC teams providing services to you and of those responsible in the UK Firm for compliance matters. We have set out below the relationships that, in our professional judgement, may be perceived to impact upon our independence and the objectivity of our audit team, together with the related safeguards.

Other services

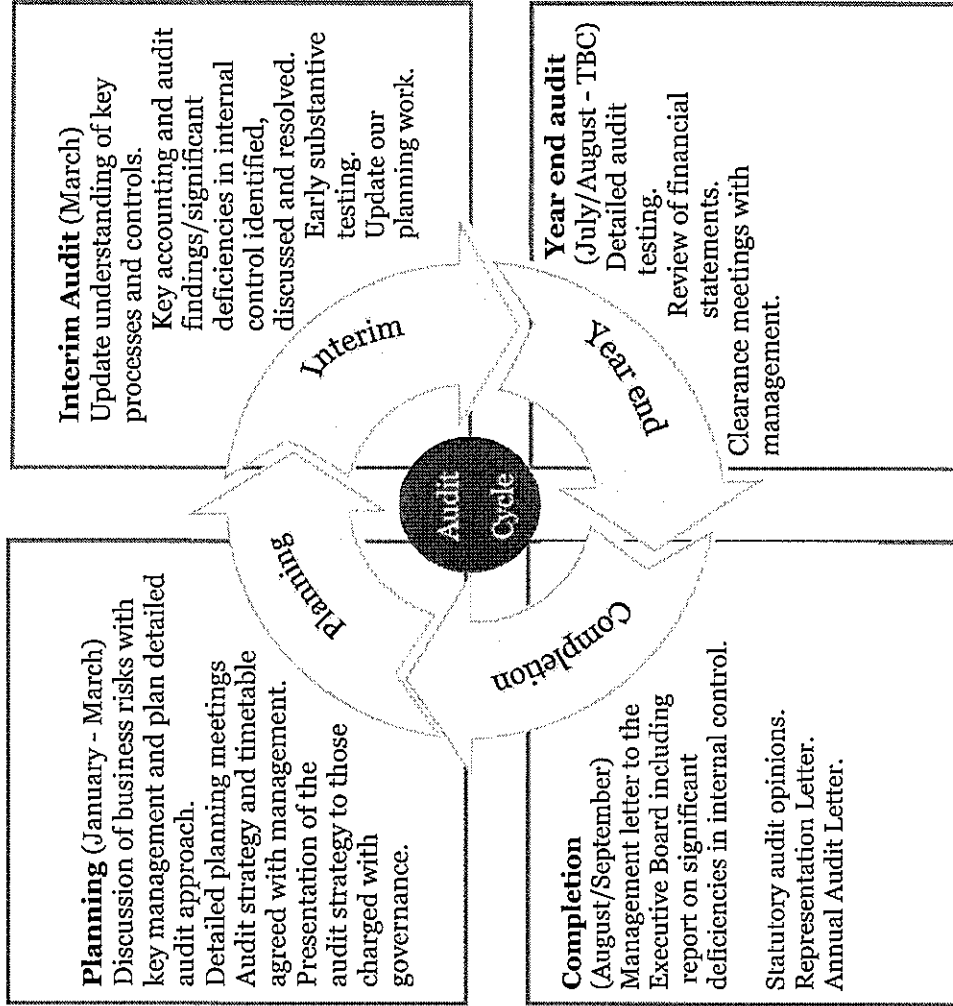
Support provided by PwC	Value	Threats to independence and safeguards in place
Certification of claims and returns	£13,340 (indicative scale fee)	<p>Self-review threat: The audit team will conduct the grant certification and this has arisen due to our appointment as external auditors.</p> <p>There is no self-review threat as we are certifying management completed grant returns and claims.</p> <p>Self-interest threat: As a firm, we have no financial or other interest in the results of the Authority.</p> <p>We have concluded that this work does not pose a self-interest threat.</p> <p>Management threat: PwC is not required to take any decisions on behalf of management as part of this work.</p> <p>Advocacy threat: We will not be acting for, or alongside, management and we have therefore concluded that this work does not pose an advocacy threat.</p> <p>Familiarity threat: Work complements our external audit appointment and does not present a familiarity threat.</p> <p>Intimidation threat: We have concluded that this work does not pose an intimidation threat as all officers and members have conducted themselves with utmost integrity and professionalism.</p>

Relationships and Investments

Senior officers should not seek or receive personal financial or tax advice from PwC. Non-executives who receive such advice from us (perhaps in connection with employment by a client of the firm) or who also act as director for another audit or advisory client of the firm should notify us, so that we can put appropriate conflict management arrangements in place.

Therefore at the date of this plan we confirm that in our professional judgement, we are independent accountants with respect to the Authority, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Appendix B: Communications Plan



Continuous communication

- Continuous proactive discussion of issues as and when they arise; 'no surprises';
- continuous evaluation and improvement of the audit; and
- bringing you experience of sector and best practice.

Appendix C: Audit quality

Quality is built into every aspect of the way that we deliver the Authority audit. We take great pride in being your auditors and in the value of assurance that the audit opinion provides. A timely, independent and rigorous audit is fundamental. This in turn necessitates getting the basics right – clarity on audit risks, scope, resource, timetables, deliverables and areas of judgement – which is supported by our team that has extensive experience and relevant training.

The table below sets out some of the key ways in which we ensure we deliver a high quality audit.

Procedure	Description
People	Quality begins with our people. To ensure that every engagement team provides quality, we use carefully designed protocols for recruiting, training, promoting, assigning responsibility and managing and overseeing the work of our people. We invest significant amounts of time and money for the training and development of our audit professionals. Every new team member is carefully selected to ensure they have the right blend of technical expertise and industry experience to support the Authority audit.
Client acceptance and retention	Our client acceptance and retention standards and procedures are designed to identify risks of a client or prospective client to determine whether the risks are manageable.
Audit methodology	The same audit methodology is used for all Local Authority audit engagements, thereby ensuring uniformity and consistency in approach. Compliance with this methodology is regularly reviewed and evaluated. Comprehensive policies and procedures governing our accounting and auditing practice – covering professional and regulatory standards as well as implementation issues – are constantly updated for new professional developments and emerging issues, needs and concerns of the practice.
Technical consultation	Consultations by engagement teams, typically with senior technical partners unaffiliated with the audit engagement, are required in particular circumstances involving auditing, accounting or reporting matters including matters such as going concern and clinical quality issues. In addition, we regularly consult with our industry specialists in the Local Government Centre of Excellence and our accounting technical experts that sit on the Audit Commission Auditors' Group.

Procedure	Description
Technical updates	<p>PwC prepares numerous publications to keep both PwC staff and our clients abreast of the latest technical guidance.</p> <p>These include:</p> <ul style="list-style-type: none"> • A weekly publication covering the week's accounting and business developments; • A periodic publication providing in-depth analysis of significant accounting developments; and • A publication issued shortly after meetings of standard setters, including IFRIC and the EITF, to provide timely feedback on issues discussed at the meeting. <p>We also provide Local Government specific technical updates through regular publications issued by our Local Government Centre of Excellence and weekly conference calls for all Local Authority engagement teams during the final audit period. We will share our technical updates with you throughout the year.</p>
Independence standards	<p>PwC has policies and systems designed to comply with relevant independence and client retention standards. Before a piece of non-audit work can begin for the Authority, it must first be authorised by the engagement leader who evaluates the project against our own internal policies and safeguards and against your policy on non-audit services. Above a certain fee threshold, we then seek approval from the Audit Commission before proceeding with any work.</p>
Ethics	<p>Our Ethics and Business Conduct Programme includes confidential communication channels to voice questions and concerns 24 hours a day, seven days a week. Confidentiality helps us to ensure that we receive the candid information and that we respond with the appropriate technical and risk management resources.</p>
Independent review	<p>Our audits are subject to ongoing review and evaluation by review teams within PwC and also by the Audit Quality Review Team (AQRT, formerly the Audit Inspection Unit). The most recent report on PwC was issued in May 2014 and although there are some areas for development identified the general theme was that audit quality has continued to improve. The firm has developed action plans for all areas for development identified by the AQRT.</p> <p>As auditors appointed by the Audit Commission we are also required to comply with their annual Regulatory Compliance and Quality Review programme. The results for our 2013/14 audits are expected in 2015 and will be publicly available on the Audit Commission's website should you wish to take a look.</p>

Smart People

We deploy quality people on your audit, supported by a substantial investment in training and in our industry programme. The members of staff deployed on your audit have been primarily taken from our dedicated Government and Public Sector team. These staff members have a wide and deep knowledge both of the Authority and the local government sector.

We use dedicated IT specialists on the audit and share their insight and experience of best practices with you.

Smart Approach

Data auditing

We use technology-enabled audit techniques to drive quality, efficiency and insight.

In 2014/15 we anticipate the work will include:

- Testing journals using data analytics, ensuring we consider the complete population of journals and target our detailed testing on the items with the highest inherent risk.
- Testing Council Tax and Non Domestic Rates using our data team, ensuring the amounts recognised as income are in line with the numbers of properties held by the Council less any reliefs.

Centre of Excellence

We have a Centre of Excellence in the UK for Local Government which is a dedicated team of specialists which advises, assists and shares best practice with our audit teams in more complex areas of the audit.

Our team has been working side by side with the Centre of Excellence to ensure we are executing the best possible audit approach.

Delivery centres

We use dedicated delivery centres to deliver parts of our audit work that are routine and can be done by teams dedicated to specific tasks; for example these include confirmation procedures, preliminary independence checks and consistency and casting checks of the financial statements.

The use of our delivery centres frees up your audit team to focus on other areas of the audit.

We have agreed a process with the Audit Commission, under which data can be off-shored to PwC Service delivery Centres in India and Poland for the facilitation of basic audit tasks, as highlighted earlier. We have also agreed with the Audit Commission how this will be regulated, together with their independent review of our internal processes to ensure compliance, with the Audit Commission requirements for off-shoring. Further information is included in Appendix E.

Smart Technology

We have designed processes that automate and simplify audit activity wherever possible. Central to this is PwC's Aura software, which has set the standard for audit technology. It is a powerful tool, enabling us to direct and oversee audit activities.

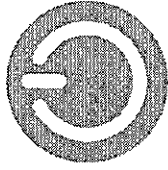
Aura's risk-based approach and workflow technology results in a higher quality, more effective audit and the tailored testing libraries allow us to build standard work programmes for key Authority audit cycles.



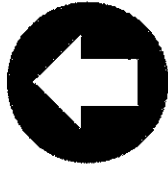
Smart people



Smart approach



Smart technology



The PwC Audit

Our 'smart' approach underpins your audit

Appendix D: Other engagement information

The Audit Commission appoint us as auditors to North Warwickshire Borough Council and the terms of our appointment are governed by:

- The Code of Audit Practice; and
- The Standing Guidance for Auditors.

There are five further matters which are not currently included within the guidance, but which our firm's practice requires that we raise with you.

Electronic communication

During the engagement we may from time to time communicate electronically with each other. However, the electronic transmission of information cannot be guaranteed to be secure, virus or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use.

PwC partners and staff may also need to access PwC electronic information and resources during the engagement. You agree that there are benefits to each of us in their being able to access the PwC network via your internet connection and that they may do this by connecting their PwC laptop computers to your network. We each understand that there are risks to each of us associated with such access, including in relation to security and the transmission of viruses.

We each recognise that systems and procedures cannot be a guarantee that transmissions, our respective networks and the devices connected to these networks will be unaffected by risks such as those identified in the previous two paragraphs. We each agree to accept the risks of and authorise (a) electronic communications between us and (b) the use of your network and internet connection as set out above. We each agree to use commercially reasonable procedures (i) to check for the then most commonly known viruses before either of us sends information electronically or we connect to your network and (ii) to prevent unauthorised access to each other's systems.

We shall each be responsible for protecting our own systems and interests and you and PwC (in each case including our respective directors, members, partners, employees, agents or servants) shall have no liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between us and our reliance on such information or our use of your network and internet connection.

The exclusion of liability in the previous paragraph shall not apply to the extent that such liability cannot by law be excluded.

Access to audit working papers

We may be required to give access to our audit working papers to the Audit Commission or the National Audit Office for quality assurance purposes.

Overseas processing of information

Recently, as with other firms, we have agreed a process with the Audit Commission, under which data can be off-shored to PwC Service Delivery Centres in India and Poland for the facilitation of basic audit tasks. Please refer to the letter at the end of this Appendix for further information on the types of tasks we may off-shore. We confirm that:

- When work is off-shored the firm delivering the audit remains entirely responsible for the conduct of the audit. As such the data will be subject to similar data quality control procedures as if the work had not been off-shored, maintaining the security of your data.
- All firms within the PricewaterhouseCoopers network, including the PwC Service Delivery Centres, have signed an intra-group data protection agreement which includes data protection obligations equivalent to those set out in the EU model contract for the transfer of personal data to data processors outside of the European Economic Area.
- We shall comply at all times with the seventh principle in Part 1 of Schedule 1 to the Data Protection Act 1998.
- Your audit team members will remain your key audit contacts, you will not need to communicate with our overseas delivery teams.
- The audit team members are responsible for reviewing all of the work performed by the overseas delivery teams.
- We already successfully use a UK based delivery centre for financial statements quality checks and that this service will remain in the UK.

If you have any questions regarding this process or if you require further information then please contact Matthew Elmer.

Quality arrangements

We want to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with us how our service could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the partner responsible for that aspect of our services to you. If, for any reason, you would prefer to discuss these matters with someone other than that partner, please contact Richard Bacon, our Government & Public Sector Assurance Lead Partner at our office at Cornwall Court, Birmingham, B3 2DT, or James Chalmers, UK Head of Assurance, at our office at 1 Embankment Place, London, WC2N 6NN. In this way we can ensure that your concerns are dealt with carefully

and promptly. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. This will not affect your right to complain to the Institute of Chartered Accountants in England and Wales or to the Audit Commission.

Events arising between signature of accounts and their publication

ISA (UK&I) 560 places a number of requirements on us in the event of material events arising between the signing of the accounts and their publication. You need to inform us of any such matters that arise so we can fulfil our responsibilities.

If you have any queries on the above, please let us know before approving the Audit Plan or, if arising subsequently, at any point during the year.

Appendix E: Use of Service Centres

North Warwickshire Borough Council,
Council Offices,
South Street,
Atherstone,
Warwickshire.
CV9 1DE

February 2015

Working more efficiently

As you know the Audit Commission recently tendered the audit work previously delivered by the District Audit service. This realised significant savings which have been passed on to your organisation in a reduction to your scale fee of around 40%.

As a result of this tender, suppliers have sought for opportunities to increase efficiency, whilst maintaining the level of quality. One principle which has recently been established is that certain basic parts of the audit can be off-shored. This is common practice in the private sector. When work is off-shored the firm delivering the audit and thus your audit team, remains entirely responsible for the conduct of the audit. As such the data would be subject to similar data quality control procedures as if the work had not been off-shored, maintaining the security of your data.

Examples of the work that can be off-shored are:

- request for confirmations (Receivables, Bank or Payables);
- verification/vouching of information to source documentation (e.g. agreeing a payable balance to invoice);
- financial statements review;
- mathematical accuracy checks of data;
- research; and

North Warwickshire Borough Council

- preparation of lead schedules.

Recently, as with other firms, we have agreed a process with the Audit Commission, under which data can be off-shored to PwC Service delivery Centres in India and Poland for the facilitation of basic audit tasks, as highlighted above. We have agreed with the Audit Commission how this will be regulated, together with their independent review of our internal processes to ensure compliance, with the Audit Commission requirements for off-shoring.

If you have any questions regarding the above, please do not hesitate to get in touch.

Yours sincerely

Richard Bacon

Engagement Leader



In the event that, pursuant to a request which North Warwickshire Borough Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. North Warwickshire Borough Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and North Warwickshire Borough Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, North Warwickshire Borough Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for North Warwickshire Borough Council and solely for the purpose and on the terms agreed through our contract with the Audit Commission. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

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130610-142627-JA-UK

Annual Certification Report 2013/14 North Warwickshire Borough Council

*Government and
Public Sector – Annual
Certification Report to
those charged with
governance.*

February 2015



The Members of the Executive Board

North Warwickshire Borough Council
South Street
Atherstone
Warwickshire
CV9 1DE

27 January 2015

Our Reference: NWBC/201314/Cert

Ladies and Gentleman

Annual Certification Report (2013/14)

This report summarises our certification work on last year.

Results of Certification Work

We certified two claims worth a net total of £15,686,294. Of these, one was amended and none required qualification letters to set out the matters arising from the certification findings of the claim or return. We have set out further details within the report.

We did not identify any matters relating to the Authority's arrangements for the preparation of the relevant claims and return during the course of our work, some of which were minor in nature.

Going forward, with changes in the Audit Commission structure, only the Housing Benefit Subsidy claim will be subject to certification under the existing regime. All other requests for auditor assurance work for claims and returns will operate outside of these engagement arrangements.

Yours faithfully,

PricewaterhouseCoopers LLP

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Introduction

Scope of Work

Each year some grant-paying bodies may request certification by an appropriately qualified auditor, of claims and financial returns submitted to them by local authorities. Certification arrangements are made by the Audit Commission under Section 28 of the Audit Commission Act 1998 and is one way for a grant-paying body to obtain assurance about an authority's entitlement to grant or subsidy or about information provided within a return.

Certification work is not an audit but a different type of assurance engagement which reaches a conclusion but does not express an opinion. This involves applying prescribed tests, as set out within Certification Instructions (CIs) issued to us by the Audit Commission; these are designed to provide reasonable assurance, for example, that claims and returns are fairly stated and in accordance with specified terms and conditions. The precise nature of work will vary according to the claim or return.

Our role is to act as 'agent' of the Audit Commission when undertaking certification work. We are required to carry out work and complete an auditor certificate in accordance with the arrangements and requirements set by the Audit Commission.

We also consider the results of certification work when performing other Code of Audit Practice work at the Authority, including our conclusions on the financial statements and value for money.

International Standards on Auditing UK and Ireland (ISAs), the Auditing Practices Board's Practice Note 10 (Revised) and the Audit Commission's Code of Audit Practice do not apply to certification work.

Statement of Responsibilities

The Audit Commission publishes a 'Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns' this is available from the Audit Commission website. It summarises the Commission's framework for making certification arrangements and highlights the different responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns.

Results of Certification Work

Claims and Returns certified

A summary of the claims and returns certified for financial year 1 April 2013 to 31 March 2014 is set out in the table below.

The Audit Commission require that all matters arising are either amended for (where appropriate) or reported within a qualification letter.

In both cases, qualification letters were not required to set out matters arising from the certification of the claim. One claim was amended following the certification work undertaken. The details these matters are summarised on page 7.

All deadlines for authority submission of the claims and returns were met. All deadlines for auditor certification were met.

Fee information for the claims and returns is summarised on page 6.

Summary:

<i>CI Reference</i>	<i>Scheme Title</i>	<i>Form</i>	<i>Original Value £</i>	<i>Final Value £</i>	<i>Amendment</i>	<i>Qualification</i>
BEN01	Housing Benefit Subsidy	MPF720A	14,247,657	14,247,657	Yes	No
CFB06	Pooling of Housing Capital Receipts	2013Po6 (on LOGASnet)	1,438,637.09	1,438,637.09	No**	No

** Amendments made to the claim had no impact on the overall value of the claim or return.

Certification Fees

The fees for certification of each claim and return are set out below:-

Claim/Return	2013/14 Indicative Fee *	2013/14 Proposed Final Fee**	2012/13 Billed Fee	Comment
	£	£	£	
BEN01 Housing Benefit Subsidy	15,184	15,184	16,278	Council Tax subsidy ceased in 13/14 resulting in no requirement for auditor testing.
CFBo6 Pooling of Housing Capital Receipts	1,246	1,246	3,176	
LA01 National Non Domestic Rates	0	0	1,901	This scheme was removed from Audit Commission arrangements for 2013/14
Total	16,430	16,430	21,355	

These fees reflect the Council's current performance and arrangements for certification.

* Indicative fees may subsequently be updated for Audit Commission approved variations; for example where there was a change in the level of work required.

** Fee variations which are pending Audit Commission approval.

Matters Arising

BEN01 Housing Benefit Subsidy Claim

Our follow up testing of prior year issues identified:

- Incorrect application of Local Housing Allowance (LHA) rates to calculate rental liability (rent allowances) – one error was identified.

Testing of all cases within this population was undertaken and it was possible to quantify the impact and make appropriate amendments to the claim form. As a result, we did not issue a qualification letter.

Whilst there were no significant issues to report in a qualification letter, amendments were required to the Housing Benefit Subsidy claim which required additional work to establish the level of error within the wider population. In prior year the same issue was identified.

We liaised with the Housing Benefit Subsidy section and senior officers to ensure that the reasons for undertaking extended work had been understood and agreed. We recognise that overall the Council has continued to perform well; however we would recommend that it continues to improve through ongoing review of the claims and returns in conjunction with the relevant scheme guidance to submission to the auditors and grant paying body.

We will continue to seek ways in which we can improve the overall level of liaison with senior officers regarding the progress of certification work, time and issues. There is nil affect to the subsidy to the Authority as a result of the amendments. It should be noted that at the time of this report, we have not had a sight of the final settlement details from DWP.

Prior year recommendations

Our 2012/13 work, we had identified the ongoing issue of the incorrect application of LHA rates as noted above.

Glossary

2013/14 Schemes applicable to the Authority under the Audit Commission Certification arrangements

BEN01 Housing Benefit Subsidy Claim

Local authorities responsible for administering statutory housing benefit (HB) of rent rebates to tenants of a local authority and rent allowances to private tenants; claim subsidy from the Department for Work and Pensions (DWP). With the exception of certain areas of benefit spending where authorities have the most scope to monitor and control costs, subsidy is paid at the full rate of 100 per cent of expenditure incurred.

CFB06 Pooling of Housing Capital Receipts Return

Since 2004/05, local authorities pay part of a housing capital receipt into a national pool run by the Department of Communities and Local Government (DCLG). Pooling applies to all authorities, including those with closed HRAs who typically receive housing receipts in the form of mortgage principal and Right to Buy (RTB) discount repayments.

Audit Commission Definitions for Certification work

Abbreviations used in certification work are:-

'appointed auditor' is the auditor appointed by the Audit Commission under section 3 of the Audit Commission Act 1998 to audit an authority's accounts who, for the purpose of certifying claims and returns under section 28 of the Act, acts as an agent of the Commission. In this capacity, whilst qualified to act as an independent external auditor, the appointed auditor acts as a professional accountant undertaking an assurance engagement governed by the Commission's certification instruction arrangements;

'claims' includes claims for grant or subsidies and for contractual payments due under agency agreements, co-financing schemes or otherwise;

'assurance engagement' is an engagement performed by a professional accountant in which a subject matter that is the responsibility of another party is evaluated or measured against identified suitable criteria, with the objective of expressing a conclusion that provides the intended user with reasonable assurance about that subject matter;

'Commission' refers to either the Audit Commission or the Grants Team of the Audit Policy and Regulation Directorate of the Commission which is responsible for making certification arrangements and for all liaison with grant-paying bodies and auditors on certification issues;

'auditor' is a person carrying out the detailed checking of claims and returns on behalf of the appointed auditor, in accordance with the Commission's and appointed auditor's scheme of delegation;

'grant-paying bodies' includes government departments, public authorities, directorates and related agencies, requiring authorities to complete claims and returns;

'authorities' means all bodies whose auditors are appointed under the Audit Commission Act 1998, which have requested the certification of claims and returns under section 28(1) of that Act;

'returns' are either:

- returns in respect of grant which do not constitute a claim, for example, statements of expenditure from which the grant-paying body may determine grant entitlement; or
- returns other than those in respect of grant, which must or may be certified by the appointed auditor, or under arrangements made by the Commission;

'certification instructions' ('CIs') are written instructions from the Commission to appointed auditors on the certification of claims and returns;

'Statement' is the *Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns*, available from www.audit-commission.gov.uk;

'certify' means the completion of the certificate on a claim or return by the appointed auditor in accordance with arrangements made by the Commission;

'underlying records' are the accounts, data and other working papers supporting entries on a claim or return.

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Agenda Item No 8

Executive Board

10 February 2015

**Report of the
Chief Executive**

Corporate Plan 2015-16

1 Summary

- 1.1 The Corporate Plan is updated on an annual basis. The purpose of this report is to recommend that the Council adopts the Corporate Plan Key Actions and to agree the 2015–16 Service Plan for the Assistant Chief Executive & Solicitor to the Council.

Recommendation to the Council

- a That the Corporate Plan Key Actions, as set out in Appendix A to the report, be agreed, subject to:-**
- (i) Any amendments recommended by other Boards/Sub-Committees; and**
 - (ii) Any further amendments which may be needed as a result of the adoption of the 2015-16 budget;**
- b That the Chief Executive be given delegated authority to finalise the format of the Plan; and**
- c That the Service Plan for the Assistant Chief Executive & Solicitor to the Council, as set out in Appendix B to the report, be agreed.**

2 Consultation

- 2.1 Councillors with responsibility for the relevant areas have been involved in discussions relating to issues contained within the Appendices.

3 Report

- 3.1 Corporate Plan Key Actions and Divisional Service Plans are normally agreed in the January/February cycle of meetings and adopted by Full Council in February at the same time as the Budget.

- 3.2 At its September 2014 meeting the Council considered a report setting out the key corporate issues facing the Council in the mid term future, with a view to assisting Members in addressing those issues during the formulation of the 2014-15 Budget and in the run up to the 2015 Council Elections. This report makes proposals for dealing with ongoing business in the 2015-16 Corporate Plan on the basis that the Corporate Plan is likely to be reviewed by the incoming administration post May 2015.
- ... 3.3 Appendix A sets out the proposed Corporate Plan Key Actions for 2015/16. Members are requested to recommend to the Council that Appendix A is agreed, subject to the provisos set out in the recommendation.
- 3.4 A report will be presented to the Boards/Sub-Committees after the end of the financial year to show the year end out-turn on the 2014-15 Key Actions. Proposals for 2015-16 will form part of the 2015-16 Corporate Plan which covers the Council's top level priorities.
- 3.5 It is also important, however, that Members are aware of and agree the significant amount of work carried out within the Divisions to provide services to local people. This information appears in a single document for each Division, the Divisional Service Plan, which is the key management tool for ensuring that services deliver their annual work programme.
- ... 3.6 The Service Plan for the Assistant Chief Executive & Solicitor to the Council comprises Appendix B to this report, as most of the programme relates to work carried out for this Board.
- 3.7 Where there are any budget implications for another Board/Sub-Committee arising out of work programmes, those implications have been drawn to the attention of the relevant Board/Sub-Committee in the Budget report going to this cycle of meetings. Similarly, any budgetary implications for this Board from Divisional Plans being reported to other Boards are dealt with in the Budget Report also on this agenda.
- 3.8 Once the Corporate Plan Key Actions and Divisional Service Plans have been agreed, they will be subject to the usual reporting procedures for monitoring performance, ie:-

- Monthly reports are considered by Management Team;
- A traffic light warning indicator is used:-
 - Red – target not likely to be achieved.
 - Amber – target currently behind schedule and requires remedial action in order to be achieved.
 - Green – target currently on schedule to be achieved;
- Progress reports to each Board/Sub-Committee meeting, and
- The Scrutiny Board to monitor the performance of indicators and targets where the traffic light is amber or red.

4 Report Implications

4.1 Finance and Value for Implications

4.1.1 Where possible, key actions and indicators for 2015-16 will be achieved from within existing Board/Sub-Committee resources. Details of any additional funding are included in the right hand column of the table in Schedule A and in the Budget report and will be in appropriate cases, the subject of reports to the Board.

4.2 Human Resources Implications

4.2.1 Any Human Resources implications resulting from the proposals in the Schedule will be the subject of further reports to the Board.

4.3 Risk Management Implications

4.3.1 The main risk is ensuring that the Council prioritises its resources to enable it to deliver its priorities. The performance monitoring arrangements set out above provide the mechanism to ensure that remedial action can be taken to review progress and ensure that priority outcomes are delivered.

4.4 Links to Council's Priorities

4.4.1 These are set out in the Appendices.

The Contact Officer for this report is Jerry Hutchinson (719200).

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

CORPORATE PLAN 2015 – 16

North Warwickshire Borough Council has a Vision to make:-

“North Warwickshire, a place where people want to live, work, invest and visit. A Council that, despite tough times, maintains its front line services and works to improve the health and well-being and economic environment of its communities.”

This Corporate Plan sets out the Council’s ten priorities for achieving that Vision, in consultation and partnership with local people, the County, Town and Parish Councils, other public bodies, local business and other stakeholders.

It also sets out the key actions that we aim to take during 2015 - 16, to deliver on those priorities and make a real difference in a difficult economic climate.

“North Warwickshire Borough Council – on the side of the people in tough times.”



Mick Stanley
Leader



Jerry Hutchinson
Chief Executive

OUR VISION

“North Warwickshire, a place where people want to live, work, invest and visit.

A Council that, despite tough times, maintains its front line services and works to improve the health and well-being and economic environment of its communities.”

OUR 10 PRIORITIES

- **PUBLIC SERVICES AND COUNCIL TAX** Protecting public services for local people whilst maintaining a balanced budget and keeping Council Tax increases lower than inflation.
- **LOCAL EMPLOYMENT** Bringing more jobs to North Warwickshire, whilst seeking to protect existing jobs and developing our workforce.
- **ENVIRONMENT** Protecting and improving our local environment.
- **RECYCLING** Improving recycling.
- **CRIME AND DISORDER** Working with the Police, Parish Councils and Town Councils, the community and other partners to tackle Crime and Anti-Social Behaviour.
- **COUNTRYSIDE AND HERITAGE** Protecting and improving our countryside and heritage.
- **HOUSING** Listening to and working with our tenants to maintain and improve our housing stock; providing affordable housing in the right place and intervening, where appropriate, to ensure that private sector stock is in good condition and occupied.
- **ACCESS TO SERVICES** Providing easier access to Council and other public services, particularly through the internet and local community facilities.
- **CONSULTATION AND COMMUNICATION** Improving communication of information and community consultation, including, where appropriate, providing the opportunity to be involved in decision making.
- **HEALTH AND WELL-BEING** Helping to tackle health inequalities by working with the County Council and the NHS locally and by encouraging, where financially viable, leisure opportunities in local communities.

PRIORITIES AND KEY ACTIONS

<p>PRIORITY 1</p> <p>PUBLIC SERVICES AND COUNCIL TAX</p>	<p>Protecting public services for local people, whilst maintaining a balanced budget and keeping Council Tax increases lower than inflation.</p>
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Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To achieve the savings required by the Budget Strategy including the commitment to keep Council Tax increases lower than inflation and to update the Strategy to reflect future developments by October 2015.</p>	<p>Executive Board/Special Sub/DCE, AD (F&HR)</p>	<p>To be met within existing budgets.</p>
<p>To implement the Council Tax Support Scheme 2015/16 and carry out a review to enable a scheme to be set for 2016/17.</p>	<p>Executive Board/ACE (CS)/DCE</p>	<p>To be met within existing budgets.</p>
<p>To update the Medium Term Financial Strategy in September 2015 and February 2016, to take account of external funding changes relating to Business Rates.</p>	<p>Executive Board/DCE/AD (F&HR)</p>	<p>To be met within existing budgets.</p>
<p>To review the Council's membership of the Coventry and Warwickshire Business Rates Pool by September 2015.</p>	<p>Executive Board/DCE/AD (F&HR)</p>	<p>To be met within existing budgets.</p>

Target	Board/Lead Officer	Additional Training/ Financial Implications
To carry out reviews of systems in line with the Council's review plan and explore any opportunities for shared working that may arise, with a view to achieving savings and/or increasing capacity.	Executive Board/Management Team	To be met within existing budgets.
To review the effectiveness of the interim shared management arrangements for Revenues & Benefits and report to Members on the future of the service by March 2016.	Resources Board/ACE (CS)	To be met within existing budgets.
To continue to work through a programme of capital and maintenance improvements to key Council buildings, community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint. Following the completion of the new Coleshill Leisure Centre with energy saving features, a review of other leisure facilities is imminent.	Resources Board/AD (S), AD (L&CD)	The capital and revenue implications will be reported as part of regular update reports.

Target	Board/Lead Officer	Additional Training/ Financial Implications
To continue to contribute to the effectiveness and savings targets through delivery projects which help implement the Procurement and Commissioning Strategy.	Resources Board/AD (CS)	To be met within existing budgets.
To continue to contribute to the effective provision of services through implementing the actions and projects which help deliver the ICT Strategy.	Resources Board/AD (CS)	To be met within existing budgets.
To monitor the operation of the Housing Revenues Account Business Plan and maintain a 30 year forecast.	Resources Board/Housing Sub/DCE, AD (H), AD (F&HR)	To be met within existing budgets.
To continue to look for ways of narrowing the Council's capital funding gap and report annually in February.	Executive Board/DCE, AD (F&HR), AD (S)	To be met within existing budgets.
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.	Executive Board/CE	To be met within existing budgets.
To maintain the existing level of core funding for arts and welfare organisations.	Executive Board/DCE	To be met within existing budgets.

PRIORITY 2	LOCAL EMPLOYMENT	Bringing more jobs to North Warwickshire, whilst seeking to protect existing jobs and developing our workforce.
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Target	Board/Lead Officer	Additional Training/ Financial Implications
To continue to work with partners in the Coventry & Warwickshire Local Enterprise Partnership and with Hinckley and Nuneaton to implement the findings of the LGA economic development report to develop the economy of the Borough and to report on progress by October in each year.	Executive Board/ACE&StC	To be identified as part of consideration of the LGA report.
To continue to work with partner organisations in Coventry, Warwickshire and Hinckley in the Joint Committee and to consider further options for joint work in the light of Central Government arrangements for greater devolution, if this proves beneficial to the local economy.	Executive Board/CE/ACE&StC	To be identified as part of the negotiating process.

Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To undertake work in line with the Human Resources Strategy, including:-</p> <ul style="list-style-type: none"> ▪ Monitoring/managing sickness absence. ▪ Ensuring compliance with employment legislation. ▪ Health and Safety 	<p>Special Sub/Management Team, AD (F&HR)</p>	<p>To be met within existing budgets.</p>
<p>In conjunction with partner agencies, continue to work with individuals and communities to help raise levels of aspiration, attainment and skills and report on progress by March 2016.</p>	<p>Community & Environment Board/AD (L&CD)</p>	<p>External funding will be required to undertake appropriate actions.</p>
<p>To work with the County Council, Job CentrePlus and other partners to provide training and to administer funding provided by developers and through other funding sources to maximise opportunities for employment of local people including employment engagement activity, development of work clubs and bespoke training.</p>	<p>Planning and Development Board/ACE&StC, ACE (CS)</p>	<p>Use of Section 106 funding.</p>

PRIORITY 3 ENVIRONMENT	Protecting and Improving our local environment.
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Target	Board/Lead Officer	Additional Training/ Financial Implications
To continue to take action to reduce the Council's carbon footprint and carbon emission in the Borough, in accordance with the Climate Change Strategy and Action Plan, and to report annually in March on progress. This will include acting on any Government led initiatives for domestic properties.	Community & Environment Board/ACE&StC	To be met within existing budgets.
To maintain a very high standard of street cleanliness (95%) throughout the Borough and target those areas of highest community value to deliver as efficient and cost-effective a service as possible.	Community & Environment Board/AD (S)	To be met within existing budgets.
To work in partnership with the Highways Authority and Highways Agency to improve the appearance of the Borough's main roads.	Community & Environment Board/AD (S)	To be met within existing budgets.

Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>The Council will continue to promote waste minimisation and increased recycling, as well as raising awareness of the problems of litter, fly-tipping and dog fouling using suitable enforcement measures, where appropriate.</p>	<p>Community & Environment Board/AD (S), AD (H)</p>	<p>To be met within existing budgets.</p>
<p>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.</p>	<p>Executive Board/AD (S)/ACE&StC</p>	<p>Investigations to be carried out within existing budgets.</p>

<p>PRIORITY 4 RECYCLING</p>	<p>Improving the role of Recycling.</p>
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<p>Target</p>	<p>Board/Lead Officer</p>	<p>Additional Training/ Financial Implications</p>
<p>To further review and enhance the new refuse and recycling service introduced in October 2013, to improve the efficiency and effectiveness of the service and maintain the Council's recycling rate to above 50% at least and report to Board on the operational impact by March 2016.</p>	<p>Community & Environment Board/AD (S)</p>	<p>To be met within existing budgets, but with a view to achieving revenue savings.</p>

PRIORITY 5	CRIME AND DISORDER	Working with the Police, Parish Councils and Town Councils, the community and other partners to tackle Crime and Anti-Social Behaviour.
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Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To consider the findings of the 2015-16 Crime and Disorder Strategic Assessment and, subject to any changes required by that, to work with the community including the Police, Town and Parish Councils and young people to contribute towards the achievement of the partnership plan 2015 – 2016 actions and targets for the 2015/16 strategic priorities of:-</p> <ul style="list-style-type: none"> ▪ Tackling violent crime, with a focus on most serious violence, town centre alcohol and drug related violence, domestic related violence, young female victims and adult male victims and young adult male offenders. ▪ Tackling anti-social behaviour, with a focus on personal, motorcycle nuisance, youth related and alcohol and drug related anti-social behaviour and town centre locations. 	<p>Safer Communities Sub-Committee/CE, AD (L&CD)</p>	<p>The Council makes additional contributions to supplement the Community Safety Grant received from the Police and Crime Commissioner.</p>

Target	Board/Lead Officer	Additional Training/ Financial Implications
<ul style="list-style-type: none"> ▪ Tackling serious acquisitive crime, with a focus on domestic burglary robbery and theft from vehicles. ▪ To adopt “burglary other” as a priority with a focus on rural locations ▪ Improving public perceptions and public confidence. ▪ Contributing towards the Warwickshire Reducing Re-offending Strategy with a focus on cross border and repeat offenders of serious acquisitive crime. 		
<p>To report on the use and impact of the Nomad 3G mobile CCTV cameras.</p>	Safer Communities Sub-Committee/CE	Any financial implications will be reported as part of the decision-making process.
<p>To report on the extension of the Coleshill Designated Public Places Order and consider options for alternative orders as specified in the Anti-Social Behaviour, Crime and Policing Act 2014.</p>	Safer Communities Sub-Committee/CE	Any financial implications will be reported as part of the decision-making process.
<p>In conjunction with partner agencies, continue to ensure delivery of relevant actions arising through Safer Neighbourhood processes, including, where necessary, the delivery of positive interventions to address anti-social and nuisance behaviour.</p>	Safer Communities Sub-Committee/CE, AD (L&CD)	External funding is often required to undertake appropriate actions.

Target	Board/Lead Officer	Additional Training/ Financial Implications
To report to the Safer Communities Sub-Committee on progress to tackle Rural Crime together with partners by July 2015.	Safer Communities Sub-Committee/CE	External funding has been sought to take initiatives forward specifically in relation to rural crime
To assist the Police and Crime Commissioner in the implementation of the Police and Crime Plan for 2015/16.	Safer Communities Sub-Committee/ CE (R Beggs)	To be met from existing budgets.

PRIORITY 6	Protecting and improving our countryside and heritage.
COUNTRYSIDE AND HERITAGE	

Target	Board/Lead Officer	Additional Training/ Financial Implications
To submit to the Planning Inspectorate a revised Site Allocation Plan by May 2015.	Executive Board/Planning & Development Board/LDF Sub-Committee/ACE&StC	To be met within existing budgets.
To submit final Development Plan documents relating to Development Management Community Infrastructure Levy and Gypsy and Travellers by November 2015.		
To continue to oppose	Executive Board/ACE&StC	Should any additional funding be required, this will be subject to further report.
(a) the HS2 proposal, in partnership with other affected Councils and community action groups and press for the maximum mitigation and other benefits for the Borough; and		
(b) the principle of Opencast Mining.		

Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To continue to:-</p> <ul style="list-style-type: none"> (a) Manage development so as to deliver the priorities on the Council's Corporate Plan and in the Sustainable Community Strategy; (b) Ensure that only appropriate development is permitted in the Green Belt, that development is focused on the agreed settlement hierarchy and protects the best of our existing buildings; and (c) Use the Design Champions to ensure the best achievable designs are implemented and developed. <p>To report on these approaches by March 2016.</p>	<p>Planning & Development Board/Design Champions/ACE&StC</p>	<p>To be met within existing budgets.</p>

<p>PRIORITY 7</p> <p>HOUSING</p>	<p>Listening to and working with our tenants to maintain and improve our housing stock and providing affordable housing in the right places and intervening, where appropriate, to ensure that private sector stock is in good condition and occupied.</p>
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Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To review and develop a revised Asset Management Plan for the Council's stock. (To be done between November 2015 & March 2016.)</p>	<p>Housing Sub Committee/AD (H)</p>	<p>To be met within existing budgets.</p>
<p>To act on the objectives set out in the Local Investment Plan by continuing to appraise opportunities to develop affordable homes. This will include having pipeline development schemes for new homes in the Council's own stock. (From March 2015 onwards)</p>	<p>Housing Sub-Committee/AD (H)</p>	<p>Any financial implications will be identified as development schemes progress.</p>
<p>To act to ensure that the Council's revenue from housing rent income is collected by reviewing and acting on the action plan to mitigate the impact of welfare reforms. (From March 2015 onwards)</p>	<p>Housing Sub-Committee/AD (H)/ACE (CS)</p>	<p>Staffing capacity to collect the rent income when Universal Credit is introduced will be considered as one of the action plan objectives, as will reviewing the impact of other changes introduced.</p>

Target	Board/Lead Officer	Additional Training/ Financial Implications
To implement the work directed by the Borough Care Task and Finish Group and deliver any actions agreed by the Resources Board as part of the review. (From June 2015 onwards)	Resources Board/AD (H)	Any financial implications will be identified as part of the review.
To work in partnership with other organisations to provide a shared service to deliver adaptations in the private sector. This will include revising the Business Plan and reporting proposals to the Housing Sub Committee and Resources Board by September 2015.	Housing Sub-Committee/AD (H)	Any financial implications will be reported as part of the decision-making process.
To review the services delivered to sheltered schemes (including the Neighbourhood Warden and Older Person Support services) in accordance with the direction of the Borough Care review and Supporting People budget changes. (From April 2015)	Housing Sub-Committee/AD (H)	To be met within existing budgets.
Review the Housing Division's policies and procedures for dealing with anti-social behaviour to ensure they are robust and accord with the requirements of the Anti-Social Behaviour Act 2014. (From May 2015)	Housing Sub-Committee/AD (H)	Any financial implications will be reported as part of the decision-making process.

PRIORITY 8	ACCESS TO SERVICES	Providing easier access to Council and other public services, particularly through the internet and local community facilities.
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Target	Board/Lead Officer	Additional Training/ Financial Implications
To report annually in March on the work of the local Financial Inclusion Partnership including for 2015/16 activity with the CAB and Warwickshire Welfare Rights Activity and the local impact of the Welfare Reform programme.	Executive Board/ACE (CS)	Any financial implications will be reported as part of the decision making process.
In partnership with the Local Action Group and Hinckley & Bosworth Borough Council, ensure the successful delivery of the first year of engagement with the new LEADER programme (2015 to 2020) in accordance with the priorities identified in the approved Local Development Strategy and Business Plan and report on progress by March 2016.	Community & Environment Board/AD (L&CD)	LEADER is a predominantly externally funded programme.

Target	Board/Lead Officer	Additional Training/ Financial Implications
To report annually on progress on the delivery of the Customer Access Strategy, including the development of existing Community Hubs, the BOB bus, increased take-up of online services, the success of driving channel shift and the ongoing provision of welfare support, together with partners.	Community & Environment Board/ACE (CS)/AS (IT&P)	Any financial implications will be reported as part of the decision-making process.
Looking to improve transport links to local employment.	Planning & Development Board/ACE&StC	Section 106 funding.
To work to improve broadband access for the people and businesses of North Warwickshire through the work of the Council and specifically the Coventry, Solihull and Warwickshire BDUK Project.	Resources Board/AD (CS)	BDUK funding and approved Council matched funding.
To build a model with Job Centre Plus to implement the requirements of Universal Credit and in particular our input into the Universal Support/Delivery local agenda. This will also be extended to supporting outcomes impacted by new disability rules.	Community & Environment Board/ACE (CS)/AD (H)	Any funding implications will be the subject of discussion with DWP and staffing capacity and roles will be reviewed in light of the impact of the additional works undertaken.

<p>PRIORITY 9</p> <p>CONSULTATION AND COMMUNICATION</p>	<p>Improving communication of information and community consultation, including, where appropriate, providing the opportunity to be involved in decision making.</p>
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Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To ensure we communicate effectively to help inform residents, businesses and all sections of our communities of the Council's services and priorities and their opportunities to be involved in decision making via consultation and report on progress by September 2015.</p>	<p>Executive Board/AD (CS), ACE&StC, ACE (CS)</p>	<p>To be met within existing budgets.</p>

<p>PRIORITY 10</p> <p>HEALTH AND WELL-BEING</p>	<p>Helping to tackle health inequalities by working with the County Council and the NHS locally and by encouraging, where financially viable, leisure opportunities in local communities.</p>
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Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To implement phase 8 of the North Warwickshire Green Space Strategy in accordance with its revised Action and Funding Plan and corresponding Management Plans for Parks and Recreation Grounds, where appropriate.</p>	<p>Community & Environment Board/AD (L&CD)</p>	<p>The significant resource implications are detailed in the supporting Action and Funding Plan and associated Management Plans.</p>
<p>Complete delivery of the Play Area Development Programme with the replacement/refurbishment of equipment at the Memorial Park in Coleshill, in conjunction with the Town Council's wider development of the site.</p>	<p>Community & Environment Board/AD (L&CD)</p>	<p>Appropriate provision has been made in the capital programme for the specified improvements.</p>
<p>In accordance with the approved Management Plan, and in conjunction with the local community, implement improvements at Bretts Hall Recreation Ground in Anasley Common.</p>	<p>Community & Environment Board/AD (L&CD)</p>	<p>£30,000 has been made available in the capital programme to implement improvements. Further funding will need to be secured through external grant aid if the management plan is to be implemented in full.</p>

Target	Board/Lead Officer	Additional Training/ Financial Implications
<p>To continue to co-ordinate the sustainable implementation of the approved Health Improvement Action Plan, including its focus on priorities that are compatible with those of the Community Partnership and the Northern Warwickshire Health and Wellbeing Partnership, the promotion of healthy lifestyles and raising levels of physical activity, in particular for children and young people.</p>	<p>Community & Environment Board/AD (L&CD)</p>	<p>External funding is sought, and often required, to undertake appropriate actions.</p>
<p>Ensure compliance with the Council's statutory responsibilities as a partner and Compact signatory within the Warwickshire Safeguarding Children Board, including the need to implement the provisions of the Child Protection Policy and the Council's renewed Section 11 Audit Action Plan and, where appropriate, to co-ordinate all related activity alongside the need to safeguard adults and other vulnerable people in the community.</p>	<p>Community & Environment Board/AD (L&CD)</p>	<p>Internal "trainers" will continue to deliver the WSCB Level 1 course to relevant colleagues throughout the Authority.</p>
<p>To continue to improve the manner in which the Council consults and engages with and secures the involvement of children, young people and their families within the development, management and delivery of services throughout 2015/16.</p>	<p>Executive Board/Community & Environment Board/Young people's Champion/ACE&StC, AD (L&CD), ACE (CS), AD (CS)</p>	<p>To be undertaken within existing budgets.</p>

Jerry Hutchinson
22 December 2014

FORWARD WORK PLAN 2015/16 – DEMOCRATIC SERVICES

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/ Training Implications
Service Boards/Committees/Sub-Committees as required including Scrutiny and Area Forums	Democratic/Community Engagement	D Harris	May 2015	April 2016	High	All agendas published within the statutory timetable and draft minutes available within 2 working days of the meeting.	Staff time
Commence Preparatory Work on PCC Elections to be held in May 2016	Democratic	D Harris	January 2016	July 2016	High	All activities concluded in accordance with timetable of events.	Staff time

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/ Training Implications
Parliamentary Election and Borough/Parish Elections on 7 May 2015	Democratic	D Harris	Jan 2015	July 2015	High	All activities concluded in accordance with timetable of events	£65k allocated from Cabinet Office for Parliamentary share – equivalent amount needs to be set aside for Borough Elections – costs will be divided equally between PE/BC and PC if contested.
Develop and implement induction programme for Councillors following elections in May 2015	Democratic	J Hutchinson/ D Harris	January 15	June 15	High	All activities concluded in accordance with timetable of events	Staff Time

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/ Training Implications
Individual Electoral Registration	Democratic	D Harris	Ongoing	Ongoing	High	Carried out in accordance with agreed plan	Budget for 2014/15 just under £36k and likely to be overspent. Again, some Government funding for IER for 2015/16 (likely to be less than last year) but amounts still to be finalised.
Carry out Absent Vote refresh for personal identifiers – signatures/dates of birth	Democratic	D Harris	Jan 2016	Jan 2016	High	All Absent Voters written to for information	Staff time
Arrange Event in connection with Local Democracy Week (Oct 2015)	Democratic	D Harris	June 2015	Oct 2015	High	Carried out in accordance with agreed plan	Staff time

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/ Training Implications
Arrange annual meeting between Borough and Town/Parish Councils.	Democratic/ Community Engagement	D Harris	October 2015	January 2016	Medium	Meeting held	Staff time
Assist with production of the Corporate Plan	Corporate	D Harris	Nov 2015	Feb 2016	High	Publication of Plan	Staff time
To reassess all Display Screen Equipment Self-assessments, risk assessments and fire safety audits.	Health and Safety	D Harris	January 2016	February 2016	Medium	Assessments completed	Dependent on the outcome of assessments.
Continue to review processes and procedures within the Section in order to ensure compliance with all appropriate corporate policies and protocols including Health and Safety, Equalities and data quality requirements	Health and Safety High Quality Service Provision	D Harris	May 2015	April 2016	High	Processes and procedures that continue to comply with all internal policy requirements	Staff Time

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Equality							
1. To assist in the Council meeting its duties as set out within the Equality Act including the setting and publishing of equality objectives.	Healthier Communities Access to services Access to services Consultation and Communication	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Updated Equality Objectives which shows the Council meeting its aims and statutory responsibilities.	Training for staff on the Equality Act
2. To support the Council's approach to knowing our customers and understanding their needs including the collection and analysis of customer profiles and developing further the use of MOSAIC.	Healthier Communities Access to services Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 14	March 15	High	Examples of successful targeted service delivering based upon increased knowledge of our customers needs.	Training for staff
3. To arrange Equality and Diversity training including awareness and Impact needs assessment training for new employees and updates for existing staff.	Healthier Communities Access to services Access to services Consultation and Communication	Assistant Chief Executive and Solicitor to the Council	April 14	March 15	High	Training arranged for new starters and updates for existing staff divisions	Training for staff on awareness and impact/ needs assessment E learning packages

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
4. To monitor and ensure that equality impact analysis is undertaken and that the identified actions are implemented within service plans.	Healthier Communities Access to services Access to services Consultation and Communication	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Equality Impact Analysis is carried out to demonstrate that we have used information, data and consultation results to inform our decisions, policies and service development	Training for staff on awareness and impact/ needs assessment.
5. To review he agreed action plan from the findings of an Equality Audit carried out with Nuneaton and Bedworth Borough Council.	Healthier Communities Access to services Access to services Consultation and Communication	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Robust procedures in place to ensure Council is meeting	Training for staff on awareness and impact/ needs assessment.
Emergency Planning and Business Continuity							
6. To maintain and revise the Major Emergency/ and Business Continuity Plans and ensure they are tested annually.	Healthier Communities	Chief Executive	April 15	March 16	High	Plan updated at least every 6 months Updated Corporate Business Continuity Plan	County Council/NWBC provision training on emergency planning and business continuity best practice.
7. To monitor and assist departments reviewing their service continuity plans annually.	Healthier Communities	Chief Executive	April 15	March 16	High	Updated Development/ Service Level Business Continuity Plans Programme of reports to Management Team completed	Corporate training on business continuity best practice.

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
8. To identify any support required from a work programme with the CSWR Emergency Planning Unit.	Healthier Communities	Chief Executive	April 14	March 15	High	Meeting the requirements of the Civil Contingencies Act.	County Council/NWBC provision Cabinet Office funds
9. To support the Warwickshire Local Resilience Forum in delivering the 2015/16 Business Plan.	Healthier Communities Making the best use of Resources	Chief Executive	April 15	March 16	High	Meeting the requirements of the Civil Contingencies Act. The identification of risks and threats and control measures to either mitigate the effect of the risks or to ensure an effective emergency response.	County Council/NWBC provision Cabinet Office funds
10. To assist in the development of measures to minimise the impact of flooding on local communities including mitigation schemes and provision of property protection measures.	Healthier Communities Making the best use of Resources	Chief Executive	April 15	March 16	High	Meeting the requirements of the Civil Contingencies Act. The identification of risks and threats and control measures to either mitigate the effect of the risks or to ensure an effective emergency response.	County Council/NWBC provision

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Performance Management							
11. To collate the quarterly performance reports to Management Team and Boards.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Quarterly reports prepared	WCC reviewing options for future use of performance management system
12. To enhance the use of the Performance Plus performance management system to support the Councils performance management process by March 2016	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	Med	Performance Plus system being used by all the Council's departments. Improved performance management framework.	Maintenance costs of IT system Internal training sessions
13. To prepare performance reports including crime and disorder to Scrutiny Board and assist in the Council's Scrutiny exercises as required.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Reports prepared and well informed scrutiny exercises carried out.	
14. To implement the agreed recommendations from the Internal Audit review of performance indicators return 2013/14.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Recommendations implemented Improved Internal Audit assurance on returns for 2013/14	

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Crime & Disorder							
15. To monitor and co-ordinate the implementation of the actions of the North Warwickshire Community Safety Partnership Plan 2015 – 2016.	Healthier Communities Crime and Disorder	Chief Executive	April 15	March 16	High	Reduction targets and actions being achieved. Perceptions of crime and disorder improved.	Police and Crime Commissioner community safety grants Local funding provision.
16. To support the Safer Neighbourhoods Teams and to ensure that the Council contributes effectively to this.	Healthier Communities Crime and Disorder	Chief Executive	April 15	March 16	High	Addressing local community priorities Perceptions of crime and disorder improved	Revised partnership working arrangements
17. To implement the sustainable provision of locally based support services for victims of domestic abuse following a review of the current arrangements..	Healthier Communities Crime and Disorder	Chief Executive	April 15	March 16	High	Sustained provision of locally based support services for 15/16 Increase in victims making contact with support services.	Need for contribution from the Corporate Policy budget. Local provision subject to outcome of a review taking into account the commissioning of the county wide service provision.

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
18. To support the work of the Safer Communities Sub Committee in achieving its objectives for the priority of tackling crime and disorder.	Healthier Communities Crime and Disorder	Chief Executive	April 15	March 16	High	Reduction targets and actions being achieved. Perceptions of crime and disorder improved.	Need for contribution from the Corporate Policy budget.
19. To support the Priority Families programme and the work of the local coordinating group.	Healthier Communities Crime and Disorder	Chief Executive	April 15	March 2016	High	Outcomes achieved relating to criteria for programme including improved quality of life for problematic families.	Contribution towards provision of Priority Families Support Workers
Compliments and Complaints							
20. To manage the Council's Compliments and Complaints Procedure to ensure that it is effectively implemented and report twice per year to Management Team and Scrutiny Board on the compliments and compliments received including monitoring trends for service improvements.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Reports prepared and service improvements implemented	

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
21. To implement any changes identified by a review of the Procedures being carried out with the Assistant Chief Executive and Solicitor to the Council.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 14	March 15	High	Report prepared and any changes implemented.	

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Consultation							
22. To assist in the implementation of the Council's Consultation Action Plan.	Access to Services Consultation and Communication	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Actions completed Revised approach to communication and consultation implemented.	Consultation budget
Community Planning/Sustainability							
23. To develop and carry out the preparations for Partnership task and finish group events and partnership days.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all ten priorities?	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Partnership Task and Finish group events held.	Community Strategy budget
24. To support the function and co-ordination of the North Warwickshire Community Partnership and its associated structures.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all ten priorities	Chief Executive	April 15	March 16	High	Local strategic partnership responsibilities being met. Improvements in the agreed priorities being achieved.	Community Strategy budget
25. To maintain and develop the North Warwickshire Community Partnership website.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all ten priorities	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	Med	Feedback from users	

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
26. To support the implementation of the Sustainable Community Strategy 2009 – 2026 and the associated scs funding if agreed.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all ten priorities.	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Sustainable Community Strategy 2009 – 2026 in place Progress with improvement of priorities being demonstrated	Corporate Policy budget Reserve allocation planned for 2015/16 tbc.
27. To support the implementation of the objectives and projects prepared by the North Warwickshire Works group.	Raising aspirations, education attainment and skills Access to services Local Employment	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Increased employment of local people at the Birch Coppice Industrial Park	Section 106 Funding
28. To assist in the development of Community Hubs and other associated outreach service provision.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all ten priorities	Assistant Chief Executive Community Services	April 15	March 16	High	Increased access to services Increased opportunities for local people to be employed	Corporate Policy budget Access to services budget
29. Oversee the sustained management and promotion of the North Arden Heritage Trail.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services Countryside and heritage	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Profile of the North Arden Trail maintained and visible.	Corporate Policy Budget

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
30. Support the implementation of a Climate Change strategy and action plan.	Developing Healthier Communities and all ten priorities	Assistant Chief Executive and Solicitor to the Council	April 14	March 16	High	Strategy and action plan approved	

Policy Support Service Plan 2015/16

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Information Requests							
31. To monitor the responses to requests for information to ensure requests are dealt with by 20 working days and to ensure the Council meets its requirements under the Freedom of Information Act and the Environmental Information Regulations and the Data Protection Act and report once per year to Management Team.	Access to Services	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Percentage of information requests dealt with within 20 working days No reported breaches of personal data to the Information Commissioner	There could be further training requirements to refresh awareness of the regulations.
32. To assist in ensuring that the Council's data security arrangements are appropriately in place in line with the Data Protection Policy.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Risks of Data Security breaches are minimised	There could be training requirements to refresh awareness of the DPA and Data Security requirements.
33. To review and assess the implementation of an action plan following the Data Audit carried out during 2012/13.	Public Services and Council Tax	Assistant Chief Executive and Solicitor to the Council	April 15	March 16	High	Risks of Data Security breaches are minimised	There could be training requirements to refresh awareness of the DPA and Data Security requirements.

Agenda Item No 9

Executive Board

10 February 2015

**Report of the Assistant Director
(Finance and Human Resources)**

The Capital Strategy

1 Summary

- 1.1 This report updates the Capital Strategy approved by the Council in February 2014.

Recommendation to the Council

That the Capital Strategy, attached at Appendix A, be approved.

2 Introduction

- 2.1 The Council has an approved Capital Strategy, which is updated on a regular basis. This gives the opportunity to ensure that changes in the Council's overall priorities and circumstances are reflected.

3 Capital Strategy

- 3.1 The Capital Strategy describes the Authority's priorities and its approach to capital investment. It also describes how the use of capital resources will contribute to the achievement of the Council's objectives and desired outcomes.

- 3.2 The consultation used in choosing key objectives and priorities is also covered, as well as links to partners and the local community, to service plans, and to the Authority's Asset Management Plan. The strategy approved in February 2014 has been updated and is attached as Appendix A.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 An assessment of future expenditure requirements and available resources has been undertaken in the capital programme report later on this agenda.

4.2 Legal and Human Rights Implications

- 4.2.1 The Council has a duty to maintain its assets.

4.3 Environment and Sustainability Implications

4.3.1 The use of an effective Capital Strategy will make the most of the resources available to the Council. This will help to achieve the Council's aims, benefiting all who live and work within the Borough.

4.4 Risk Management Implications

4.4.1 The Council has limited resources in both capital and revenue terms and needs to ensure these are used effectively. The use of a Capital Strategy will ensure that resources are directed towards the Council's priorities.

4.5 Equalities Implications

4.5.1 The capital strategy needs to be equality assessed for impact and needs. If and when decisions are made in relation to the Capital Programme, then individual bids will need to be Equality Impact Assessed (EIA) to determine any adverse impact which may affect local communities

The Contact Officer for this report is Stephen Robbins (719337).

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
The Capital Strategy	NWBC	Report to Executive Board	11 Feb 2014

1 Introduction

1.1 The Council provides many services for the people who live or work in or visit the Borough, and aims to improve the quality of life in North Warwickshire. The Council is a member of the North Warwickshire Community Partnership, which works together to meet community needs. A long term vision was established in 2001 where seven priority themes were developed. Following on from successes in these themed areas and continual consultation, a new Sustainable Community Strategy 2009-2026 was developed with focus on 3 key areas. These are:

Raising aspirations, educational attainment and skills

North Warwickshire will exhibit a strong learning culture spanning all age groups. It will be a place where everyone has the greatest possible opportunity to recognise and achieve their potential, having the skills and education levels needed to be successful both personally and in the local economy.

Developing Healthier Communities

Health inequalities within and between communities in North Warwickshire will have been reduced. People will be living healthier and independent lives, making positive lifestyle choices to improve their well-being and that of their community and surroundings.

Improving Access to Services

North Warwickshire communities will be better connected and better served.

The Community Strategy priorities feed through to the Council's goals and objectives and whilst the impact of the new strategy is being developed, the Council has highlighted '10 priorities' on which it wishes to focus. These are:

- Protecting public services for local people, whilst maintaining a balanced budget and keeping Council Tax increases lower than inflation
- Bringing more jobs to North Warwickshire, whilst seeking to protect existing jobs and developing our workforce
- Protecting and improving our local environment
- Improving recycling
- Working with the Police, Parish Councils and Town Councils, the community and other partners to tackle Crime and Anti-Social Behaviour
- Protecting and improving our countryside and heritage
- Listening to and working with our tenants to maintain and improve our housing stock; providing affordable housing in the right places and intervening, where appropriate, to ensure that private sector stock is in good condition and occupied
- Providing easier access to Council and other public services, particularly through the internet and local community facilities
- Improving communication of information and community consultation, including, where appropriate, providing the opportunity to be involved in decision making
- Helping to tackle health inequalities by working with the County Council and the NHS locally and by encouraging, where financially viable, leisure opportunities in local communities.

1.2 The Council uses a Corporate Plan to set out its corporate and service objectives and to provide a framework for individual service plans over the next three years. The Corporate Plan for 2015/16 will form the basis of the Authority's approved three-year Capital Programme.

2 Key Objectives and Priorities

2.1 Within the above strategic framework, key priorities for capital investment and targets for completion over the next five years are, subject to availability of resources, as indicated below:

- to continue to comply with the Decent Homes Standard for Council housing. We are continuing to invest in the Council's stock in order to improve the properties and ensure they are maintained to modern standards – including energy efficiency. The Council's current housing stock at December 2014 is 2,702.

- To increase affordable housing within the Borough. The Council has a target for the provision of affordable housing, which comes from its assessment of local housing need. In addition to its enabling role, the Council is working with Waterloo Housing Association on schemes in Atherstone and Mancetter, which will increase affordable housing. Some of the new housing will be managed by the Housing Association, whilst some will come into the Council's own housing stock.
- to address the problems of public and private sector dwellings, which are either unfit or in serious disrepair, fails the Decent Homes Standard or contains hazards under the Housing Health & Safety Rating System, which includes statutory overcrowding and the regulation of licensable and other 'Houses in Multiple Occupation' and mobile dwellings, and to achieve energy saving targets set by the Government. Within this objective, to maintain the maximum of six months for the length of time applicants remain on the waiting list for Disabled Facility Grants.
- to secure the long-term availability and viability of key facilities provided by the Council and, at the same time, ensure they meet the changing needs and demands of users.
- to deliver services in ways that will best fit the needs of its citizens, at an affordable cost. The key priorities are to look at ways of providing 'joined up' services and better access to services.
- to improve the public realm by focusing on street cleanliness, and through the provision and / or replacement of litter bins and street name plates
- to assess the options for implementing the action plan stemming from the Green Space Strategy, including the maximisation of external funding and partnership working
- to maintain other land assets so that they are fit for purpose. The Council is also considering its land assets and the need for pro-active intervention to steward local town centres in accordance with Government Guidance.
- to seek external resources for economic and community regeneration and development in partnership with other agencies. The Council aims to involve and work with local community and business groups.
- to improve the environment and promote sustainable development, both through direct action on recycling projects and indirectly through designing environmental benefits into other capital projects.
- to meet the Authority's statutory duties, secure the safety of the public, its tenants and the Council's own employees, and meet operational requirements for information technology, vehicles and equipment. This includes meeting requirements of the Equalities Act.

3 Approach to Prioritising Investment

- 3.1 The main factors in determining the size of the capital programme are the requirements for capital spending, the availability of resources for capital projects and the impact of the programme on the Council's revenue budget. However, some resources are specific to a particular scheme or service, and this must also be taken into account.
- 3.2 The demand for capital spending is consistently higher than the funding available. In order to decide which schemes should be included in its capital programme, the Council prioritises the capital schemes put forward. An officer group, Extended Management Team (EMT), assesses and prioritises the competing claims taking this into account. The group is a corporate group, bringing together representatives of all service divisions. EMT agrees the assessment criteria to be used before bids are requested for the coming year. Examples include:
- the contribution to corporate and community plan priorities,
 - if spending enables a statutory obligation to be met;
 - if spending is to maintain an asset;
 - if external funding is available;
 - the revenue impact of individual schemes; and
 - the risk of not taking the scheme forward

- considering the impacts of the scheme on the wider environment and its contribution to positively impacting on the climate change

Attached at Appendix 1 is the checklist used to ensure that these issues have been considered when putting forward bids for capital expenditure.

- 3.3 The contribution of individual schemes towards the achievement of the Authority's goals and targets is considered, together with their relative priority. The group also considers the expected resources over the foreseeable future. This allows a proposed capital programme to be considered by the Authority's Senior Management Team alongside the Corporate Plan.
- 3.4 The Service Boards consider their support for individual schemes. Subject to any comments from the Service Boards, the Senior Management Team then recommends a capital programme to the Executive Board for approval, with the intention of maintaining a small but balanced programme over a ten-year period. The Executive Board actually approves a three year programme, with the first year taken as being firm and schemes put in hand. The later two years are provisional and only preparatory work is allowed to go ahead.
- 3.5 The consistent shortfall in funding and the previous priority of achieving the Decent Homes for the Council housing stock has meant that the majority of non urgent general fund projects have been excluded from the programme. Some of these schemes will become more urgent as time passes, and the Council is taking steps to address the funding gap. More information on how this gap will be closed is given in the sections on working with partners and the disposal of capital assets.

4 Revenue Implications of Capital Investment

- 4.1 The revenue impact of capital expenditure is itself a key factor in capital investment and is considered as part of any bid for capital resources. When approving the capital programme, the Executive Board is made aware of the revenue implications of each scheme and these are built into the budget, which is considered at the same time. This is particularly important, for instance, with the installation of more advanced heating systems in council houses that require annual servicing.
- 4.2 However, the Authority will spend money to save money, and will seek the capital resources for investments that will increase efficiency or reduce revenue expenditure.

5 Managing and Monitoring the Capital Programme

- 5.1 The Executive Board approves the capital strategy of the Authority and subsequently a three-year expenditure programme. The Resources Board undertakes the monitoring and management of the capital programme throughout the year.
- 5.2 With all schemes, the aims and targets of each scheme must be clearly identified before it is included within the programme. Once a programme is underway, the responsible officer monitors expenditure on capital schemes on a monthly basis. EMT also receives monthly monitoring reports on the whole capital programme, which allows issues to be raised and appropriate action taken, if necessary.
- 5.3 Progress against the programme is reported to Resources Board, together with the explanations for any variances. The Resources Board also review the outcomes of the spending undertaken.
- 5.4 Resources Board manage the majority of the Authority's own property portfolio including Council housing, the potential disposal of surplus land and the efficient use of property. The Community and Environment Board also have a property management role, where it relates to leisure facilities. The Scrutiny Board periodically select areas to review, for example, the management and operation of the Industrial Units.

6 Performance Measurement

- 6.1 As well as managing the capital programme, EMT is responsible for monitoring and assessing the effectiveness of expenditure, in comparison with the original aims and targets. All required outcomes are linked to corporate and service objectives and are collected on the capital bid forms. Schemes will not be included in the capital programme without them. Once capital schemes are completed, the lead officer is responsible for reviewing the actual outcomes against targets, and providing feedback to EMT.

- 6.2 Although outcomes are identified, a review has shown that the process for assessing the effectiveness of spending has been inconsistent. To remedy this, once schemes above the agreed level of expenditure are approved and included in the capital programme, measurable outcomes will be collated centrally. EMT will review these annually, to ensure that there is a more rigorous approach in assessing both individual schemes and the programme as a whole. The annual review is timetabled for August, so that the results can inform decisions on future capital expenditure, and feed into both service and corporate plans.
- 6.3 Both quantitative and qualitative outcomes are used, and the achievement of targets is monitored in a number of ways. Examples include both direct and indirect measures:
- performance indicators - decent homes and SAP ratings
 - statistics showing service performance - planning applications completed, benefit claims processed, number of customer visits at leisure sessions, in particular following capital investment
 - professional surveys – electrical installation
 - user/stakeholder surveys – leisure centre users, people contacting the Council, staff surveys regarding IT equipment and systems
 - established user groups – Council house tenants
 - focus groups – leaseholders
 - benchmarking – customer contact, waiting lists for private sector grants
 - public consultation – questionnaires on the internet
- 6.4 Management Team monitors all corporate plan targets and performance indicators on a quarterly basis, with Directors monitoring directly with Assistant Directors in the intervening months, to allow more responsive management. Progress against Corporate Plan targets and performance indicators is also reported to Boards, with the further detail monitored by Divisions through service plans.
- 6.5 Due to the weighting of the housing element of capital spending, a lot of emphasis has been placed on performance measurement in this area. The Housing Division monitors progress in a variety of ways, and the satisfaction of tenants with the housing service is tested through surveys, which are generally very positive.
- 6.6 Despite lower levels of resources available for other projects, increasing emphasis is being placed on performance measures in these areas. Performance information has been used to inform capital bids in a number of areas such as private sector grants.
- 6.7 The AMPG collect data for monitoring relevant performance indicators and outcomes against asset targets. This data is used to carry out benchmarking with other relevant organisations. Through this, spending on utilities was identified as high, with action taken to find better tariffs through purchasing gas and electricity via framework contracts, contributing towards the sustainability of assets. The results of surveys undertaken as part of the Authority's asset management has also been used to identify the need to undertake a wider review of current accommodation and needs.
- 6.8 In some areas of spend the achievement of outcomes led to the receipt of additional grant and was also influential in the Council setting up a partnership with the other Warwickshire Districts for the procurement and operation of contact centre software. The Council has also been successful in gaining external grants for a range of economic development projects, which are dependent on the measurement and achievement of outcomes.
- 6.9 Different methods are used for communicating the results of performance measurement with stakeholders. These include: the Authority's own publication 'North Talk', which goes to all residents of the Borough three/four times per year, the Council's website, posting the results of user surveys at leisure facilities, the Housing Revenue Account Business Plan and local tenant meetings. The Borough Wide Tenants Forum is increasingly being used to give feedback and gauge priorities for expenditure on the housing stock.

7 **Cross-cutting Activity**

- 7.1 The Authority is taking a positive approach to cross cutting issues, as can be seen from the innovative solutions to some of the problems within the Borough. Increasingly the Council is working with other authorities and agencies to provide more holistic services. The extension of the Council's reception area

to provide access for local residents to health services and voluntary services is an example, as is the use of a community bus.

- 7.2 Limited financial ability to contribute directly in many areas has led to the use of other routes. In partnership with other Government agencies, the Authority has given Private Sector renewal and energy efficiency grants to assist homeowners to make their properties more sustainable. However, the authority is also using a member of staff to assist members of the public to access funding from other bodies. Other examples are given in the next section, on work with partners.

8 Work with Key Partners

- 8.1 The Council is working increasingly with partner organisations to achieve its aims and objectives, either where it is more efficient, or where it will maximise resources by enabling additional funding to be brought in through outside agencies. Examples of current partnership working with some key partners are:

Housing Associations / Housing Corporation

- The Council continues to work with Housing Associations, such as Waterloo. The type of working varies according to the circumstances for both organisations. Current schemes involve the redevelopment of two Council areas, which will provide both organisations with new properties.

Warwickshire County Council

Part of the Council's capital strategy is to work with the County Council where this benefits the residents of North Warwickshire:

- A dual use arrangement is used for the provision of a leisure facility in Polesworth. A new leisure centre has been built in Coleshill which is a partnership with the County Council and Coleshill School.
- The County Council make use of the one-stop reception area in the Council House of the Borough Council, and is renting some office accommodation which is no longer needed by the Council.

Other District Councils

- Ongoing partnership working with regard to customer information and access to services, involving all the Warwickshire authorities, was a result of a successful funding bid a number of years ago.
- Where possible, the council will look to develop links with other local authorities to assist in maximising the use of its assets and capital resources. This includes benchmarking with the other local authorities in the area, such as South Derbyshire, Blaby and Hinckley and Bosworth District Councils.

Parish / Town Councils

- The Council has an ongoing partnership with Atherstone Town Council for the monitoring of the CCTV scheme in the town, and has recently replaced existing equipment to improve the work of the partnership
- The works to replace the play areas throughout the Borough have been carried out in conjunction with the relevant parish councils and have resulted in various contributions from them to enhance the facility provided within their localities.

Warwickshire Police

- The Police have rationalised their accommodation in Atherstone and are now renting some accommodation from the Council.

The Coleshill School

- A new leisure centre has been built on the site of Coleshill School which will be operated as a community asset. A dual use agreement has been arranged between both parties to ensure the provision of services to students and the wider community in Coleshill.

Coventry and Warwickshire Partnership NHS Trust

- One of the Council's priorities is around health and well-being. The current one stop reception in the Council House has been made available to the Trust, to allow the provision of health advice in a local setting. Although this is still available, greater emphasis has been placed more recently, on joint working with health colleagues to take information and services out into communities.

External Funding Agencies

The Council looks to work with other agencies where it can obtain additional funding to meet its priorities. Some examples are:

- The partnership with the Coleshill School, which allowed access to grant funding from the Education Funding Agency.
- Grant funding from DEFRA and the European Union has been secured for the LEADER project, in conjunction with Hinckley and Bosworth District Council. This allows local community groups to bid for funding, with the Council acting as the accountable body.

Local businesses / Voluntary Sector / Community Groups

The Authority has also recognised opportunities for obtaining indirect funding for the area by working with other organisations which can access funding not open to the Council, or which are willing to invest their own resources. A cross-divisional group was used to build knowledge within the organisation and to help identify alternative sources of funding, which could be accessed directly or by other partners. The sharing of information is now done on a more informal basis. Examples of these partners are shown below.

- Apply to other outside bodies such as Sport England and the Arts Council of England for leisure facilities funding, on behalf of community organisations. In addition, assistance continues to be given to community groups who wish to apply for funding for specific activities. A recent example is an application for enhancing play area provision in a specific location.
- The Council will continue to work with local young people to provide appropriate leisure opportunities. All funding opportunities will be considered, including sponsorship from local businesses.
- The Council has worked over the last 4 years with an external supplier on refurbishing some of its play areas. This has allowed greater works to be undertaken than would have been the case under a more traditional arrangement
- The Council has obtained funding from private developers for transport initiatives through planning gains under section 106 agreements. Schemes for traffic calming measures and rail links from commercial developments will assist in a number of community plan priorities: improving transport and employment, training and recruitment opportunities in the Borough, and addressing community safety concerns.

9 Details of Consultation

- 9.1 The development of the Sustainable Community Strategy involves a range of consultation to gain as wide a response as possible. Involving the community has included local public meetings, staff visits to village shops and local markets to hear from people, consulting the North Warwickshire Citizens' Panel about services, a Young People's Forum, and an Annual Partnership Day attended by representatives of many local organisations.
- 9.2 The Council periodically undertakes a wide-ranging consultation exercise with a People's Panel of 1,000 local residents. Their concerns about specified issues and their views regarding improvements to enhance the quality of life in their area have been taken into account in proposing and evaluating new capital schemes. The capital strategy reflects the aims of local people for service delivery and provision. Conflict between aims is dealt with by consulting on specific issues.
- 9.3 As housing forms a significant part of the capital programme, the Council consults widely with its tenants using regular newsletters, tenants' groups and its Borough Wide Tenants Forum. Other means are used

as appropriate, for example road shows were used to make tenants aware of potential options for the housing stock. Tenant representatives are also involved in looking at the Housing service, including the work programme being undertaken from capital resources. With increasing numbers of leaseholders, both general and individual meetings have been undertaken to discuss planned major work programmes. Leaseholders' views have influenced the final outcome, for example, on window replacements.

- 9.4 A Local Strategic Partnership (North Warwickshire Community Partnership) has been established with representatives of the public, private, community and voluntary sectors. The Authority also draws upon the recommendations of individual service reviews when considering its capital priorities. Part of any review is to consult specifically with users of the service, either directly or by the use of focus groups, before drawing up Improvement Plans. These feed into Service and Corporate Plans, and then into the capital programme. In drawing up its Green Space Strategy, the Council consulted members of the public and local interest groups, with the results informing our proposed investment in parks, playing fields and open spaces. Similarly, the views of young people in particular were taken on play equipment, before decisions were made on the refurbishment of play areas.
- 9.5 The Council consults business ratepayers on an annual basis, about both revenue and capital spending.
- 9.6 The Local Development Framework, the umbrella planning policy document, relies heavily on consultation. This includes groups such as Warwickshire Wildlife Trust, Natural England, local farmers, Severn Trent and other local stakeholders. The emphasis is on who is consulted with changes at the various stages of the framework to ensure that the feedback is relevant and not over onerous on any one group.

10 **Links to Other Relevant Strategies and Plans**

- 10.1 The Council's capital investment strategy is set within the framework of the Corporate Plan, together with other strategy documents. In developing its Corporate Plan and performance management systems, the Authority has taken care to reflect national guidance and regional strategies for housing, planning, leisure and economic development, as well as the Sustainable Community Strategy. Other strategies most relevant to capital investment are:

- Housing Strategy and the HRA Business Plan – this links very directly with the capital strategy, going into greater detail on how the priorities on Decent Homes and affordable housing will be met
- Local Development Framework – research on Local Housing needs and Structure Plan targets suggest a relatively high local need for new socially rented housing.
- Play Strategy – looks at the organisational and physical requirements to provide a co-ordinated approach to play provision in the Borough. This may identify a need to provide new outside play areas,
- LEADER Strategy – looking at increasing the access to council services, particularly in rural areas, which may impact on the IT infrastructure at local communal points
- Partnership Plan – this highlights the work undertaken with partners to tackle crime, and fear of crime. Due to limited resources, capital schemes generally need to lever in additional funding.
- Procurement Strategy - a strategy has been produced to guide the procurement of goods and services. There is greater opportunity in the capital programme, given the higher volumes of spending.
- Asset Management Plan (AMP) – this looks in detail at the management of the council's assets
- Service Plans – changes in methods of service provision can influence the bids put forward for capital schemes

- 10.2 The Council commissioned a Green Space Strategy, which was reported to the Executive Board in December 2008 along with an action plan and suggested funding strategy which identified a significant short fall in resources. Some work has been carried out to assess the options for narrowing this gap and to prioritise the areas of work identified, but more will be needed in the coming year.

11 **Disposal of Capital Assets**

- 11.1 The Authority has a number of small sites acquired in the past to provide Council Housing. The need to retain these is being reviewed, with a view to identifying which can be used in the achievement of its capital priorities. The Council will look to use its land bank for either new affordable housing for local needs, or to generate additional receipts for spending on its own stock or other capital priorities. In 2008/09, outline planning permission was granted on several plots of land with the aim of assisting the sale and maximising the capital receipt.

- 11.2 During 2009, there was a major downturn in the economy, which has had a significant impact on both the ability of the Council to dispose of assets and on the value of the assets themselves. As a result the Council has taken the general view that it is better to wait for the market to recover before actively trying to dispose of assets.
- 11.3 However if an opportunity arises related to an individual site, this will be evaluated at the time with each site considered on its merits. Where the Council decides to use the land for affordable housing, it will work with others to maximise the outcome, in terms of housing units produced and bringing in further resources. This approach will include supporting RSL bidding, partnership with RSLs and developers in new development and where appropriate the processing of sites through the Council's ownership. Where land is sold at full market rate rather than for affordable homes, the Council has decided to set aside a certain amount towards green space improvements thus compensating for the loss of the existing open space but encouraging the enhancement of open spaces elsewhere.
- 11.3 Although the Council will also look at the potential for rationalising other assets through the Green Space Strategy and the Accommodation review, any decision to dispose of land will be taken with full consideration of the economic position. Decisions on the generation of any additional receipts will be made, taking into account the priorities of schemes that are currently excluded from the capital programme.
- 11.4 The Council also has a small portfolio of industrial and commercial property, which it acquired to underpin small firm activity and diversify the local economy. This was essential in the past when the Boroughs economic fortune was determined by the plight of the mining, extraction and utilities industries. This portfolio served a key purpose at the time and can continue to do so but possibly under different ownership. Previous assessments of the viability of the Council's industrial estates showed it was not in the Council's interest to dispose of these assets. Other assessments will need to be refreshed periodically in the future.
- 11.5 Overall and comparatively the Authority does not have a large portfolio of assets that can be used to fund future investment. However, any proceeds will help the Council to meet its capital priorities.

12 Funding the Capital Programme

- 12.1 After programming in all previously approved schemes and those which have been deemed essential, the Council has a small surplus in General Fund capital resources over the next ten years. Although this ten year programme includes some major schemes such as the Disabled Facility adaptation work to private sector homes, funding pressures remain.
- 12.2 Some schemes are part funded from contributions from General Fund revenue budgets. However funding from government grant for Disabled Facility work and Right to Buy receipts have been assumed in resource projections. Both of the latter sources of funding have a degree of risk associated.
- 12.3 From April 2012 the Council has moved to a self financing system, with funding for the housing capital programme generated through the rent received from the tenants.
- 12.4 Funding for the construction of the affordable houses will be generated from a number of sources which includes an annual £1m contribution from rental income, receipts from the sale of land and grants received through partnership working with Waterloo Housing. In addition to this through self financing, Right to Buy Sales above the forecast level in the HRA business plan (after taking into consideration the associated self financing debt repayments) can be used to offset the construction of new affordable housing. In order to qualify, the receipts from these additional sales must be utilised within a 3 year period and also be less than 30% of any programme cost.

13 **Conclusion**

- 13.1 In producing the current capital programme, the Authority has had to defer a number of schemes, to keep a balanced programme. It is keen therefore to maximise all potential resources, including additional external funding. Increased public consultation and the use of area committees has raised expectations, and if participation is to be maintained and further increased, the Council must meet the needs identified.

Capital Bid Form Checklist 2014-15

Responsible Board		
Monitoring Officer and Budget Holder		
Name of the Scheme		
Basic Details of the Scheme		
Objective of the Scheme		
Implications if the capital scheme does not go ahead		
Cost of Capital scheme	Year 1	
	Year 2	
	Year 3	
	Year 4	
	Year 5	
	Year 6	
	Year 7	
	Year 8	
	Year 9	
	Year 10	
Delivery options, other than capital expenditure, if relevant		
Measurable Target of Success once scheme completed		
Which Council Priorities will be met from the scheme?		
Is the scheme to meet statutory requirements?		
What is the level of risk of a problem occurring if the scheme is not carried out? (1-5)		
If the scheme did not go ahead, what is the possible level of impact to the Council? (1-5)		
Revenue Implications	Year 1	
	Year 2	
	Year 3	
	Year 4	
	Year 5	
	Year 6	
	Year 7	
	Year 8	
	Year 9	
	Year 10	
Any external funding?		
Does the scheme impact on the environment or affect climate change?		

Agenda Item No 10

Executive Board

10 February 2015

Report of the Management Team

The Proposed 3 Year Capital Programme 2015/16 – 2017/18

1 Summary

- 1.1 This report puts forward proposals for the Three Year Capital Programme and outlines the availability of capital resources and the options to meet any shortfalls.

Recommendation to the Board

- a That the Board adopts the Revised Capital Programme for 2014/15 as set out in Appendix A;**
- b That the Board adopts the 3 Year Capital Programme for the period 2015/16 to 2017/18 as set out in Appendix B; and**

Recommendation to Council

- c That the prudential indicators set out in Appendix F are approved, subject to any changes that may be required as a result of decisions taken during this evening's meeting.**

2 Background

- 2.1 The Council is permitted to borrow to fund capital expenditure, but no longer receives government support for any new borrowing. The Council has the ability to undertake unsupported borrowing and have forecast the use of this in order to fund the office accommodation project, the new Coleshill Leisure Centre build costs and the purchase of refuse vehicles from the vehicle renewal scheme.
- 2.2 From 1 April 2012 the Authority is no longer part of a national housing subsidy system and has moved to a self financing system. The new arrangements enable the Council to fund housing capital spending from the revenue generated through the Housing 30 Year Business Plan.
- 2.3 Other sources of finance are required to enable the Council to fund the Capital Programme and we will continue to be dependent on the use of capital receipts from the sale of Council houses and land, together with

external sources, notably Disabled Facility Grants for private sector housing.

3 **2014/15 Revised Capital Programme - Expenditure**

- ...
- 3.1 In relation to capital expenditure, Appendix A shows the originally approved programme for 2014/15 (column (1)), including the schemes brought forward from 2013/14 (2). The revised position is £1,415,460 less than the approved programme and is shown in column (6).
 - 3.2 In terms of the housing capital programme, the overall budget has increased by £35,260. This is a result of an increase in staffing costs of £16,260 plus a further £19,000 worth of expenditure on the replacement of DLO vehicles.
 - 3.3 £30,000 worth of expenditure on Enhancement to Parks and Playing Fields has been moved into 2015/16 to reflect the fact that works at the Coleshill Memorial Park will not be undertaken until next year. Work on the facilities at Boot Hill, Grendon and Westwood Road, Atherstone will be completed in 2014/15.
 - 3.4 An additional scheme for the purchase of new gym equipment at Atherstone Leisure Complex (as part of the scheme to purchase equipment at the new Coleshill Leisure Centre) has been added to the programme and will be funded through the use of Earmarked Reserves.
 - 3.5 Further expenditure of £31,470 has been included for improvements to some of the authorities Play Areas which will be funded through additional contributions from earmarked reserves.
 - 3.6 The budget for schemes related to work on Maya Restaurant (previously known as the Bear & Ragged Staff), Innage Park and The Pavilions has been moved in part or in full to 2016/17 to reflect the expected timings of these works.
 - 3.7 The scheme for Life Lines has received an additional £10,000 budget allocation which was agreed at Executive Board on 22 September 2014. £5,000 of this increase is a one-off improvement for 2014/15 only while the other £5,000 is an ongoing increase.
 - 3.8 Due to changes in the transport renewal schedule, budget of £1,027,900 has been removed from the revised 2014/15 budget and spread across future years. The main reason for this movement is due to the long lead in time required to purchase some of these vehicles.
 - 3.9 General Fund Capital Salaries have increased by £560 and this has been reflected in the 2014/15 revised budgets.
 - 3.10 The final actual expenditure out-turn for 2014/15 could still differ to the revised position shown. It is difficult to predict when some work will be completed and some schemes, like the Disabled Facility Grants and

Decent Homes Grants for Private Sector Housing are reliant on the timing of client claims for works over which the Council has no control. In line with normal practice, the Executive Board may be asked to approve the carry over of some of these budgets into 2015/16, once the final spend for 2014/15 is established.

4 Formulating the Capital Programme

4.1 The Council needs to control its capital programme carefully, firstly to ensure that available resources are targeted effectively towards meeting corporate targets and secondly, to take into account the effect that capital expenditure has on revenue budgets. The Capital Strategy, which outlines our capital spending criteria, is included as a separate agenda item at this Board's meeting.

4.2 The capital programme, by its nature, is long term and therefore the initial programme drawn up is for a ten year period to 2024/25. However, as both expenditure and funding is difficult to predict so far in advance, a more detailed three-year programme has also been developed.

5 10-Year Capital Resource Forecast - 2015/16 to 2024/25

5.1 The resources for 2015/16 to 2024/25 have been estimated using the following assumptions:

- Some capital receipts will be received from Right-to-Buy sales (15 properties per annum) and the council is taking advantage of some funding changes to increase its overall resources. Sales higher than assumed in the HRA settlement can be retained to fund the construction of new properties after taking into account the associated self financing debt repayments;
- The receipt of Disabled Facility Grant of £296,000 per annum has been confirmed for 2015/16 and future year estimates have been based on these levels;
- Revenue contributions for specific projects such as leisure centre equipment replacement will continue at the existing levels. The use of revenue contributions to fund HRA expenditure;
- The use of borrowing for some elements of the programme.

5.2 The expected resources for the period 2015/16 to 2024/25 are shown in the table below:

	HRA £'000	Gen Fund £'000	Total £'000
Resources b/f	(5,807)	(2,794)	(8,601)
Use of earmarked reserves	-	(710)	(710)
Revenue Contributions to capital schemes	(53,784)	(740)	(54,524)
Borrowing/Leasing	(917)	(5,570)	(6,487)
Capital receipts	(2,282)	(1,315)	(3,597)
Grant or other income	(1,733)	(2,960)	(4,693)
Total	(64,523)	(14,089)	(78,612)

5.3 This gives a total of £78.612 million available resources over the ten-year period to 2024/25. However, it must be emphasised that figures for 2016/17 onwards are indicative only, and firmer figures will only be available a few months ahead of the relevant year.

6 Ten Year Capital Expenditure Forecast – 2015/16 to 2024/25

6.1 An initial forecast of all potential capital projects has been collated covering the next 10 years, including both HRA and GF schemes. This followed a thorough analysis of the general fund building maintenance requirements, as required by the Asset Management Plan and a detailed breakdown of the key components needed to maintain the Decent Homes Standard within the Council's housing stock in the future.

6.2 A draft 10 year capital programme commencing in 2015/16 has been compiled based on the approved schemes from 2014/15. The opportunity has been taken to assess any new schemes and review schemes previously classed as non essential, to assess whether this classification is still valid. The review also gave the opportunity to reconsider the timing of existing schemes.

6.3 The 2015/16 HRA capital programme focuses on 3 main work streams - heating, wall insulation and roofing. A full stock condition survey will be completed in late 2015 and the results of this will be used to drive a review of the key areas of focus for the remainder of the 10 year programme.

6.4 There is a continuation of the scheme to increase new build homes in the HRA. This is required under the Section 11 agreement that the Council has entered into with the Government to retain some of the capital receipts relating to the sale of council houses. This expenditure will be focused on specific schemes in Lister Road, Church Walk, Ridge Lane and Hartshill in 2015/16 to 2017/18.

... 6.5 The draft programme is summarised below and the details are shown in Appendix B:

Initial Forecast 2015/16 to 2024/25	£000
HRA	57,123
General Fund	12,566
TOTAL	69,689

6.6 As shown in the previous section, the total estimated resources for the ten-year period are £78.612 million compared with the expenditure bids of £69.689 million. This leaves a surplus of £8.923 million, the majority of which (£7.4 million) relates to the HRA programme. This expenditure reflects the total bids put forward for consideration that have been identified to ensure the continuity of current services, as well as the development of some new services.

6.7 Included within the expenditure on the General Fund is work on Atherstone Leisure Complex, Innage Park, The Pavillions and Maya Restaurant

(previously the Bear & Ragged Staff) all of which are being reviewed for the future feasibility of these assets.

- 6.8 While no allowance has been made for it in the Capital Programme, discussions are ongoing as to the future of the Depot at Sheepy Road, with officers investigating the costs of refurbishment or replacement of the facility.

7 Unallocated Schemes

- 7.1 The level of schemes put forward for inclusion in the capital programme far outweighed the combined HRA and General Fund resources available. As a consequence projects which have been assessed as non essential have not been included in the proposed programme. Details of these schemes are outlined in Appendix C.

However, officers are working to find solutions to some of these issues.

- £2m of refurbishment or replacement has been identified for the Memorial Hall in Atherstone, for which there is currently no specific funding available. The options for the Memorial Hall are subject to a separate financial and operational review.
- £1.5m of works has been identified at the various industrial units that the Council owns. As part of the Asset Management Plan process, a financial and operational review will be carried out. Until this analysis is carried out, commitment to expenditure would not be advisable, but should the review show that the Council should retain the assets, investment will need to be made.

8 Three-Year Capital Spend and Resources to 2017/18

- 8.1 As well as the long term programme, it is prudent to ensure that the Council can afford the capital schemes required in the medium term. As such, schemes included in the next 3 years have been assessed.

- 8.2 The table below highlights that there is an overall surplus generated over the 3 year period for both the General Fund and the HRA.

Potential 3 year programme	HRA £'000	Gen Fund £'000	Total £'000
Resources b/f	(5,807)	(2,794)	(8,601)
Total 3 year resources	(17,289)	(3,677)	(20,966)
Total 3 year expenditure	18,683	4,439	23,122
Total	(4,413)	(2,032)	(6,445)

- 8.3 It is prudent to have a capital programme with surplus balances. The incoming resources include Right to Buy and sale of land within the resources total, both of which have a degree of risk associated with them. In addition, resources are not received consistently, and the surplus will be needed to fund 2018/19 onwards.

9 Prudential Indicators for Capital Investment

- 9.1 The introduction of the Local Government Act 2003 resulted in a change in the capital finance system for Local Authorities, and established a prudential framework for capital investment. Under this system, Councils are free to determine the affordability of their capital investment proposals and of any borrowing required to finance those proposals.
- 9.2 A prudential code was developed which requires the Council to consider the affordability of its proposals, their prudence and sustainability, value for money, asset management planning, practicality and service objectives.
- 9.3 In addition to the information already provided within this report, the Council is required to set and review regularly a range of indicators that have been developed as part of the Code, which will be used to support capital investment decision-making. As risk and uncertainty form a key part of capital investment planning, the Code requires three year integrated capital and revenue spending plans to determine the indicators. These need to be set as part of the overall budget-setting process.
- 9.4 The Code requires six sets of indicators be set. Two sets of these indicators have already been detailed within the Treasury Management Strategy statement, MRP Policy statement and Annual Investment Strategy for 2015/16, which was reported to Resources Board on 26 January 2015. These are:
- External Debt Indicators (the Authorised Limit for Borrowing and the Operational Boundary); and
 - Treasury Management Indicators.

Each of the remaining sets of indicators is covered in the paragraphs below.

- 9.5 **Capital Expenditure Indicators** – the Council is required to make a reasonable estimate of the capital expenditure it plans to incur in each of the next three years, and report actual expenditure incurred at year-end. Using the proposals contained within this report, these are set out below, together with the actual position for 2013/14 and the revised position for 2014/15.

	Actual 2013/14 £'000	Revised 2014/15 £'000	Original 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000
HRA	1,995	4,827	3,286	3,736	3,798
HRA - New Build	241	1,880	3,200	2,917	1,745
General Fund	5,533	5,733	2,188	1,744	507
Total	7,769	12,440	8,674	8,397	6,050

- 9.6 **Capital Financing Requirement Indicators** – these indicators measure the Council's underlying need to borrow to fund capital expenditure, which is the normal level of borrowing expected. The actual capital financing requirement as at 31 March 2014, the revised estimate for 2014/15 and estimates for the next three years are set out below. The method of calculation is set out as Appendix D.

	Actual 2013/14 £'000	Revised 2014/15 £'000	Original 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000
HRA	57,223	55,973	54,673	53,223	51,623
General Fund	13,706	15,222	16,509	16,325	15,771
Total	70,929	71,195	71,182	69,548	67,394

- 9.7 **Capital Financing Cost Indicators** – an indicator of affordability is the estimated ratio of financing costs to net revenue stream in percentage terms. If the ratio is increasing rapidly over time, then a larger proportion of revenue resources are being taken up by financing costs, which could be used to fund direct service delivery. This indicator is calculated for both the General Fund and the Housing Revenue Account, and these are shown below. The calculation of both is shown in more detail in Appendix E.

	Actual 2013/14	Revised 2014/15	Original 2015/16	Forecast 2016/17	Forecast 2017/18
HRA	26.34%	24.76%	23.83%	24.30%	24.39%
General Fund	1.44%	2.47%	2.40%	4.88%	4.76%

- 9.7.1 HRA financing costs reflect the payment of the debt taken out by the Council as part of the move to self financing.

- 9.8 **Incremental Impact Indicators** – A further indication of affordability is the estimate of the incremental impact on Council Tax and Housing Rents, over and above the capital financing decisions that have previously been taken by the Council. These are shown in the tables below:

General Fund	Original 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £	Forecast 2017/18 £
Council Tax at Band D	0.17	12.33	6.91	4.63
Council Tax at Band D - aggregate	0.17	12.50	19.41	24.04

HRA	Original 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £	Forecast 2017/18 £
Average Weekly Rent	-	-	-	-
Average Weekly Rent - aggregate	-	-	-	-

9.9 A summary of all six sets of indicators is given as Appendix F, as these will need to be approved by the Council. However, these may need to be amended, depending on the decisions on the capital programme taken by this Board.

9.10 **Net debt and the capital financing requirement** – an indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Authority must ensure that external debt does not exceed the total capital financing requirement for the preceding year and the estimates for the next two financial years. Current external borrowing is £57.539 million, well below the Capital Financing Requirement projections shown in paragraph 9.6.

10 Conclusion

10.1 Some sources of funding are specific to particular types of expenditure. The proposed programme takes this into account, so Members need to be mindful of this should they wish to vary the proposed programme.

10.2 Only those schemes that either meet a statutory duty or which score highly against the Council priorities and risk assessment are included in the Capital Programme.

10.3 The proposed 3 Year Programme has a level of unallocated balances which is felt prudent as there are certain risks to some income streams and potentially unforeseen costs that may be unavoidable.

11 Report Implications

11.1 Finance and Value for Money Implications

11.1.1 The financial implications of this 3 Year Capital programme, in terms of the cost of funding and any maintenance costs that will be incurred, are given below.

GENERAL FUND	2015/16	2016/17	2017/18
	£	£	£
Financing costs	239,510	134,320	89,690

Note. Not all of the financing costs are additional, as some relate to the replacement of existing vehicles.

11.2 Environment and Sustainability Implications

11.2.1 Continuing to follow the capital strategy when setting a capital programme will ensure that the Council continues to achieve its priorities within the available capital resources.

11.3 Equality Implications

11.3.1 The proposals for the capital programme will need to be equality assessed for impact and needs and some of the schemes highlighted in the report

will have positive impacts including the housing developments and improvements to Leisure facilities.

11.4 Safer Communities

11.4.1 The identified schemes would have positive implications for the development of safer communities, in that the provision of good quality leisure opportunities reduces the likelihood of criminal and/or anti-social behaviour.

11.5 Risk Management Implications

11.5.1 There are a number of risks associated with setting a capital programme, as assumptions are made on the type and level of available resources, as well as the required level of expenditure. To minimise the risks, decisions on these have been taken using past experience and knowledge, informed by current forecasts and trends. There is a degree of uncertainty regarding the land sales budgeted for in the next few years, however this risk is small given the limited inclusion of receipts. Risk will be managed through the production of regular budgetary control reports, assessing the impact of variances and reporting on the need to take any further action.

The Contact Officer for this report is Stephen Robbins (719337).

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

	(1)	(2)	(3)	(4)	(5)	(6)
Expenditure Proposals	Original Budget	Slippage	Approved Budget	In year Virements	Other Movement	Revised 2013/14
HRA Assets						
External works	-	40,680	40,680	- 40,680	-	-
Staffing	159,370	-	159,370	-	16,260	175,630
Asbestos	-	58,970	58,970	-	-	58,970
Kitchens and Bathrooms	-	463,210	463,210	- 463,210	-	-
Heating	1,000,000	28,460	1,028,460	-	-	1,028,460
Electrics	4,680	-	4,680	- 4,680	-	-
Windows	-	5,430	5,430	- 5,430	-	-
Chimney stacks	-	26,140	26,140	- 26,140	-	-
Loft insulation	-	162,150	162,150	- 162,150	-	-
Wall insulation	626,470	723,160	1,349,630	162,150	-	1,511,780
DFG adaptations	175,000	-	175,000	-	-	175,000
Garage Roofs	-	16,510	16,510	- 16,510	-	-
Roofing	382,070	158,020	540,090	463,210	-	1,003,300
Structural repairs	-	13,910	13,910	-	-	13,910
Maintenance of unadopted areas	22,820	41,840	64,660	-	-	64,660
Fencing	-	65,520	65,520	- 65,520	-	-
Piccadilly External Works	-	-	-	-	-	-
Replacement of DLO Vehicles	45,000	-	45,000	-	19,000	64,000
Replacement of housing Vehicles	28,470	-	28,470	-	-	28,470
HRA Multi-trade contingency contract	543,520	-	543,520	158,960	-	702,480
New Build	1,081,350	798,540	1,879,890	-	-	1,879,890
HRA TOTAL	4,068,750	2,602,540	6,671,290		35,260	6,706,550
General Fund Assets						
DDA	-	351,250	351,250	-	-	351,250
Electrical Work to Council Premises	15,000	87,850	102,850	-	-	102,850
Enhancement to Parks and Playing Fields	120,000	-	120,000	-	30,000	90,000
General Leisure Equipment	20,000	-	20,000	-	-	20,000
ALC Gym Equipment	-	-	-	-	95,150	95,150
Ath Accommo Project	423,830	130,310	554,140	-	-	554,140
Borough Care System Replace	-	2,500	2,500	-	-	2,500
Coleshill Leisure Centre	3,111,280	191,540	3,302,820	-	-	3,302,820
Piccadilly Sports Field	-	27,860	27,860	-	16,360	11,500
Polesworth Abbey Green Park	-	11,430	11,430	-	3,280	8,150
Dordon Long Street Recreation Ground	-	2,870	2,870	-	4,420	7,290
Kitwood Avenue Rec Ground	-	32,410	32,410	-	3,040	35,450
Baddesley Ensor Environment Improvem	-	26,170	26,170	-	43,650	69,820
Maya Restaurant (previously Bear & Ragged Staff)	-	120,000	120,000	-	120,000	-
Bretts Hall Recereation Ground	-	30,000	30,000	-	30,000	-
Innage Park Cladding	200,000	-	200,000	-	195,000	5,000
Pavillions Roof	175,000	-	175,000	-	175,000	-
Warden Call Scheme	59,010	-	59,010	-	-	59,010
Computer Software	30,000	12,620	42,620	-	-	42,620
Infrastructure Improvements	20,000	-	20,000	-	-	20,000
Warwickshire Direct Partnership	11,080	-	11,080	-	-	11,080
Op System Upgrade	15,000	-	15,000	-	-	15,000
IT Replace Leisure booking system	-	50,000	50,000	-	-	50,000
Life Lines	18,000	-	18,000	10,000	-	28,000
Mobile CCTV	11,310	7,590	18,900	-	-	18,900
Transport	1,193,170	7,510	1,200,680	-	1,027,900	172,780
Car Loan	-	-	-	-	-	-
Disabled Facilities	300,000	178,320	478,320	-	-	478,320
DHS Assistance	57,500	104,100	161,600	-	-	161,600
Capital Salaries - Management	19,290	-	19,290	-	560	19,850
GENERAL FUND	5,799,470	1,374,330	7,173,800	10,000	- 1,450,720	5,733,080
OVERALL TOTAL	9,868,220	3,976,870	13,845,090	10,000	- 1,415,460	12,439,630

Name of the Scheme	Basic Details of the Scheme	Year 1	Year 2	Year 3	Year 4 - 10	Total
		2015/16	2016/17	2017/18	2018/19 to 2024/25	10 Year Programme
Balcony	Carry out improvements to balconies on flats.	-	-	-	25,170.00	25,170.00
Canopies	Carry out improvements to canopies over front doors.	-	-	17,090.00	281,540.00	298,630.00
External works	To carry out various works as required on a year by year basis to the external areas of Council housing estates.	-	44,900.00	12,810.00	4,710.00	62,420.00
Staffing	Housing Staffing.	151,230.00	157,830.00	164,050.00	1,203,890.00	1,677,000.00
HRA Contingency	Funding for variations to the planned capital works.	-	434,720.00	913,430.00	5,453,090.00	6,801,240.00
Kitchens and Bathrooms	Replacements that are scheduled and those were previously declined.	-	718,190.00	732,930.00	2,714,870.00	4,165,990.00
Extractor fans	To replace extractor fans in kitchens and bathrooms.	-	-	-	39,210.00	39,210.00
Heating	To replace heating systems to properties.	1,025,000.00	231,170.00	631,920.00	13,614,320.00	15,502,410.00
Stair lift	Installation of stair lifts to properties.	-	-	10,420.00	41,100.00	51,520.00
Windows	A scheduled programme to replace windows.	-	-	159,110.00	151,580.00	310,690.00
Chimney stacks	A programme of chimney stacks improvements.	-	31,780.00	225,820.00	1,280,950.00	1,538,550.00
Wall insulation	Provide external wall insulation to solid wall properties houses targeting low SAP properties.	500,000.00	473,560.00	-	-	973,560.00
Fascias (Kings Lane & Newton Regis)	A replacement programme for UPVC fascias soffits gutters. Targeting properties with no other painting works.	-	623,100.00	-	-	623,100.00
Rain water goods	Replacement of guttering.	-	-	9,380.00	58,500.00	67,880.00
Community Centres	Refurbishment of community centres.	-	-	59,910.00	-	59,910.00
DFG adaptations	Carry out adaptations to council houses where the tenant has a disability.	175,000.00	175,000.00	175,000.00	1,225,000.00	1,750,000.00
Garage Roofs	To carry out improvements to garage roofs.	-	249,240.00	20,840.00	171,060.00	441,140.00
Water Main	Replace corroded water mains to properties.	-	-	377,670.00	782,370.00	1,160,040.00
Roofing	Replace pitched roofs that are 60-80 yrs old.	600,000.00	390,310.00	271,850.00	2,986,240.00	4,248,400.00
Structural repairs	Structural repairs.	-	-	-	2,650.00	2,650.00
Fencing	Replace fences of properties.	-	-	-	122,550.00	122,550.00
Sure Stop Taps	The introduction of sure stop taps to properties.	-	186,930.00	-	-	186,930.00
Communal Area	Improvements to Royal Meadow Drive.	-	-	15,940.00	-	15,940.00
Communal Wiring	Programme to update the wiring to communal areas to flats.	-	-	-	19,470.00	19,470.00
External Store Doors	Replace the external store doors to properties.	-	-	-	37,780.00	37,780.00
Replacement of DLO Vehicles	Replacement as per the vehicle replacement schedule.	287,380.00	-	-	444,220.00	731,600.00
Replacement of housing Vehicles	Replacement as per the vehicle replacement schedule.	11,000.00	19,840.00	-	38,000.00	68,840.00
Replacement of neighbourhood warden	Replacement as per the vehicle replacement schedule.	36,500.00	-	-	79,890.00	116,390.00
Multit trade Contract	Redevelopment of St Georges Rd, Princess Rd and Lister Rd.	500,000.00	-	-	-	500,000.00
New Build	Redevelopment of St Georges Rd, Princess Rd and Lister Rd.	3,200,000.00	2,916,670.00	1,745,000.00	7,662,480.00	15,524,150.00
		6,486,110.00	6,653,240.00	5,543,170.00	38,440,640.00	57,123,160.00

Draft Capital Programme - General Fund

Name of the Scheme	Basic Details of the Scheme	Year 1	Year 2	Year 3	Year 4 - 10	Total
		2015/16	2016/17	2017/18	2018/19 to 2024/25	10 Year Programme
CCTV Replacement	The scheduled replacement of the existing CCTV cameras.	-	-	-	136,700.00	136,700.00
Decent Homes/Fuel Poverty (Private Sector)	There is an increasing number of vulnerable households in non-decent homes. Assistance with minor repairs targeted to the elderly or needy to prevent further more serious and or costly deterioration and associated health effects. The scheme also contributes towards Home Energy Conservation Act targets and avoid failing PSA7 targets.	57,500.00	57,500.00	57,500.00	402,500.00	575,000.00
Disabled Facilities Grants-Private Sector	Adaptations to the homes of the disabled as required by the law. Reducing waiting lists seeks to avoid bed locking and other less satisfactory home care services and improves the quality of the lives of the disabled person and their families.	300,000.00	300,000.00	300,000.00	2,100,000.00	3,000,000.00
Borough Care Lifelines	Provide new lifelines and replace units that are beyond repair and/or are obsolete. This	23,000.00	23,000.00	23,000.00	161,000.00	230,000.00
Computer hardware & software purchase & replacement	To continue to provide PC's that meet the requirements of the increasingly complex software that is used to deliver Council services and back office functions. From 2015/16 this budget includes the renewal of the Microsoft Software licenses.	30,000.00	30,000.00	40,000.00	250,000.00	350,000.00
Replacement of scanner/plotter	Replacement of the existing separate scanner and plotter with a single solution.	-	-	-	10,000.00	10,000.00
Customer Relationship Management renewal	The current Contact Centre CRM system is provided under a 5 year contract. At the end of which we will need to have upgraded/refreshed or replaced the system to support the work of the Contact Centre.	-	-	-	40,000.00	40,000.00
ICT Infrastructure Development	To further develop the network and hardware structures to ensure that the Councils aspirations of home and mobile working and self service delivery are possible.	20,000.00	20,000.00	20,000.00	140,000.00	200,000.00
Network Infrastructure		-	-	-	30,000.00	30,000.00
Telephone System		-	-	-	20,000.00	20,000.00
Server Virtualisation		-	-	-	30,000.00	30,000.00
CRM Customer Access Solutions	To continue the development of the CRM, One Stop Shop and Customer Access technology in partnership with other Warwickshire Councils when appropriate.	11,470.00	11,870.00	12,290.00	98,880.00	134,510.00
Academy Server Replacement	Server will be 10 years old in 2015 and at its end of life for running Academy and will need to be replaced.	30,000.00	-	-	20,000.00	50,000.00
Operating System Upgrade	The operating programmes used by some systems are becoming old and in need of replacement.	15,000.00	15,000.00	-	-	30,000.00
Backing Up	Primarily used at two levels; the day to day use of the recovery of lost data or damaged systems that need to be rolled back to a previous state. The major use is in the event of fire or theft where the backups we hold would be used to restore systems	-	15,000.00	-	-	15,000.00
Atherstone Leisure Complex - Replacement Roof	The leisure complex has a single ply flat roof covering virtually all of the facility that has an estimated life span of around 10 years and will need replacing in 2016.	-	250,000.00	-	-	250,000.00
Innage Park Phase 1 - replace asbestos cladding	The asbestos has been identified and is manageable on a day to day basis however, it may require replacement.	-	195,000.00	-	-	195,000.00
The Pavilions - Cladding/roof works	Replacement of the roof cladding.	-	175,000.00	-	-	175,000.00
		Year 1	Year 2	Year 3	Year 4 - 10	Total

Name of the Scheme	Basic Details of the Scheme	2015/16	2016/17	2017/18	2018/19 to 2024/25	10 Year Programme
Refurbishment of Council House	The residual costs of the accommodation project work	21,000.00	-	-	-	21,000.00
Maya Restaurant (Bear and Ragged Staff)	To replace the roof covering the building.	-	120,000.00	-	-	120,000.00
Electrical Installations of other Council Owned Buildings	To carry out electrical improvements to all council owned property following on from routine electrical testing to ensure compliance with legislation.	15,000.00	15,000.00	15,000.00	105,000.00	150,000.00
Electrical upgrade at Old Bank House	The electrical system at OBH is almost 30 years old (and will be in need of updating to comply with current legislation)	-	150,000.00	-	-	150,000.00
Replacement of pool vehicles	Replacement as per the vehicle replacement schedule.	10,000.00	-	-	59,000.00	69,000.00
Replacement of refuse vehicles	Replacement as per the vehicle replacement schedule.	1,305,000.00	196,000.00	-	2,509,000.00	4,010,000.00
Replacement of cesspool vehicles	Replacement as per the vehicle replacement schedule.	85,000.00	-	-	127,000.00	212,000.00
Replacement of rodent control vehicles	Replacement as per the vehicle replacement schedule.	22,000.00	-	-	28,000.00	50,000.00
Replacement of Street Cleaning Vehicles	Replacement as per the vehicle replacement schedule.	-	76,330.00	-	493,610.00	569,940.00
Replacement of horticulture vehicles	Replacement as per the vehicle replacement schedule.	56,020.00	41,500.00	-	321,440.00	418,960.00
Replacement of leisure services vehicles	Replacement as per the vehicle replacement schedule.	-	13,970.00	-	17,180.00	31,150.00
Replacement of general works vehicles	Replacement as per the vehicle replacement schedule.	15,330.00	-	-	31,800.00	47,130.00
Replacement of warden call scheme	Replacement as per the vehicle replacement schedule.	63,000.00	-	-	77,490.00	140,490.00
Easyline replacement at Atherstone Leisure Complex	Planned replacement of the Easyline equipment at Atherstone Leisure Complex. This replacement will take place once the fund has built up sufficient funding for the work to take place.	10,000.00	-	-	10,000.00	20,000.00
Leisure Equipment	To replace the equipment used in the execution of various activity programmes in each of the leisure centres that conforms to industry and market standards relating to customer needs and safety requirements. The proposed investment protects significant levels of income. Whilst fitness equipment has been replaced over the last few years, there is other sports equipment that is in need of renewal	20,000.00	20,000.00	20,000.00	140,000.00	200,000.00
Leisure Centre Fitness Suite Equipment Replacement	Planned full replacement of the fitness centre equipment at the four leisure centres in the borough. This replacement will take place once the fund has built up sufficient funding for the work to take place.	-	-	-	125,460.00	125,460.00
Play Area Replacement Programme (10)	Planned replacement of play facilities - Year 8 at Austrey, Polesworth, Coleshill (Cole End), Piccadilly; Year 9 at Ansley Common, Corley, Hurley, Wood End; Year 10 at Mancetter and Dordon (Kitwood Avenue)	-	-	-	500,000.00	500,000.00
Play Area Development Programme (3)	Completion of the Play Area Development Programme with refurbishment of facilities at Atherstone (Minions Close), Grendon (Boot Hill) and Coleshill (Brendan Close)	30,000.00	-	-	-	30,000.00
Improvements to Bretts Hall Recreation Ground, Ansley Common	Carry out improvements in accordance with the management plan that is currently being developed, including second phase of play provision.	30,000.00	-	-	-	30,000.00
Capital Salaries - Management	General Fund staffing.	18,870.00	18,880.00	19,330.00	142,830.00	199,910.00
		2,188,190.00	1,744,050.00	507,120.00	8,126,890.00	12,566,250.00

Draft Capital Programme - Not Currently in the Approved Programme

Appendix C

Name of the Scheme	Basic Details of the Scheme	Measurable Target of Success	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18	Year 4 - 10 2018/19 to 2024/25	Total 10 Year Programme
Replacement Financial Management System (FMS)	The current financial system (TASK/TOTAL) will be more than 10 years old and it is Council practice to review and assess system to ensure they still meets user needs	Non Essential	70,000.00	70,000.00	-	-	140,000.00
Replacement Revenues and Benefits	The Academy system is likely to need reviewing and potentially a major upgrade. However, this will be very dependant on the outcome of the proposed changes to benefits.	Non Essential	70,000.00	70,000.00	-	-	140,000.00
Replacement Housing/Rents	The current system (IBS) will be more than 10 years old and it is Council practice to review and assess system to ensure they still meets user needs	Non Essential	-	70,000.00	70,000.00	-	140,000.00
Electronic Document & Record Management System (EDRMS) - Development & Corporate roll-out	To replace the hardware that the EDRMS runs on and to update licences	Non Essential	-	-	-	70,000.00	70,000.00
Web Development (Internet, Intranet & Extranets)	To replace the hardware that the web system operates on	Non Essential	-	-	-	50,000.00	50,000.00
Replacement Leisure System	To replace the hardware that the web system operates on	Non Essential	-	-	-	70,000.00	70,000.00
Replacement Planning System	To replace the hardware that the web system operates on	Non Essential	-	-	-	50,000.00	50,000.00
Mobile CCTV Replacement	The introduction of mobile CCTV cameras in the Borough.	Non Essential	-	-	-	44,000.00	44,000.00
Atherstone Leisure Complex - Heating	Replacement of the heating and other M&E systems at the leisure complex (additional to the boiler system for which there is some funding being set aside)	Non Essential	100,000.00	-	-	-	100,000.00
Arley Sports Centre - Internal Refurbishment	If consultation and a business plan show a need to retain sports provision in Arley, there would be a need to fully refurbish the gym, sports hall, fitness suite, squash courts and changing areas.	Non Essential	1,000,000.00	-	-	-	1,000,000.00

Draft Capital Programme - Not Currently in the Approved Programme

Appendix C

Name of the Scheme	Basic Details of the Scheme	Measurable Target of Success	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18	Year 4 - 10 2018/19 to 2024/25	Total 10 Year Programme
Arley Sports Centre - Cladding and Roofing	As well as an internal refurbishment, the external of the sports centre will become dated and untidy and eventually the cladding may fall into disrepair and cause structural damage.	Non Essential	600,000.00	-	-	-	600,000.00
Memorial Hall-Refurbishment & Improvement	The Memorial Hall is dated and lacking in key functionality which makes it hard to attract hirers. Failure to carry out any structural works at the Memorial Hall mean it will become even more difficult to maximise its income generating potential. There have already been issues with the roof leaking which has resulted in less commercial bookings being taken.	Non Essential	2,000,000.00	-	-	-	2,000,000.00
Polesworth Workspace Units - Refurbishment	To carry out a refurbishment to meet the needs of the tenants as the units are ageing and will struggle to be let if some improvements are not made.	Non Essential	-	-	-	100,000.00	100,000.00
Polesworth Workspace Units - Replace Hard Standing areas	The streetscape in the area of the units will start to look shabby and there is an increased risk of injury or accident as the condition of the forecourt surface diminishes.	Non Essential	-	-	-	25,000.00	25,000.00
Polesworth Sports Centre - Roofing and Cladding	The external appearance of the sports centre is dated. Eventually the cladding may fall into disrepair and cause structural damage.	Non Essential	-	50,000.00	-	-	50,000.00
Car Parking Meters	To provide car parking meters at all of the council's car parks, initially to assist in parking enforcement but then providing the potential to introduce parking fees if required. The programme will start at Atherstone and Water Orton where there are train stations to regulate the correct use of car parking spaces. This will then be rolled out to Polesworth and Coleshill.	Non Essential	-	80,000.00	-	-	80,000.00
Litter Bins	Replace the older, smaller litter bins in the Borough. This is in addition to the revenue funding.	Non Essential	33,500.00	33,500.00	-	-	67,000.00

Draft Capital Programme - Not Currently in the Approved Programme

Appendix C

Name of the Scheme	Basic Details of the Scheme	Measurable Target of Success	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18	Year 4 - 10 2018/19 to 2024/25	Total 10 Year Programme
Structural Maintenance Programme of Car parks & Unadopted Roads	A detailed analysis of the councils car parks and unadopted roads has been carried out and has identified that the thickness of many of the surfaces is below the required levels.	Non Essential	190,000.00	190,000.00	-	-	380,000.00
Sports Pavilion - Grendon - Hard standing area replacement and internal refurbishment	Improvement works are required at the sports pavilion, particularly to meet accessibility standards.	Non Essential	-	-	-	25,000.00	25,000.00
Internal refurbishment of Piccadilly Sports Pavilion and replacement of hard standing areas	Improvement works are required at the sports pavilion, particularly to improve energy efficiency, the extent and nature of which will be determined once future management options for the site have been agreed.	Non Essential	-	-	-	35,000.00	35,000.00
Improvements to Anasley Hall Sports Ground to include refurb of Pavilion	Improvement works are required at the sports pavilion, the extent and nature of which will be determined once future management options for the site have been agreed.	Non Essential	-	-	-	35,000.00	35,000.00
Improvements to Mancetter Brook Walk Rec Ground to include replacement of Sports Pavilion	Provision of a new pavilion / changing facilities. The current facility needs refurbishment, does not meet accessibility standards and is inappropriately located within the site.	Non Essential	-	350,000.00	-	-	350,000.00
Improvements to Arley Recreation Ground to include MUGA	Carry out improvements to the infrastructure at Old Arley Recreation Ground, including the car park and MUGA in accordance with the site management plan.	Non Essential	-	50,000.00	-	-	50,000.00
Improvements to Cole End Park Coleshill	Carry out improvements to the infrastructure of the sports ground, including pitch improvements in accordance with the site management plans and in partnership with local sports clubs. Match funding to support external grant bids	Non Essential	-	30,000.00	-	-	30,000.00
			4,063,500.00	993,500.00	70,000.00	504,000.00	5,631,000.00

Capital Financing Requirement

APPENDIX D

	HRA (£)	GF (£)	GF Prudential Borrowing (£)	Grand Total
Fixed Assets	102,650,472	18,851,974		121,502,446
Long Term Receivables	-	1,000,000		1,000,000
Revaluation Reserve	(1,395,325)	(2,605,804)		(4,001,129)
Capital Adjustment Account	(44,031,777)	(3,540,149)		(47,571,927)
Actual CFR as at 31-3-14	57,223,370	13,706,020	-	70,929,390
Repayment of HRA borrowing	(1,250,000)			(1,250,000)
Repay Principal - Refuse Vehicles			(100,160)	(100,160)
Repay Principal - K'bury Link			(1,800)	(1,800)
Repay Principal - Vehicles 11/12			(750)	(750)
Repay Principal - Borough Care			(5,080)	(5,080)
Repay Principal - Lower House Farm			(9,120)	(9,120)
Repay Principal - Recycling Containers			(1,940)	(1,940)
Repay Principal - Vehicles 14/15			(1,550)	(1,550)
Repay Principal - Office Accommodation			(57,610)	(57,610)
New prudential borrowing - Office Refurb			645,000	645,000
New prudential borrowing - CLC			1,000,570	1,000,570
New prudential borrowing - Vehicles			172,780	172,780
MRP		(124,527)		(124,527)
Estimated CFR as at 31-3-15	55,973,370	13,581,493	1,640,340	71,195,203
Repayment of HRA borrowing	(1,300,000)			(1,300,000)
Repay Principal - K'bury Link			(1,800)	(1,800)
Repay Principal - Vehicles			(750)	(750)
Repay Principal - Borough Care			(5,080)	(5,080)
Repay Principal - Lower House Farm			(9,120)	(9,120)
Repay Principal - Coleshill LC			(40,020)	(40,020)
Repay Principal - Recycling Containers			(1,940)	(1,940)
Repay Principal - Vehicles 14/15			(1,550)	(1,550)
Repay Principal - Office Accommodation			(83,410)	(83,410)
Repay Principal - Vehicles 15/16			(27,310)	(27,310)
New prudential borrowing - Accommodation			21,000	21,000
New prudential borrowing - Vehicles			1,556,350	1,556,350
MRP		(119,546)		(119,546)
Estimated CFR as at 31-3-16	54,673,370	13,461,947	3,046,710	71,182,027
Repayment of HRA borrowing	(1,450,000)			(1,450,000)
Repay Principal - K'bury Link			(1,800)	(1,800)
Repay Principal - Vehicles			(750)	(750)
Repay Principal - Borough Care			(5,080)	(5,080)
Repay Principal - Lower House Farm			(9,120)	(9,120)
Repay Principal - Coleshill LC			(40,020)	(40,020)
Repay Principal - Recycling Containers			(1,940)	(1,940)
Repay Principal - Vehicles 14/15			(1,550)	(1,550)
Repay Principal - Office Accommodation			(84,250)	(84,250)
Repay Principal - Vehicles 15/16			(27,310)	(27,310)
Repay Principal - Vehicles 16/17			(224,590)	(224,590)
New prudential borrowing - Vehicles			327,800	327,800
MRP		(114,764)		(114,764)
Estimated CFR as at 31-3-17	53,223,370	13,347,183	2,978,100	69,548,653
Repayment of HRA borrowing	(1,600,000)			(1,600,000)
Repay Principal - K'bury Link			(1,800)	(1,800)
Repay Principal - Vehicles			(750)	(750)
Repay Principal - Borough Care			(5,080)	(5,080)
Repay Principal - Lower House Farm			(9,120)	(9,120)
Repay Principal - Coleshill LC			(40,020)	(40,020)
Repay Principal - Recycling Containers			(1,940)	(1,940)
Repay Principal - Vehicles 14/15			(1,550)	(1,550)
Repay Principal - Vehicles 15/16			(27,310)	(27,310)
Repay Principal - Vehicles 16/17			(224,590)	(224,590)
Repay Principal - Vehicles 17/18			(47,520)	(47,520)
Repay Principal - Office Accommodation			(84,250)	(84,250)
New prudential borrowing			-	-
MRP		(110,173)		(110,173)
Estimated CFR as at 31-3-18	51,623,370	13,237,010	2,534,170	67,394,550

	Actual 2013/14 £000	Revised 2014/15 £000	Original 2015/16 £000	Forecast 2016/17 £000	Forecast 2017/18 £000
HRA					
Premium/Discount	29	-	-	-	-
Interest and Investment Income	-21	-40	-55	-86	-123
External Interest Costs	1,640	1,633	1,624	1,611	1,593
Repayment of borrowing	1,250	1,250	1,313	1,511	1,664
Total	2,898	2,843	2,882	3,036	3,134
Net Revenue Stream	11,003	11,484	12,094	12,494	12,848
Ratio	26.34%	24.76%	23.83%	24.30%	24.39%
General Fund					
External Interest Costs	3	10	10	10	10
Investment Income	-87	-100	-100	-120	-180
Repayment of borrowing	127	178	171	396	444
MRP	81	125	120	115	110
Total	124	213	201	401	384
Council Tax	3,964	4,123	4,272	4,370	4,480
Council Tax - Special Grant	45	45	0	0	0
Other Grants	358	514	704	814	833
RSG/NDR	4,217	3,925	3,396	3,037	2,758
Net Revenue Stream	8,584	8,607	8,372	8,221	8,071
Ratio	1.44%	2.47%	2.40%	4.88%	4.76%

Summary Of Prudential Indicators

1) Capital Expenditure Indicators

	Actual 2013/14 £000	Revised 2014/15 £000	Original 2015/16 £000	Forecast 2016/17 £000	Forecast 2017/18 £000
Housing Revenue Account	1,995	4,827	3,286	3,736	3,798
Housing Revenue Account : New Build	241	1,880	3,200	2,917	1,745
General Fund	5,533	5,733	2,188	1,744	507
Total	7,769	12,440	8,674	8,397	6,050

2) Capital Financing Indicators

	Actual 2013/14 £000	Revised 2014/15 £000	Original 2015/16 £000	Forecast 2016/17 £000	Forecast 2017/18 £000
Housing Revenue Account	57,223	55,973	54,673	53,223	51,623
General Fund	13,706	15,222	16,509	16,325	15,771
Total	70,929	71,195	71,182	69,548	67,394

3) Capital Financing Cost Indicators

	Actual 2013/14	Revised 2014/15	Original 2015/16	Forecast 2016/17	Forecast 2017/18
Housing Revenue Account	26.34%	24.76%	23.83%	24.30%	24.39%
General Fund	1.44%	2.47%	2.40%	4.88%	4.76%

4) Incremental Impact Indicators

General Fund	Original 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £	Forecast 2017/18 £
Council Tax at Band D	0.17	12.33	6.91	4.63
Council Tax at Band D - aggregate	0.17	12.50	19.41	24.04

Housing Revenue Account	Original 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £	Forecast 2017/18 £
Average Weekly Rent	-	-	-	-
Average Weekly Rent - aggregate	-	-	-	-

Treasury Indicators

Treasury Indicator	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Authorised Limit for External Debt	87,567	87,991	86,702	84,880	82,979
Operational Boundary	71,195	71,182	69,548	67,394	65,395
Upper Limit for Fixed Interest Rate Exposure	66,000	66,000	66,000	66,000	66,000
Upper Limit for Variable Rate Exposure	31,000	31,000	31,000	31,000	31,000
Upper Limit for Total Principal Sums Invested for over 364 days (per maturity date)	50%	50%	50%	50%	50%

Maturity Structure of New Fixed Rate Borrowing	Upper Limit	Lower Limit
Under 12 months	100%	0%
12 Months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

**Report of the
Assistant Chief Executive and Solicitor to
the Council**

**General Fund Fees and Charges
2015/16**

1 Summary

- 1.1 The report covers the fees and charges for 2014/15 and the proposed fees and charges for 2015/16.

Recommendation to the Board

That the schedule of fees and charges for 2015/16, set out in the report be accepted.

2 Consultation

- 2.1 The Chairperson, Vice-chairperson and Opposition Spokesperson for the Executive Board have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

3 Introduction

- 3.1 Attached for the Board's consideration at Appendix A are details of present and proposed fees and charges for the financial year 2015/16. Prices have been increased by 2% in line with the budget strategy for 2015/19 as agreed by this Board in September 2014. The amounts shown have already been included in the revenue estimates for 2015/16.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 Implementation of the attached schedule of fees and charges will contribute to the achievement of income targets, which are contained within the Deputy Chief Executives' report on the General Fund estimates 2015/16, presented elsewhere within the agenda for this meeting.

4.2 Risk Management

- 4.2.1 Changes to fees and charges may impact on the level of demand. However, this has been considered in proposing the revised charges.

The Contact Officer for this report is Nigel Lane (719371).

NORTH WARWICKSHIRE BOROUGH COUNCIL**EXECUTIVE BOARD****FEES AND CHARGES FROM 1 APRIL 2015**

	2014/2015 TOTAL CHARGE £	2015/2016 TOTAL CHARGE £	VAT RATING
NORTH WARWICKSHIRE LOCAL PLAN ADOPTED 2006			
Full document	41.00	41.80	Outside Scope
Text only (no folder)	17.60	18.00	"
Maps only (no folder)	26.50	27.00	"
Large maps	6.00	6.10	"
A3 / A4 maps	3.50	3.60	"
Documents will incur an additional postage charge.			
OTHER DOCUMENTS			
Urban housing capacity study	18.50	18.90	Outside Scope
Housing needs study 2003	19.80	20.20	"
Annual monitoring report	2.90	3.00	"
Local development scheme	3.00	3.10	"
Statement of community involvement (adopted version only)	6.30	6.40	"
Father Hudson's development brief	3.30	3.40	"
Holly Lane design brief	3.30	3.40	"
Britannia Works design brief	3.30	3.40	"
Strategic Housing Land Availability Assessment	19.80	20.20	"
Industrial market assessment	12.20	12.40	"
Labour market profile	2.90	3.00	"
Understanding employer needs in Coventry & Warwickshire	19.80	20.20	"
Warwickshire economic update	2.90	3.00	"
Industrial & commercial building study	5.30	5.40	"
Employment policy options and updated economic land availability requirements	5.30	5.40	"
Gypsy & traveller accomodation assessment	19.00	19.40	"
Housing market assessment	12.20	12.40	"
Renewable and low carbon feasibility study	19.00	19.40	"
Children and young peoples plan	5.30	5.40	"
Coventry, Solihull and Warwickshire Employment Land Study	19.00	19.40	"
Strategic flood risk assessment	12.20	12.40	"
Water cycle strategy	19.00	19.40	"
Sub-regional green infrastructure study	5.30	5.40	"
ADOPTED SUPPLEMENTARY PLANNING GUIDANCE			
Checklist for applicants submitting planning applications	2.40	2.50	Outside Scope
Guide for shop front design	2.40	2.50	"
Guide for the design of lighting schemes	1.20	1.20	"
Guide for the design of householder developments	2.40	2.50	"
Affordable Housing Supplementary Planning Document	3.20	3.30	"
CONSERVATION AREA DESIGNATION REPORTS			
Whole set	10.70	10.90	Outside Scope
Atherstone	1.60	1.60	"
Watling Street, Atherstone	0.80	0.80	"
Coleshill	1.10	1.10	"
Kingsbury	0.70	0.70	"
Mancetter	0.60	0.60	"
Newton Regis	1.00	1.00	"
Polesworth	1.10	1.10	"
Water Orton	1.10	1.10	"
CORE STRATEGY CONSULTATION DOCUMENTS			
Core strategy	5.30	5.40	Outside Scope
Environmental Impact assessment	0.50	0.50	"
Rural proofing statement	0.50	0.50	"
Habitat Regulations Assessment	1.00	1.00	"
Sustainability Assessment (non-technical summary)	1.60	1.60	"
Full Sustainability assessment report	12.20	12.40	"
All items will incur an additional postage charge			
Any other documents- price on request			
CD ROM	1.60	1.60	"
CD ROM with postage	2.20	2.30	"

Agenda Item 12

Executive Board

10 February 2015

**Report of the Assistant Director
(Corporate Services)**

**Broadband Match Funding -
Further Information**

1 Summary

- 1.1 The report asks the Board to decide if the Council will provide additional match funding for investment in improving the Broadband infrastructure in the Borough as part of CSW Broadband project. This report was deferred by the Board's meeting in November to enable it to be considered as part of the budget setting process.

Recommendation to the Council

- a That Members consider and decide on the level of additional match funding they would support; and**
- b That if additional match funding is recommended, members approve that it is taken forward as approved additional funding into the 2015/16 budget process.**

2 Consultation

- 2.1 Councillors M Stanley, Sweet and Smith have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

3 Background

- 3.1 The Council provided £197,868 towards match funding the initial BDUK grant of £4,070,000 to the CSW sub region. This funding and the associated work is referred to as "phase 1" in this report. The contract to carry out the work to provide comprehensive access to a broadband service and provide superfast broadband was awarded to BT in May 2013 and work began, on the ground, in February 2014 and is anticipated to be completed by the end of 2016. It is anticipated that phase 1 will provide superfast broadband to 91% of the premises in the sub region.
- 3.2 An update report to the June 2014 Executive Board provided information on progress made so far and informed members of an additional £3.68m BDUK grant (phase 2). This additional grant was made as a result of the Government updating its broadband strategy and stating its intention to extend coverage of superfast broadband to 95% of premises by the end of 2017. This second grant has been matched by Warwickshire CC with an

additional £380k of grant matched by Solihull MBC to enable them to prioritise improvements in their area.

- 3.3 A further £6m has been offered by BDUK to the sub region, subject to match funding. The CSW project team are seeking this match funding from a number of sources including European funds and funds administered by the LEP. It is this additional grant that Districts and Boroughs have been asked to help provide match against. Warwick District Council and Rugby Borough Council have agreed to provide match funding at the same level as they contributed in phase 1.
- 3.4 Executive Board on the 17 June 2014 gave an in principle agreement to provide additional match funding provided it received a satisfactory report outlining the improvements achieved so far, together with details of future plans and timescales. A report (attached as Appendix 1) providing this information was considered by Executive Board, on 22 September. The Board decided to defer the decision until its November meeting to enable further, updated progress information to be provided. The November meeting agreed that this report and the subject of further match funding needed to be considered as part of the budget setting process during the January/February cycle of Board meeting.

4 **Current Improvements and Plans**

- 4.1 The CSW Project team report that work in the Borough is two months ahead of schedule and progressing well. As can be seen from the graphs in Appendix 2, around 26% of the homes that have seen improvements in broadband across the sub-region are in the borough. These figures show that 74 cabinets have been upgraded in the sub region, with 21 of them being in North Warwickshire. The 74 cabinets upgraded have enabled over 15,600 homes to access better broadband with 5,364 of them being in North Warwickshire.
- 4.2 The most up to date figures show that by the end of December 2015 over 26,265 premises in Warwickshire were able to get better broadband due to the investment made through the project. Over 9000 of these premises are in North Warwickshire which is a 67% increase in the two months since October and demonstrates the pace of change now happening on the ground.
- 4.3 Figures published by Ofcom in October 2014 show that the percentage of people that subscribe to superfast broadband, where it is available, continues to grow and is currently at 28%. Applying this to the 5,364 superfast ready premises in the borough gives us an estimate of over 1,500 homes and businesses benefitting from the BDUK investment, with each of these being used by many more citizens, pupils and employees.
- 4.4 A very specific example of the benefits that superfast broadband can give is the new Coleshill Leisure Centre which is in an area where the BT cabinet

has been upgraded using BDUK funding. We have been able to connect the Centre using broadband at a cost of £360pa compared with a leased line costing £4,000pa.

- ... 4.5 The map provided as Appendix 3 shows the locations of the cabinets that have or are in the plan to be upgraded, to provide superfast broadband, by the end of 2016. The list provided as Appendix 4 details the locations of cabinets being worked on, which includes upgrades to BT cabinets in Fillongley, Coleshill, Whitacre Heath and Corley, and those shaded green are "live" and able to deliver superfast broadband services.
- ... 4.6 The map provided as Appendix 5 shows how the deployment is being phased in the borough and how wide an area each upgraded cabinet reaches when it is providing superfast broadband. As the situation is constantly changing, as surveys are completed and cabinets are upgraded, the maps and information on the CSW Broadband website are the most accurate sources of information on progress.
<http://www.cswbroadband.org.uk/images/NGA-Network-Coverage-Map-July-2014.jpg>.

5 Future Plans and Investment

- 5.1 The investment being made through the CSW Project team is focused on achieving the government's target of getting superfast broadband to 95% of the premises in the sub-region. However, members need to be aware that this will be most easily and cost effectively achieved by investing in the more populated or business areas.
- 5.2 Despite this the borough is predicted to see the biggest improvement, within the sub region, in the percentage of premises getting access to superfast broadband as a result of the current investment. The borough is expected to move from just 50% of premises, which could get superfast broadband from the commercial roll out, to around 83% of premises with the help of current Council funding, BDUK grant and private sector investment.
- ... 5.3 The map provided as Appendix 6 shows the areas (the white areas) that will not get improved broadband through the initial (phase 1) investment. These white areas are where state aid rules allow us to invest and are the areas which are included in the tender for work to improve broadband using the phase 2 funding. However, it is highly unlikely that all these areas will see improvement, even with phase 2 funding. We will only know the details of which of these areas will definitely be upgraded in phase 2 when the tender is returned and the contract finalised in January 2015 or early February.
- 5.4 Even with the phase 2 BDUK grant (£3.68m) and match funding, from the County Council and the private sector, the borough is unlikely to achieve the target of 95% of premises connected. This is largely due to the rural nature of our villages and the number of isolated properties, which are significantly

more costly to upgrade. As can be seen from Appendix 6, some of the white areas cover large geographical areas which are likely to include very small communities and isolated rural homes and businesses. Such communities and properties could be where Borough Council investment is targeted.

- 5.5 Any investment in the project will improve broadband provision for at least some residents and local businesses. It will bring the borough closer to having pervasive superfast broadband and benefiting from the economic and social benefits it can bring.
- 5.6 Grant funding matched by the Borough Council would be ring fenced to improvements within the borough. The Council could also influence where the money is spent, using its own priorities, which may be different to the priorities and criteria currently being applied to the funding administered by CSW Broadband Team. The CSW Project Team would be able to provide data and indicative costs based on the models they are using which could be used to help the Council decide where best to target any investment.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 Members are asked to consider and decide on the level of match funding they will support.
- 6.1.2 If an amount is agreed upon this would need to be included as approved additional budget in the 2015/16 financial plans.
- 6.1.3 If the Council was to decide to provide match funding, each £1 committed would draw down £1 of government grant and also investment from the private sector, for example from BT.

6.2 Environment and Sustainability Implications

- 6.2.1 The improvement of broadband services within the Borough will help support people to live, work and learn in our all our communities. The lack of adequate internet provision has been shown to affect people's decisions about moving to areas or it may encourage businesses to relocate from the Borough, thus affecting the sustainability of local communities.
- 6.2.2 The lack of broadband provision means people are unable to easily access service. Online services are becoming widespread and in some cases either the default or only option.

6.3 Equalities Implications

- 6.3.1 Poor or no broadband service can prevent people from accessing information and services resulting in them being less well informed, having fewer opportunities and missing out on more effective ways of managing their

businesses, life and finances. The impact of this lack of internet service is known as the “digital divide”.

6.4 **Links to Council’s Priorities**

6.4.1 Investment in the Broadband infrastructure in order to provide better internet services contributes directly to the Council’s priority to improve access to services. A number of Council and other public services are increasingly being provided online, with the online option becoming the preferred or default method in some cases.

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

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
Local Broadband Plan and Match Funding Proposal	Linda Bird	Executive Board Report	6/2/2012
Broadband Update Report	Linda Bird	Resources Board Report	2/6/2014
Broadband Update Report and BDUK Match Funding	Linda Bird	Executive Board Report	17/6/2014
Broadband Match Funding	Linda Bird	Executive Board Report	22/9/2014
Broadband Match Funding – Further Information	Linda Bird	Executive Board Report	24/11/2014

Agenda Item 11

Executive Board

24 November 2014

**Report of the Assistant Director
(Corporate Services)**

**Broadband Match Funding -
Further Information**

1 Summary

- 1.1 The report asks the Board to decide if the Council will provide additional match funding for investment in improving the Broadband infrastructure in the Borough as part of CSW Broadband project.

Recommendation to the Council

- a That Members consider and decide on the level of additional match funding they would support; and**
- b That if additional match funding is recommended, members approve that it is taken forward as approved additional funding into the 2015/16 budget process.**

2 Consultation

- 2.1 Councillors M Stanley, Sweet and Smith have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

3 Background

- 3.1 The Council provided £197,868 towards match funding the initial BDUK grant of £4,070,000 to the CSW sub region. This funding and the associated work is referred to as "phase 1" in this report. The contract to carry out the work to provide comprehensive access to a broadband service and provide superfast broadband was awarded to BT in May 2013 and work began, on the ground, in February 2014 and is anticipated to be completed by the end of 2016. It is anticipated that phase 1 will provide superfast broadband to 91% of the premises in the sub region.

- 3.2 An update report to the June 2014 Executive Board provided information on progress made so far and informed members of an additional £3.68m BDUK grant (phase 2). This additional grant was made as a result of the Government updating its broadband strategy and stating its intention to extend coverage of superfast broadband to 95% of premises by the end of 2017. This second grant has been matched by Warwickshire CC with an additional £380k of grant matched by Solihull MBC to enable them to prioritise improvements in their area.

3.3 A further £6m has been offered by BDUK to the sub region, subject to match funding. The CSW project team are seeking this match funding from a number of sources including European funds and funds administered by the LEP. It is this additional grant that Districts and Boroughs have been asked to help provide match against. Warwick District Council and Rugby Borough Council have agreed to provide match funding at the same level as they contributed in phase 1.

3.4 Executive Board on the 17 June 2014 gave an in principle agreement to provide additional match funding provided it received a satisfactory report outlining the improvements achieved so far, together with details of future plans and timescales. A report (attached as Appendix 1) providing this information was considered by Executive Board, on 22 September. The Board decided to defer the decision until this meeting and further, updated progress information is provided in this report.

4 Current Improvements and Plans

4.1 The CSW Project team report that work in the Borough is two months ahead of schedule and progressing well. As can be seen from the graphs in Appendix 2, around 26% of the homes that have seen improvements in broadband across the sub-region are in the borough. These figures show that 74 cabinets have been upgraded in the sub region, with 21 of them being in North Warwickshire. The 74 cabinets upgraded have enabled over 15,600 homes to access better broadband with 5,364 of them being in North Warwickshire.

4.2 Figures published by Ofcom in October 2014 show that the percentage of people that subscribe to superfast broadband, where it is available, continues to grow and is currently at 28%. Applying this to the 5,364 superfast ready premises in the borough gives us an estimate of over 1,500 homes and businesses benefitting from the BDUK investment, with each of these being used by many more citizens, pupils and employees.

4.3 A very specific example of the benefits that superfast broadband can give is the new Coleshill Leisure Centre which is in an area where the BT cabinet has been upgraded using BDUK funding. We have been able to connect the Centre using broadband at a cost of £360pa compared with a leased line costing £4,000pa.

4.4 The map provided as Appendix 3 shows the locations of the cabinets that have or are in the plan to be upgraded, to provide superfast broadband, by the end of 2016. The list provided as Appendix 4 details the locations of cabinets being worked on, which includes upgrades to BT cabinets in Fillongley, Coleshill, Whitacre Heath and Corley, and those shaded green are "live" and able to deliver superfast broadband services.

4.5 The map provided as Appendix 5 shows how the deployment is being phased in the borough and how wide an area each upgraded cabinet reaches when it

is providing superfast broadband. As the situation is constantly changing, as surveys are completed and cabinets are upgraded, the maps and information on the CSW Broadband website are the most accurate sources of information on progress.

<http://www.cswbroadband.org.uk/images/NGA-Network-Coverage-Map-July-2014.jpg>.

5 Future Plans and Investment

5.1 The investment being made through the CSW Project team is focused on achieving the government's target of getting superfast broadband to 95% of the premises in the sub-region. However, members need to be aware that this will be most easily and cost effectively achieved by investing in the more populated or business areas.

5.2 Despite this the borough is predicted to see the biggest improvement, within the sub region, in the percentage of premises getting access to superfast broadband as a result of the current investment. The borough is expected to move from just 50% of premises, which could get superfast broadband from the commercial roll out, to around 83% of premises with the help of current Council funding, BDUK grant and private sector investment.

5.3 The map provided as Appendix 6 shows the areas (the white areas) that will not get improved broadband through the initial (phase 1) investment. These white areas are where state aid rules allow us to invest and are the areas which are included in the tender for work to improve broadband using the phase 2 funding. However, it is highly unlikely that all these areas will see improvement, even with phase 2 funding. We will only know the details of which of these areas will definitely be upgraded in phase 2 when the tender is returned and the contract finalised in January 2015.

5.4 Even with the phase 2 BDUK grant (£3.68m) and match funding, from the County Council and the private sector, the borough is unlikely to achieve the target of 95% of premises connected. This is largely due to the rural nature of our villages and the number of isolated properties, which are significantly more costly to upgrade. As can be seen from Appendix 6, some of the white areas cover large geographical areas which are likely to include very small communities and isolated rural homes and businesses. Such communities and properties could be where Borough Council investment is targeted.

5.5 Any investment in the project will improve broadband provision for at least some residents and local businesses. It will bring the borough closer to having pervasive superfast broadband and benefiting from the economic and social benefits it can bring.

5.6 Grant funding matched by the Borough Council would be ring fenced to improvements within the borough. The Council could also influence where the money is spent, using its own priorities, which may be different to the

priorities and criteria currently being applied to the funding administered by CSW Broadband Team. The CSW Project Team would be able to provide data and indicative costs based on the models they are using which could be used to help the Council decide where best to target any investment.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 Members are asked to consider and decide on the level of match funding they will support.
- 6.1.2 If an amount is agreed upon this would be included as approved additional budget in 2015/16 financial plans.
- 6.1.3 If the Council was to decide to provide match funding, each £1 committed would draw down £1 of government grant and also investment from the private sector, for example from BT.

6.2 Environment and Sustainability Implications

- 6.2.1 The improvement of broadband services within the Borough will help support people to live, work and learn in our all our communities. The lack of adequate internet provision has been shown to affect people's decisions about moving to areas or it may encourage businesses to relocate from the Borough, thus affecting the sustainability of local communities.
- 6.2.2 The lack of broadband provision means people are unable to easily access service. Online services are becoming widespread and in some cases either the default or only option.

6.3 Equalities Implications

- 6.3.1 Poor or no broadband service can prevent people from accessing information and services resulting in them being less well informed, having fewer opportunities and missing out on more effective ways of managing their businesses, life and finances. The impact of this lack of internet service is known as the "digital divide".

6.4 Links to Council's Priorities

- 6.4.1 Investment in the Broadband infrastructure in order to provide better internet services contributes directly to the Council's priority to improve access to services. A number of Council and other public services are increasingly being provided online, with the online option becoming the preferred or default method in some cases.

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

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
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Broadband Update Report and BDUK Match Funding	Linda Bird	Executive Board Report	17/6/2014
Broadband Match Funding	Linda Bird	Executive Board Report	22/9/2014

Agenda Item 15

Executive Board

22 September 2014

**Report of the Assistant Director
(Corporate Services)**

Broadband Match Funding

1 Summary

- 1.1 The report asks the Board to decide if the Council will provide additional match funding for investment in improving the Broadband infrastructure in the Borough as part of CSW Broadband project.

Recommendation to the Council

- a That Members consider and decide on the level of additional match funding it would support; and**
- b That If additional match funding is recommended, members approve that it is taken forward as approved additional funding into the 2015/16 budget process.**

2 Consultation

- 2.1 Councillors M Stanley, Sweet and Smith have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

3 Background

- 3.1 A Broadband Update and Match Funding report (Attached as Appendix 1) was considered by Executive Board on 17 June 2014 and A Broadband Update Report (attached as Appendix 2) was considered by Resources Board on the 2 June 2014. These reports provide background to the project.

- 3.2 Executive Board on the 17 June amended the recommendations of the Board which were then approved by Council. These amended recommendations are provided below.

- a That the report be noted;**
- b That the Council accepts in principle an agreement to provide additional match-funding provided it first receives a satisfactory report outlining the improvements achieved so far together with details,**

including an acceptable time frame, of what will be achieved, and provided agreement can be reached on the value of the additional funding; and

- c That, subject to the receipt of satisfactory information, the Assistant Director (Corporate Services), in consultation with the Chairman of the Board and the Opposition Spokesman, be authorised to agree the level of additional match funding.

- 3.3 As requested by Executive Board, and to help fulfil the requirements of the recommendation of the Board, the CSW project team have given briefings to and answered questions from Management Team and more recently to leading members from both parties. As a result of the meeting with leading members it was decided to bring a report back to this Board and seek its views in order to resolve recommendation C.

4 Report

- 4.1 Since the June 2014 reports Warwickshire County Council has approved the provision of budget to match an additional £3.68m BDUK grant. This additional grant was made as a result of the Government updating its broadband strategy, in June 2013, and stating its intention to extend coverage of superfast broadband to 95% of premises by 2017. Solihull has agreed to match the £380,000 that BDUK estimate is needed to bring their area up to the new 95% target.
- 4.2 The recent CSW project team briefings detailed the improvements made so far and the progress being made in the Borough which includes upgrades to BT cabinets in Fillongley, Coleshill, Whitacre Heath and Corley to provide superfast broadband.
- 4.3 Work is also underway in a number of other wards and a new approach to resolving the technical issues in Baddesley is being pursued by BT. As the situation is constantly changing, as surveys are completed and cabinets are upgraded, the maps and information on the CSW Broadband website are the most accurate sources of information on progress.
<http://www.cswbroadband.org.uk/images/NGA-Network-Coverage-Map-July-2014.jpg> .
- 4.4 The CSW Project team also explained how additional funding up to £6m has been offered by BDUK to the sub region, subject to match funding. The project team are seeking this match funding from a number of sources including European funds and funds administered by the LEP. It is this additional grant that Districts and Boroughs are now being asked to provide match against.
- 4.5 The investment being made by the CSW Project team is focused on achieving the government's target of getting superfast broadband to 95% of the premises in the sub-region. However, members need to be aware that

this will be most easily and cost effectively achieved by investing in the more populated or business areas.

- 4.6 Despite this the borough is predicted to see the biggest improvement, within the sub region, in the percentage of premises getting access to superfast broadband as a result of the current investment. The borough is expected to move from just 50% of premises, which could get superfast broadband from the commercial roll out, to around 83% of premises with the help of current Council funding, BDUK grant and private sector investment.
- 4.7 However, even with the latest BDUK grant (£3.68m) and match funding from the County Council and the private sector the borough will not achieve the target of 95% of premises connected. This is largely due to the rural nature of our villages and the number of more isolated properties, which are significantly more costly to upgrade. Further investment will still be needed if we are to provide superfast broadband to greater numbers of residents and businesses.
- 4.8 Any investment in the project will improve broadband provision for at least some residents and local businesses. It will also contribute to bringing the borough closer to having pervasive superfast broadband, and the benefits it brings, more readily available.
- 4.9 If the Council was to decide to provide match funding, each £1 committed would draw down £1 of government grant and also investment from the private sector, for example from BT.
- 4.10 Any grant funding matched by the Borough Council would be ring fenced to improvements within the borough. The Council could also influence where the money is spent, using its own priorities, which may be different to the priorities and criteria currently being applied to the funding administered by CSW Broadband Team.

5 Report Implications

- 5.1 The majority of the implications and benefits associated with the improving broadband are provided in the Resources Board, Attached as Appendix 2.
- 5.2 **Finance and Value for Money Implications**
 - 5.2.1 Members are asked to consider and decide on the level of match funding they will support.
 - 5.2.2. If an amount is agreed upon this would be included as approved additional budget in 2015/16 financial plans.

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

PROTECT

Snapshot of Total Homes Passed (THP) in North Warwickshire District Council
October 2014¹

	North Warks	CSW Project
Total Homes Passed	5364	15637
Cabinets upgraded	21	74
Postcodes enabled	336	1341

Figure 1 – North Warks THP across the CSW Project

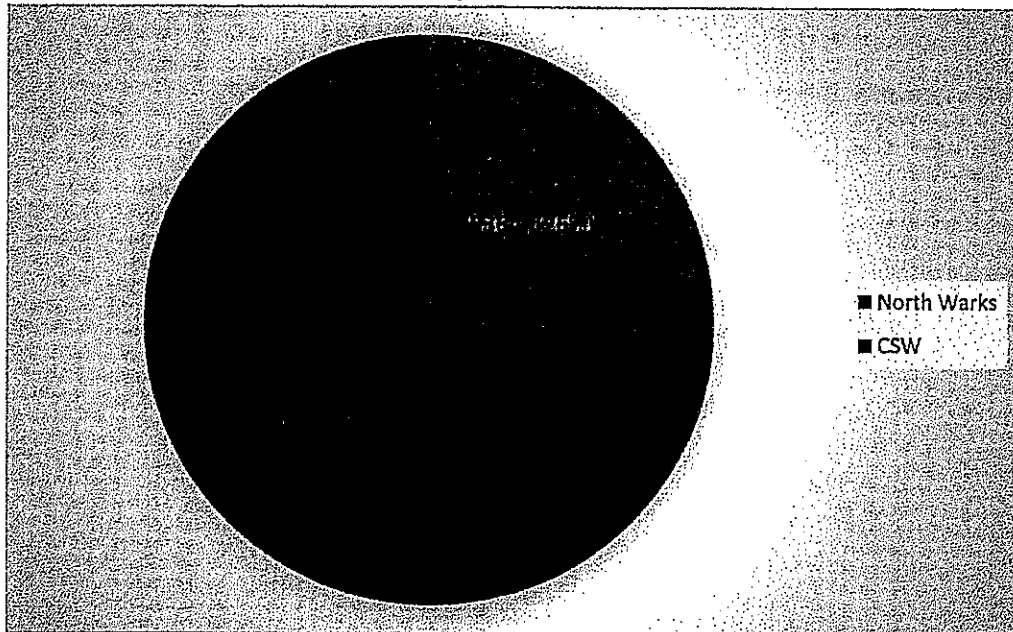
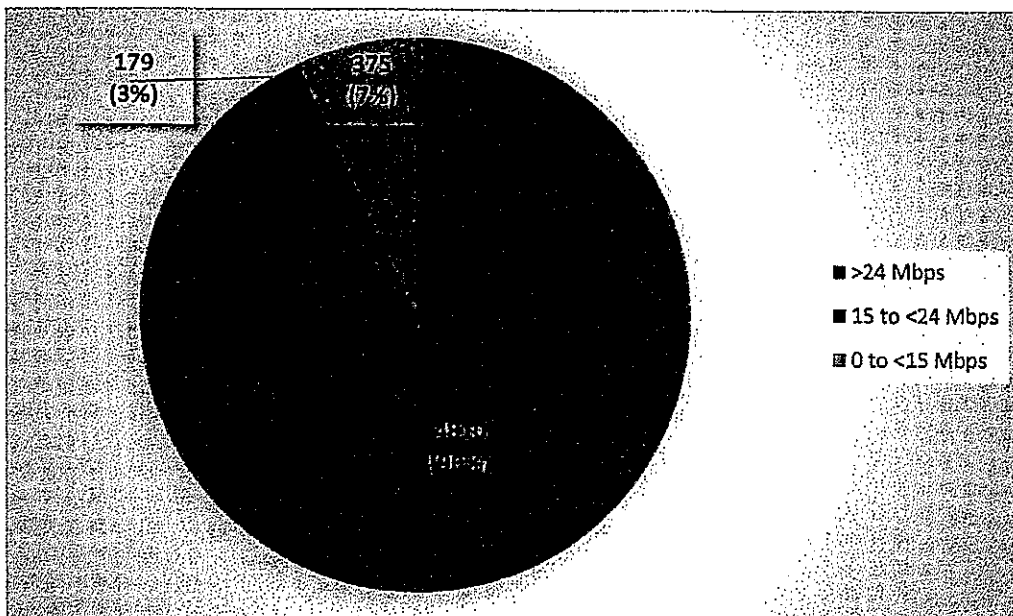


Figure 2 – North Warks THP Speed Buckets (Superfast Broadband >24Mbps; 15 to <24 Mbps and 0 to <15Mbps)



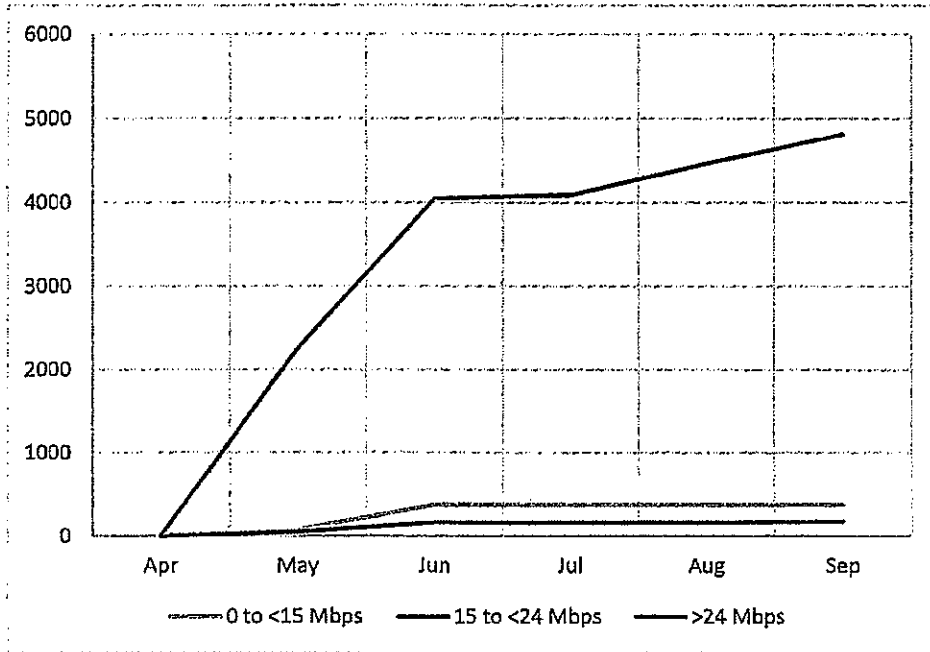
¹ Source MO Report which may be subject to change and/or correction

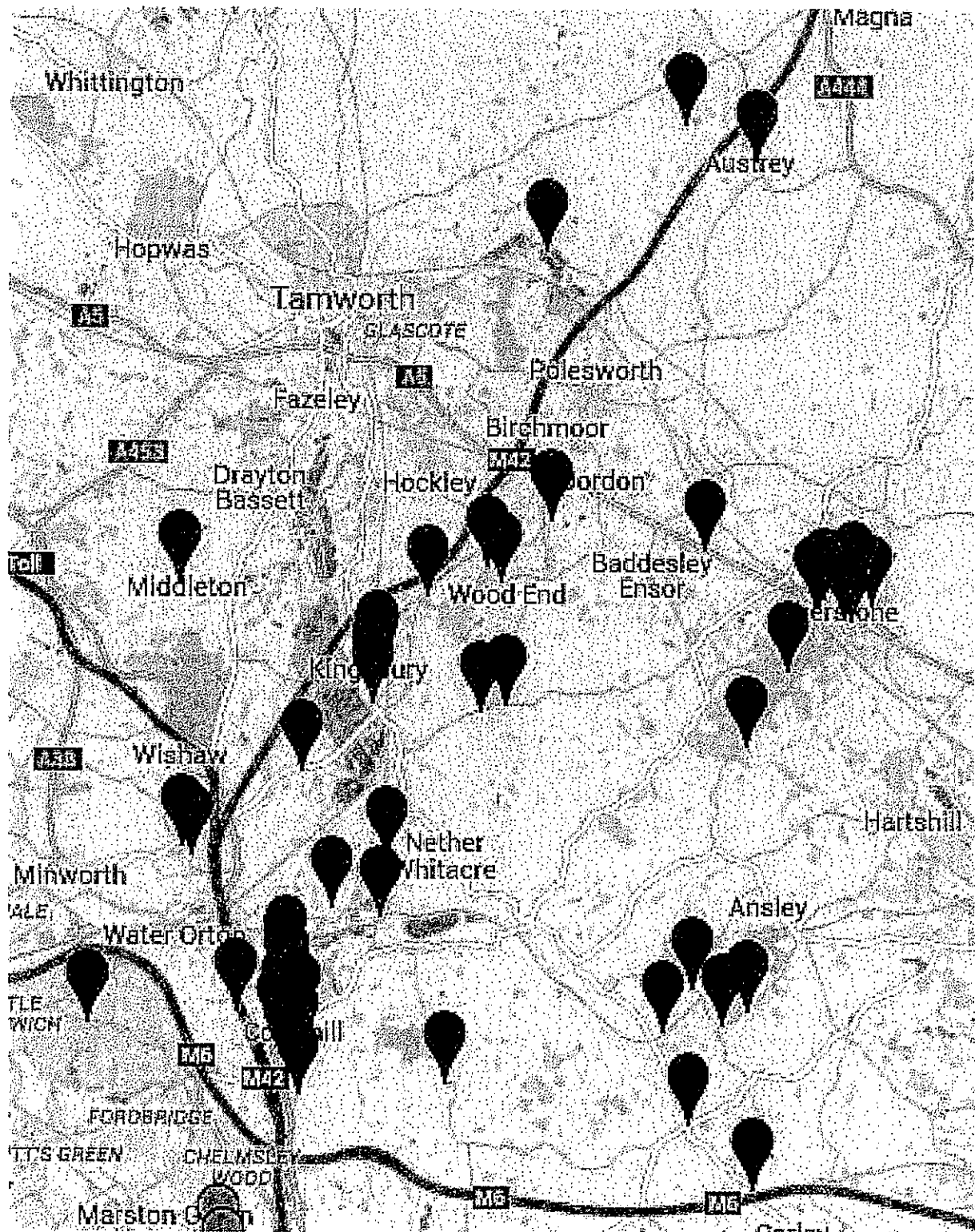
PROTECT

Figure 3 – North Warks Exchange and cabinets enabled

Exchange name	Number of exchange cabinets	Cabinet names
Coleshill	15	001, 002, 003, 004, 006, 007, 008, 009, 010, 012, 013, 015, 017, 018 and 019
Curdworth	1	002
Fillongley	5	001, 003, 004, 005 and 008
ALL	21	21

Figure 4 – North Warks THP per Speed Bucket per month cumulative





NWBC - Cabinets in current (2014) phases

COLESHILL	2	<u>High Street outside 145, North corner of Maxstoke Lane.</u>
COLESHILL	3	<u>Coventry Road outside 83a opposite George and Dragon pub</u>
COLESHILL	4	<u>Rose Road outside 103 Cnr Station Road</u>
COLESHILL	6	<u>Station Road outside Wheatsheaf Cnr Lichfield Road</u>
COLESHILL	7	<u>Blyth Road outside St Andrews Cnr Chestnut Grove</u>
COLESHILL	8	<u>Colemeadow Road outside 2 on Cnr Birmingham Road B4114</u>
COLESHILL	9	<u>Digby Road Cnr Wingfield Road outside 42</u>
COLESHILL	10	<u>Old Mill Road outside 28 opposite High Brink Road</u>
COLESHILL	12	<u>Station Road outside 21 opposite The Railway Inn</u>
COLESHILL	13	<u>Norton Road Cnr Ennersdale Road side of 11</u>
COLESHILL	15	<u>High Street outside HSBC Cnr Church Hill beside red phone box</u>
COLESHILL	18	<u>Castle Drive Cnr Montfort Road side of 33</u>
COLESHILL	19	<u>Temple Way outside 2 opposite Stanhope Way</u>
CURDWORTH	2	<u>Coleshill Road adjacent 62 Cnr Breeden Drive</u>
FILLONGLEY	1	<u>Tarnworth Rd. South of Jnc Highfield Lane side of Saracens Head pub</u>
FILLONGLEY	3	<u>Gun Hill outside St Michael's Church opposite Ransome Road</u>

FILLONGLEY	4
FILLONGLEY	5
FILLONGLEY	8
COLESHILL	1
COLESHILL	14
COLESHILL	17
CURDWORTH	1
Birch Coppice(OFF FAZELEY	40
HURLEY	1
HURLEY	2
HURLEY	3
HURLEY	4
HURLEY	5
HURLEY	6
HURLEY	7
HURLEY	8
HURLEY	9
NEWTON REGIS	1

- Rectory Road opposite Spring Hill in bushes
Nuneaton Rd outside Woodcroft at Crossroads Tamworth Road, Meriden Road, Coventry Road
Spring Hill outside 82 by telegraph pole East of Lamp Lane
241 Station Road, opposite Fishery Lane B46 2JG
Coleshill Road NW Cnr Castle Lane B46 2RD
Station Road Cnr Roman Way (Partex) B46 1HG
Kingsbury Road, Opposite Haunch Lane B76 0BY
Birch Coppice Industrial Estate B78 1SE
Coventry Road Near Mill Crescent B78 2LR
Tamworth Road Between Wood Street and Smith Street Opposite 53 CV9 2QH
Tamworth Road, Opposite Trinity Road B78 2LE
Knowle HillNW Cnr Brickkiln Lane CV9 2JE
Knowle Hill, SW Junction with Bridge Street CV9 2JB
Edge Hill (by Speed bump) outside Oak House, Wood End, Atherstone CV9 2QR
Oak Tree Close, SW Cnr Sycamore Road B78 2JE
Church Lane, NW Cnr Coventry Road Kingsbury B78 2LS
Trinity Road, SE Cnr Piccadilly Crescent B78 2EL
Austrey Lane, NE Cnr Kings Lane B79 0NL

NEWTON REGIS	2
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Appleby Hill, Between Windmill Lane and Main Road CV9 3SS

ATHERSTONE	2
ATHERSTONE	6
ATHERSTONE	12
ATHERSTONE	16
ATHERSTONE	20
ATHERSTONE	21
ATHERSTONE	24
ATHERSTONE	26
ATHERSTONE	29

Long Street outside 60 opposite Post Box

A5 Watling Street (slip road) on grass verge facing 180 in Grendon

Sheepy Road 4, Atherstone

Carlyon Road Cnr Ratcliffe Road

Long Street outside 180, Atherstone

North Street Cnr Long Street, Atherstone

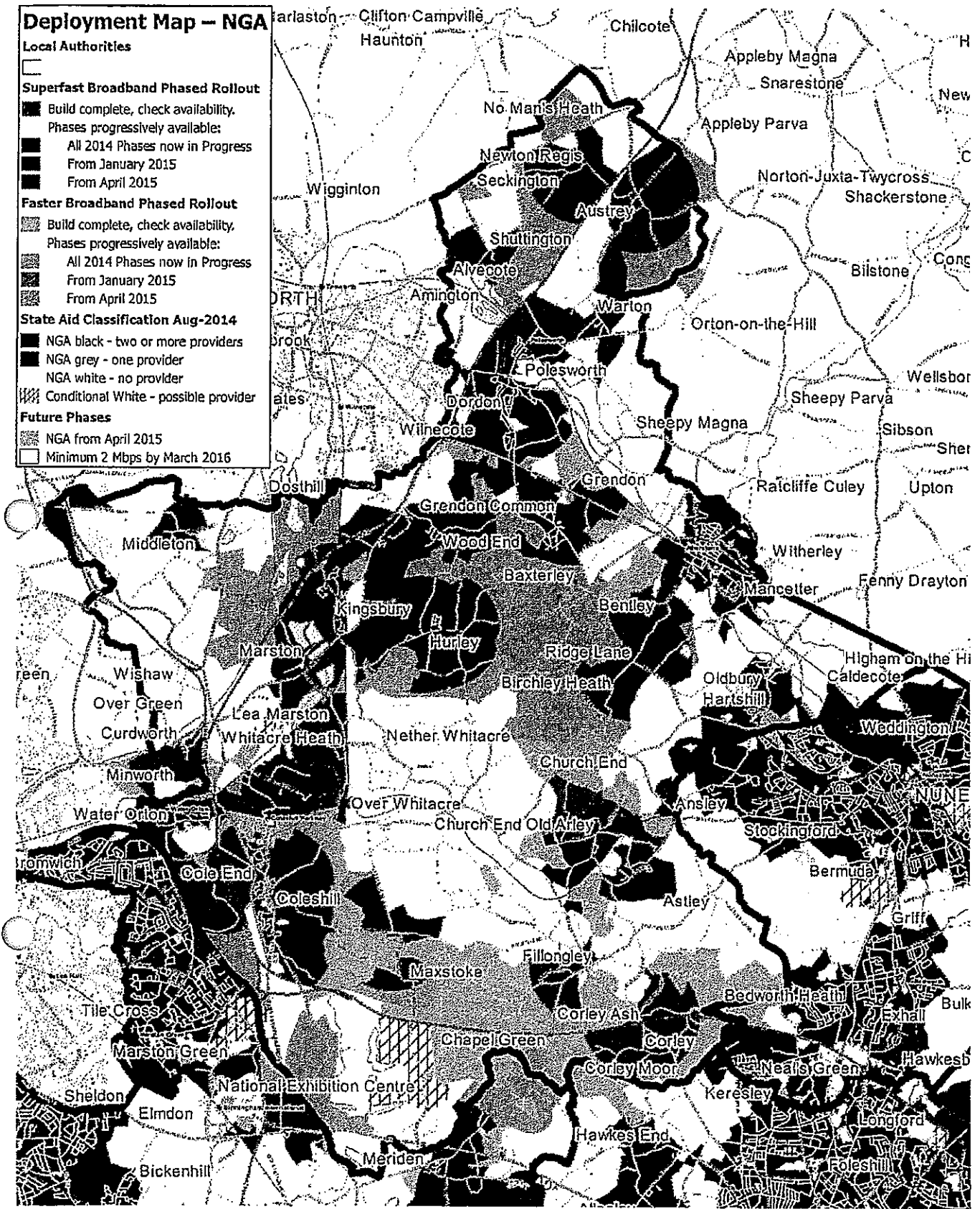
Carlyon Road outside Greenacres, Atherstone

Ridge Lane Cnr Birchley Heath Road outside The White Hart

Long Street outside Library next to The Clock, Atherstone

Deployment Map – NGA

- Local Authorities**
- Superfast Broadband Phased Rollout**
- Build complete, check availability.
 - Phases progressively available:
 - All 2014 Phases now in Progress
 - From January 2015
 - From April 2015
- Faster Broadband Phased Rollout**
- Build complete, check availability.
 - Phases progressively available:
 - All 2014 Phases now in Progress
 - From January 2015
 - From April 2015
- State Aid Classification Aug-2014**
- NGA black - two or more providers
 - NGA grey - one provider
 - NGA white - no provider
 - Conditional White - possible provider
- Future Phases**
- NGA from April 2015
 - Minimum 2 Mbps by March 2016



Agenda Item No 13

Executive Board

10 February 2015

Report of the
Deputy Chief Executive

General Fund Revenue Estimates
2015/16

1 Summary

- 1.1 This report covers the revised budget for 2014/15 and an estimate of expenditure for 2015/16 together with forward commitments for 2016/17, 2017/18 and 2018/19.

Recommendation to the Board	
a	To accept the revised budget for 2014/15; and
b	To accept or otherwise vary the Estimates of Expenditure for 2015/16, as submitted, for their inclusion in the overall budget considered in a later agenda item.

2 Consultation

- 2.1 The Chair, Vice-chair and Opposition Spokesperson for the Executive Board have been sent an advanced copy of this report for comment. Any comments received will be reported verbally to the Board.

3 Introduction

- 3.1 In consultation with other Assistant Directors, the Assistant Director (Finance and Human Resources) has prepared an estimate of net expenditure for 2015/16 and this, together with a revised budget for 2014/15, appears in Appendices A and B. To provide a more complete picture of the spending pattern of the service, the actual figures for 2013/14 are shown.

...

- 3.2 At its meeting in September, the Executive Board agreed the budget strategy for 2015-2019 which required savings of £2.04 million over a four year period. This required budget savings of £655,000 in 2015/16 with additional savings of £565,000, £475,000 and £350,000 in 2016/17, 2017/18 and 2018/19 respectively. No provision for growth was built into the strategy.
- 3.3 Assistant Directors were asked to identify areas where savings could be made, either by a reduction in expenditure or through the generation of additional income.
- 3.4 A subjective analysis of the Board's requirement is shown below:

	Approved Budget 2014/15 £	Revised Budget 2014/15 £	Original Budget 2015/16 £
Employee Costs	284,930	265,960	270,310
Premises	1,280	2,180	1,620
Supplies and Services	104,070	247,690	79,850
Transport	1,730	1,720	1,530
Miscellaneous Expenditure	0	49,990	0
Earmarked Reserves	(50,000)	(192,180)	(59,290)
Gross Expenditure	342,010	375,360	294,020
Income	(9,160)	(72,980)	(4,510)
Net Controllable Expenditure	332,850	302,380	289,510
Departmental Support	167,720	157,670	151,560
Central Support	116,750	126,180	132,190
Capital Charges	6,700	11,430	11,410
Net Expenditure	624,020	597,660	584,670

3.5 The Council values all of its assets using a five year rolling programme, and this can affect the level of capital charges that are made to services and can therefore significantly affect the net service cost. Although few assets are used for the services within this Board, changes in net service expenditure that are as a result of increases or decreases in capital charges are shown below net operating expenditure in the following pages.

4 **Comments on the 2014/15 Revised Budget**

4.1 The revised budget for 2014/15 is estimated to be £597,660; a decrease of £26,360 on the approved provision. The main reasons for variations are set out below.

4.2 **Outreach and Access to Services (£13,760)**

There has been an increase in the costs related to the operation of the 'hubs', pilot food projects and the food bank. This has been more than offset by income from Warwickshire County Council and the Community Strategy budget, along with a contribution from earmarked reserves.

4.3 **Corporate Communications (£7,290)**

Employee costs have decreased due to the reduction in the hours worked by the public relations officer. There has also been reduction in the printing cost of North Talk. These have been partially offset by a reduction in advertising revenue from North Talk.

4.4 **North Warwickshire Local Development Framework (£7,640)**

Although there has been an increase in the professional services budget to reflect the level of work being undertaken on the Local Development Plan, this has not

increased net controllable expenditure, as it has been funded through earmarked reserves. The cost of some work completed jointly with Nuneaton and Bedworth has been shared with them. However there has been a reduction in staff costs allocated to this service of 7,640.

4.5 **Departmental and Central Support**

There has only been a marginal increase overall of £620. However within departmental support there are decreased costs associated with changes in allocations to service reporting to this board. Central Support charges have increased as a result of addition time spent by Information Services on the Outreach and Access to services budget, partially offset by vacancies within Partnership and Development.

4.6 **Capital related** costs have increased by **£4,730**. This relates to the depreciation costs of the additional Information Technology on the Outreach and Access to Service budget.

5 **Comments on the 2015/16 Estimates**

5.1 The 2015/16 estimate has been prepared, taking into account the following assumptions:

- A 2.2% pay award from 1 January 2015, with non-consolidated payments to be made in December 2014 and April 2015;
- Increases in the Council's pension contribution rate for current employees of 0.75% per annum up to 2018/19.
- A general inflationary increase of 2% in 2015/16;
- An increase in income has been allowed to reflect the increases included in the fees and charges report elsewhere on this agenda.
- Savings of £12,500 have been incorporated into the estimates being considered and are shown in Appendix C.

5.2 The total estimated net expenditure for 2015/16 is £584,670; a decrease of £39,350 on the 2014/15 approved budget and a decrease of £12,990 on the revised 2014/15 budget. The main variations are set out below:-

5.3 **Community Strategy (£3,040)**

This reduction relates to the removal of the savings identified in appendix C

5.4 **Emergency Planning (£9,700)**

This reduction relates to the removal of the savings identified in appendix C

6 **Growth Items**

6.1 A provision for growth was not included in the Council's Budget Strategy, approved in September 2014 by this Board. There are no growth items relating to the services covered by this report.

7 Income

- 7.1 Changes in the levels of fees and charges for services under the responsibility of this Board are covered in another report on tonight's agenda. Income on fees and charges is expected to contribute to the achievement of income targets.

8 Risks to Services

- 8.1 The key risk to the budgetary position of the Council from services under the control of this Board is:

	Likelihood	Potential impact on Budget
The Emergency Planning budget of £5,790 may be insufficient to cover the costs of any major local emergency.	Low	High

9 Future Year Forecasts

- 9.1 In order to assist with medium-term financial planning, Members are provided with budget forecasts for the three years following 2015/16. The table below provides a subjective summary for those services reporting to this Board:

	Forecast Budget 2016/17 £	Forecast Budget 2017/18 £	Forecast Budget 2018/19 £
Employee Costs	275,290	283,870	291,030
Premises	1,700	1,790	1,880
Supplies and Services	80,170	81,830	82,160
Transport	1,530	1,550	1,570
Earmarked Reserves	(60,040)	(62,010)	(62,830)
Gross Expenditure	298,650	307,030	313,810
Income	(4,600)	(4,690)	(4,780)
Net Controllable Expenditure	294,050	302,340	309,030
Departmental Support	154,590	158,840	162,000
Central Support	133,390	136,680	139,300
Capital Charges	7,860	7,860	7,860
Net Expenditure	589,890	605,720	618,190

- 9.2 The forecasts given above have used a number of assumptions, which include pay awards of 2% in 2016/17 to 2018/19, increases in contracts and general increases in supplies and services of 2% in 2017/18. In total, net expenditure is expected to increase by 0.9% in 2016/2017, by 2.7% in 2017/18 and by 2.1% in 2018/2019.

- 9.3 These forecasts are built up using current corporate and service plans. Where additional resources have already been approved, these are also included. However, these forecasts will be amended to reflect any

amendments to the estimates, including decisions taken on any further corporate or service targets.

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 Risk Management Implications

10.3.1 There are a number of risks associated with setting a budget, as assumptions are made on levels of inflation and demand for services. To minimise the risks, decisions on these have been taken using past experience and knowledge, informed by current forecasts and trends. However, the risk will be managed through the production of regular budgetary control reports, assessing the impact of any variances and the need for any further action.

The Contact Officer for this report is Nigel Lane (719371).

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

NORTH WARWICKSHIRE BOROUGH COUNCIL
EXECUTIVE BOARD SUMMARY
SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
2000	Housing Strategic Service Review	1,036	-	-	-
2001	Outreach and Access to Services	81,333	81,460	67,700	67,380
2002	Corporate Communications	54,871	53,390	46,100	46,720
2003	Community Strategy	44,436	43,230	41,450	38,410
2007	Emergency Planning	11,468	15,490	15,490	5,790
2009	North Warwickshire Local Development Framework	142,913	139,280	131,640	131,210
5050	Support to Parishes	23	-	-	-
	Net Controllable Expenditure	336,080	332,850	302,380	289,510
	Departmental Support	171,232	167,720	157,670	151,560
	Central Support	103,907	116,750	126,180	132,190
	Capital Charges	6,391	6,700	11,430	11,410
	EXECUTIVE BOARD TOTAL	617,610	624,020	597,660	584,670

2000 - HOUSING STRATEGIC SERVICE REVIEW

This budget shows the cost of officer time spent on strategic decision making for Housing.

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	1,036	-	-	-
NET CONTROLLABLE EXPENDITURE	1,036	-	-	-
Departmental Support	27,188	27,430	26,690	26,270
Central Support	4,993	5,780	5,570	5,230
NET EXPENDITURE	33,217	33,210	32,260	31,500

Contributes to corporate priority :

- Listening to and working with our tenants to maintain and improve our housing stock and providing affordable housing in the right places

2001 - OUTREACH AND ACCESS TO SERVICES

This budget covers the costs of creating and maintaining the Community Hubs, Food Banks and the Branching out Bus (BOB).

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	60,847	55,190	55,620	60,460
Premises	1,702	1,280	1,590	1,620
Supplies and Services	46,232	23,260	65,210	12,060
Transport	2,280	1,730	1,720	1,530
Earmarked Reserves	25,628	-	(10,240)	(8,290)
GROSS EXPENDITURE	136,689	81,460	113,900	67,380
GROSS INCOME	(55,356)	-	(46,200)	-
NET CONTROLLABLE EXPENDITURE	81,333	81,460	67,700	67,380
Departmental Support	15,729	18,290	16,500	18,210
Central Support	25,299	26,010	43,580	43,950
Capital Charges	6,391	6,700	11,430	11,410
NET EXPENDITURE	128,752	132,460	139,210	140,950

Contributes to corporate priority :

- Improving communication of information and community consultation including, where appropriate, providing the opportunity to be involved in decision making

2002 - CORPORATE COMMUNICATIONS

North Talk is the Borough Council's newsletter produced three times a year and is distributed to all households in the Borough and to businesses, voluntary organisations and other partners.

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	51,708	50,970	40,990	41,500
Supplies and Services	11,604	11,370	9,330	9,520
Earmarked Reserves	1,224	-	-	-
GROSS EXPENDITURE	64,536	62,340	50,320	51,020
GROSS INCOME	(9,665)	(8,950)	(4,220)	(4,300)
NET CONTROLLABLE EXPENDITURE	54,871	53,390	46,100	46,720
Departmental Support	3,344	3,730	3,540	3,530
Central Support	4,892	4,520	7,520	6,880
NET EXPENDITURE	63,107	61,640	57,160	57,130

Contributes to corporate priority :

- Improving communication of information and community consultation including, where appropriate, providing the opportunity to be involved in decision making

2003 - COMMUNITY STRATEGY

The Council used various methods to engage the public and other bodies in the development of the Community Plan. This budget is used to facilitate consultation and focus group meetings as part of the development process.

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	43,238	39,280	37,500	36,930
Premises	-	-	400	-
Supplies and Services	1,198	3,950	3,550	1,480
Miscellaneous Expenditure	-	-	49,990	-
Earmarked Reserves	20,000	-	(39,990)	-
GROSS EXPENDITURE	64,436	43,230	51,450	38,410
GROSS INCOME	(20,000)	-	(10,000)	-
NET CONTROLLABLE EXPENDITURE	44,436	43,230	41,450	38,410
Departmental Support	53,625	51,720	48,790	46,180
Central Support	40,183	51,480	39,090	47,470
NET EXPENDITURE	138,244	146,430	129,330	132,060

Contributes to corporate priorities :

- Improving communication of information and community consultation including, where appropriate, providing the opportunity to be involved in decision making
 - Protecting and improving our local environment
 - Protecting and improving our countryside and heritage
 - Helping to tackle health inequalities by working with the County Council and the NHS locally and be encouraging, where financially viable, leisure opportunities in local communities
 - Work with the Police, Parish Councils, Town Councils, the community and other partners to tackle crime and anti-social behaviour

2007 - EMERGENCY PLANNING

Emergency planning budget to cover the costs of fulfilling legal duties under the Civil Contingencies Act 2004

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	1,119	-	-	-
Supplies and Services	10,349	15,490	15,490	5,790
NET CONTROLLABLE EXPENDITURE	11,468	15,490	15,490	5,790
Departmental Support	28,502	28,820	27,290	26,630
Central Support	7,938	8,090	7,620	7,160
NET EXPENDITURE	47,908	52,400	50,400	39,580

Contributes to corporate priority :

- Protecting and improving our local environment

2009 - NORTH WARWICKSHIRE LOCAL DEVELOPMENT FRAMEWORK

Local tier of the Development Plan and other documents required as a statutory duty.

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	143,122	139,490	131,850	131,420
Premises Related Expenditure	385	-	190	-
Supplies and Services	122,939	50,000	154,110	51,000
Earmarked Reserves	(116,533)	(50,000)	(146,950)	(51,000)
GROSS EXPENDITURE	149,913	139,490	139,200	131,420
GROSS INCOME	(7,000)	(210)	(7,560)	(210)
NET CONTROLLABLE EXPENDITURE	142,913	139,280	131,640	131,210
Departmental Support	42,214	37,130	34,300	30,190
Central Support	20,442	20,700	22,660	21,350
NET EXPENDITURE	205,569	197,110	188,600	182,750

Contributes to corporate priorities :

- Protecting and improving our local environment
- Protecting and improving our countryside and heritage

5050 - SUPPORT TO PARISHES

To assist Parish Councils on parish plans. To provide Parish Councils with match funding for projects.

DESCRIPTION	ACTUALS 2013/2014	APPROVED BUDGET 2014/2015	REVISED BUDGET 2014/2015	ORIGINAL BUDGET 2015/2016
Employee Expenditure	23	-	-	-
Premises	50	-	-	-
Supplies and Services	914	-	-	-
Earmarked Reserves	19,036	-	5,000	-
GROSS EXPENDITURE	20,023	-	5,000	-
GROSS INCOME	(20,000)	-	(5,000)	-
NET CONTROLLABLE EXPENDITURE	23	-	-	-
Departmental Support	630	600	560	550
Central Support	160	170	140	150
NET EXPENDITURE	20,813	770	5,700	700

Contributes to corporate priorities :

- Protecting and improving our local environment
- Work with the Police, Parish Councils, Town Councils, the community and other partners to tackle crime and anti-social behaviour
- Protecting and improving our countryside and heritage

SAVINGS INCLUDED WITHIN 2015/16

Board	Description	2014/15 £
Exec	Community Strategy budget – reduction in Grants and Contributions	2,500
Exec	Emergency Planning budget – Reduction in Professional Fees	10,000
	Executive Total	12,500

Agenda Item No 14

Executive Board

10 February 2015

**Report of the
Deputy Chief Executive**

**General Fund Revenue Estimates
2015/16 and Setting the Council
Tax 2015/16**

1 Summary

- 1.1 This report sets out the proposed General Fund Revenue Estimate for 2014/15, and the options available when setting the 2015/16 Council Tax for the Borough in the context of the Authority's Revenue Support Grant settlement, and the effect on General Fund balances.

Recommendation to the Council

- a That the Executive Board approves the savings of £685,380 shown in Appendix I;**
- b That the Executive Board approves the revised estimate for the year 2014/15 and the revenue estimates for 2015/16;**
- c That the Executive Board notes the Council Tax base for 2015/16, as set out in Appendix G;**
- d That the Executive Board identifies the preferred Council Tax option for 2015/16;**
- e That the Executive Board notes the Deputy Chief Executive's comments on the minimum acceptable level of general reserves;**
- f That the manpower estimates for the year 2015/16 are approved; and**
- g That a Council Tax resolution be prepared for consideration by the Council, using the recommendations agreed by this Board.**

2 The Council's Budget Requirement

2.1 All Service Boards have now considered their individual budget requirements for 2015/16, and these are shown in Appendices A – E, along with the revised requirements for 2014/15.

2.2 Board requirements are summarised in the table below, together with other items, such as investment interest and contingencies.

	2014/15 Approved Estimate £	2014/15 Revised Estimate £	2015/16 Original Estimate £
Board Summary	9,483,340	9,244,750	9,501,880
Contingencies	119,320	72,720	58,990
Growth	-	16,320	23,230
Financing Adjustment	(742,810)	(829,770)	(807,720)
Investment Interest Income	(100,000)	(100,000)	(100,000)
Revenue Cont. to Capital Expend	119,000	119,000	119,000
Board Summary	8,878,850	8,523,020	8,795,380

2.3 Appendix F sets out the figures as presented to the Boards.

3 The Council's 2014/15 Estimated Out-turn

3.1 The Council's revised net expenditure requirement for 2014/15 amounts to £8,523,020, which is £355,830 less than the approved estimate. The major changes in expenditure are set out below.

3.2 There has been a significant reduction in employee costs. The main reasons for this relate to vacant posts for part of the year, a reduction in superannuation resulting from staffing changes, the deletion of posts and staff car savings, partially offset by the use of agency staffing.

(£195,910)

3.3 Additional income from rental of council office space to external customers.

(£79,300)

3.4 On the Cesspool service there has been a reduction in income due to a lower level of service requests from customers and dry weather conditions. Transport maintenance costs have risen due to the age of the vehicle and the need to hire in a replacement while maintenance is undertaken. In addition employee costs have risen due to increased overtime, holiday and sickness cover. Disposal charges have also increased.

£34,990

- 3.5 Industrial Units premises budgets have decreased by £20,790 due largely to reductions in electricity, business rates, buildings insurance and Building Maintenance Fund contributions. In addition there has been an increase in rental income.
(£24,970)
- 3.6 Costs on the refuse and recycling services have increased, as participation levels for recycling and garden waste have risen substantially, requiring additional rounds. In addition there has been an increase in haulage costs, the handling fee paid to WCC and some one off costs in setting up the revised management structure. A fall in the price of paper and card has also reduced the income available.
£174,560
- 3.7 There has been a reduction in the cost of Amenity Cleaning as holidays and sickness have not been covered and there have been some vacancies in the service.
(£49,420)
- 3.8 There has been an increase in income due to an increase in higher value planning applications.
(£200,000)
- 4 The Council's 2015/16 Expenditure Requirement**
- 4.1 The Council's net expenditure requirement for 2015/16 amounts to £8,795,380, which is £83,470 less than the approved estimate for 2014/15 and £272,360 more than the revised estimate. The main variations between the 2015/16 original budget and the 2014/15 revised budget are set out below.
- 4.2 Provision has been made for those posts that were vacant in 2014/15, a pay award of 2.2%, an increase of 0.75% in the superannuation rate and the payment of annual increments. These increases have been partially offset by savings from deleted posts, and a reduction in some agency budgets.
£306,620
- 4.3 Full year effect of rental income of council office space to external customers
(£43,230)
- 4.4 Provision has been made for the Borough Council Elections to be held in May.
£55,330
- 4.5 The net position on the Leisure Centres has improved, mainly due to the effect of a full year operation of the new centre at Coleshill, which anticipates additional income and some reductions in running costs.
(£66,670)

- 4.6 The cost of the refuse service will decrease following the removal of one off costs from the management restructure. (€50,140)
- 4.7 The contingency sum has been decreased as provision previously included for City Deal has been removed. (€13,730)
- 4.8 Some of the additional planning income in 2014/15 has been taken out of the budget. €100,000

5 Summary of the Finance Settlement

- 5.1 The proposed finance settlement for the Council was set out in detail at the Board's meeting on 22 September 2014. This has been revised marginally since that report, with a decrease in proposed grant of €4,000 for 2015/16. The summary given below shows the updated position.

	Actual 2014/15 €'000	Proposed 2015/16 €'000	Decrease %
Total Funding	3,719	3,146	-15.4

- 5.2 The Council's funding for 2015/16 will reduce by €573,000 (15.4%). This is in line with the Council's Medium Term Financial Strategy (MTFS) which assumed a drop in external funding of €569,000 in 2015/16.
- 5.3 The funding of €3,146,047 shown above includes a number of areas which were previously identified separately, including Council Tax Support, Council Tax Freeze and Homelessness Prevention.
- 5.4 Financial settlement figures for 2016/17, 2017/18 and 2018/19 are not yet known, although further reductions to national control totals have been discussed and are expected. The figures used in our latest projections have assumed further reductions in grant funding of around 10% in all years. The projected RSG figure for 2018/19 is €160,000 less than the grants for CTS, Council Tax Freeze and Homelessness, which the Government identified as being within RSG. There is the possibility that RSG would not fall below €580,000. If that were the case, then the 2018/19 savings figure could be reduced.
- 5.5 In the MTFS we included an RPI increase of 2.8% in baseline funding from business rates, in line with national scheme parameters. The government has since announced their intention to restrict the small business rate increase to 2%, which will reduce baseline funding levels for all councils. However this shortfall will be compensated through the receipt of Section 31 Grant.

- 5.6 Our business rate assessment for the current year is highly fluid, as appeals and refunds can have a major impact at any point in the year. To date the Council has budgeted to achieve its baseline funding level. However given the expected improvement in rateable income in some areas, it has been assumed that once section 31 grant has been received, we will exceed our baseline funding level in 2014/15 and subsequent years by £250,000. This equates to £1.994 million in 2015/16.
- 5.7 Notification of New Homes Bonus of £703,660 has been received for 2015/16, and this has been used as a base for following years. An additional £110,000 has been assumed in each subsequent year, in recognition of the new build included in the Core Strategy. Achievement of this figure will require around 100 new properties to be delivered each year.

6 Council Tax

- 6.1 As part of the budget setting process, the tax base for the Borough is updated each year to reflect new properties, demolitions and changes to the valuation bands of existing properties. Allowances are also made for properties which are exempt from Council Tax, or where the residents receive discounts. The tax base has been updated for 2015/16 and is attached as Appendix G.
- 6.2 As mentioned above, the review of potential new build in the Core Strategy indicates that around 100 additional properties will be included in the tax base. A growth rate of 0.5% in the tax base has therefore been used in projecting Council Tax income for 2016/17 onwards.
- 6.3 In general terms, an inflationary increase in Council Tax is built into the budget on an annual basis. In recent years the Government have encouraged local authorities to freeze Council Tax, and have provided some grant to offset the loss of income. Grant support offered has varied from year to year, but is generally time limited. Grant support of 1% has again been offered to council's who freeze their Council Tax in 2015/16.
- 6.4 Decisions to freeze Council Tax has an on going and cumulative effect on the Council's financial position, and the impact of the decisions in 2011/12, 2012/13, 2013/14 and 2014/15 to the end of the current strategy period is detailed in Appendix H. This shows that by March 2019, the Council Tax lost would amount to £2.633 million. As grant funding is limited to £0.738 million, the net funding foregone by the end of the strategy period will be in the region of £1.895 million. The income loss for 2019/20 onwards amounts to £417,000 per annum.
- 6.5 The budget strategy assumed a 1.95% increase in Council Tax in 2015/16, with further 1.95% increases in subsequent years. This is in line with the permitted increase without the need for a referendum.

7 Budget Savings

7.1 In September, this Board agreed that savings of £2.045 million would need to be identified over 2015/16 and the following three years. Assistant Directors were tasked with reviewing their service areas, with the aim of producing proposals to meet this challenging target. A number of savings have been found as a result of staff restructures, continuing to freeze posts where possible, altering service procurement or amending how services are provided. These savings amounting to £685,380 are summarised in Appendix I, and have been incorporated into the 2015/16 estimates. The savings still required for the years 2016/17 to 2018/19 amount to £1.36 million.

7.2 If additional growth or a Council Tax increase between 0 – 1.95% is approved, this may require a further increase in the savings targets over those three years.

7.3 Even with these savings, the Council will still be drawing £411,750 from balances in 2018/19, indicating that further savings will be required beyond 2019/20.

7.4 As savings are increasingly difficult to find, some early consideration was given to possible areas where the savings for 2015/16 and future years may be found, as some of the areas will take a period of time to review. Savings found will be brought in as early as possible, as the earlier this happens, the more beneficial the impact on our balances.

8 Growth Items

8.1 Only provision for unavoidable growth relating to Borough Council elections in 2015 was included within the Council's Budget Strategy, approved by this Board in September 2013. However there are further unavoidable growth items totalling £23,230 to cover the removal of asbestos on amenity land for £16,730 and additional building maintenance costs relating to statutory requirements for Council House for £6,500. These have been included within the 2015/16 figures presented.

9 Performance Against the Budget Strategy

9.1 The revised budget strategy envisaged the following use of balances over the next four years.

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Use of Balances	762	537	462	434
Level of Balances 31 March	2,959	2,422	1,960	1,526

9.2 Each Board has projected its expenditure requirements up to and including 2018/19, together with budget reductions, financing and other reductions. This has altered the use of balances expected over the next few years and is shown below:

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Use of Balances	507	460	424	412
Level of Balances 31 March	3,816	3,356	2,932	2,520

9.3 This predicted use of balances is based on limited growth and a 1.95% increase in Council Tax for 2015/16, with increases of 1.95% for 2016/17, 2017/18 and 2018/19. The anticipated General Fund balance at 1 April 2015 is £4,323,000, which is higher than expected in the Budget Strategy. This is due to the reduced use of balances and the additional business rates expected in 2014/15. The level of balances at the end of each following year is higher than assumed in the strategy, however the use of balances in 2017/18 and 2018/19 still indicates the requirement for further savings after 2018/19.

10 Availability of Reserves

10.1 The Local Government Act 2003 requires the Deputy Chief Executive to make an annual statement on the adequacy of financial reserves. General reserves or balances are held to provide a general contingency for unavoidable or unforeseen expenditure, and also give stability for longer term planning. The level of general reserves held is based on an assessment of the financial risks attached to the budget, and this is covered in section 11 below.

10.2 In addition to its general financial reserves, the Council holds a number of earmarked reserves, for both revenue and capital purposes. It also holds some reserves on behalf of other organisations.

10.3 General Council policy is not to use earmarked reserves to fund ongoing service activity, but for specific one-off expenditure, so that the base budget position is not understated. So for example, external grant received in advance for specific projects will be held in an earmarked reserve until the activity takes place and the grant is spent. Some timing differences on particular activities are also dealt with through earmarked reserves, to remove unnecessary fluctuations in the base budget, whilst ensuring sufficient budget provision is available. This approach has been used for the Local Development Framework, where expenditure can vary significantly between years, but where the total funding required can be estimated.

10.4 The Council also uses earmarked reserves to set aside funding for capital schemes and projects. A Major Repairs Reserve has been used to hold any unspent MRA received through the housing subsidy system. The Council also uses reserves to build up funding for the future replacement of assets and equipment, such as play areas and CCTV equipment.

10.5 Where earmarked reserves are used for revenue activities, the expenditure is included within the appropriate service budget, together with the contribution

from the reserve to offset this. These movements are highlighted in the budget reports considered by Members.

- 10.6 The expected position on earmarked reserves at the end of 2014/15 relating to the General Fund is outlined below, with more detail on the larger reserves given in Appendix J.

Earmarked Reserves	Expected Balance 31 March 2015 £000
Capital	1,408
Revenue	3,289
Total	4,697

Some of the reserves set aside for capital are for specific equipment replacement and are not yet due to be spent.

11 Risks to the Council's Financial Position

- 11.1 As with all types of forecasting, there are certain inherent risks that may affect the financial position of the Council over the forthcoming periods. These risks require that the Council maintains a sufficient level of general reserves. The individual estimate reports to each Board have included a range of potential risks that could impact upon the budgetary position of services. In addition to these specific service risks, there are a number of risks that could impact more generally on the Council's financial position. The major risks to the Council's budget are highlighted below.
- 11.2 **Settlement Funding Assessments** – government announcements indicate that the next round of public spending reductions will be at a similar level to an earlier round. During that round, local government took a higher percentage of reductions than other areas of the public sector. If this were to be repeated, then the grant assumptions in this projection could be even lower.
- 11.3 **Business Rates** - the Council has risks it cannot currently quantify, around the retention of business rates in place of revenue support grant and the impact of appeals against valuations. We currently anticipate collecting more business rates than assumed in our baseline funding level. This means that we will retain a proportion of any additional rates collected. Projections anticipate an ongoing benefit of £250,000 per annum, and this has been included as a saving for 2015/16. However any major changes to the Council's tax base through successful appeals or removal of premises from the rating list over and above those allowed for could impact on this figure. In addition should construction start on HS2 within the borough in the timeframe of this strategy there is the potential for reductions in rateable income due to successful appeals for disruption and demolition of premises. The resources in this strategy could reduce by £390,000 in 2018/19 before the safety net comes into effect.

- 11.4 **New Homes Bonus scheme** – the strategy assumes 110 new properties per annum. If fewer are delivered, New Homes Bonus will reduce and the tax base will be less buoyant. On the other hand, an increase above 110 will be beneficial. The continuation of New Homes Bonus beyond 2015/16 depends on the outcome of the May General Election, as there are indications that it could be scrapped and the funding put back into the grant settlement. It is not clear how this would be done, whether phased out or removed immediately. However it is clear that whatever method was used most Districts would be financially worse off. Our estimates are that the reduction in balances over the life of the strategy could be in the range of £500,000 to £1.2 million depending on the method chosen.
- 11.5 **Housing Revenue Account transfer** - as a result of some authorities making substantial transfers from their Housing Revenue Accounts to their General Funds, the Government has asked for details of all such transfers. There is a risk that the authority could be required to reverse the £800,000 transfer made.
- 11.6 **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, for example, refuse and recycling and grounds maintenance. An assessment of additional resources required will be needed.
- 11.7 **Other Risks** – Further deterioration in the economic position could increase demand for services such as benefits and homelessness, whilst reducing demand in income generating areas. Unexpected changes in the remuneration of the workforce could impact on the financial position, as could any significant loss of employees which required additional resources to complete statutory functions.
- 11.8 An overall risk assessment for 2015/16 has been completed to determine the minimum level of general reserve that the Deputy Chief Executive considers it is appropriate for the Authority to hold, and this is shown in Appendix K. This is based on the expected or 'most likely' position and the assumption that not all risks will occur within the next year.
- 11.9 As can be seen, the balance between future risks and the adequacy of general reserves held by the Council is a key part in establishing a medium-term financial strategy. The level of balances is expected to remain above £1.3 million over the next four years, although careful monitoring of this will still be necessary. Although it would be possible for the Council to use earmarked reserves to cover unforeseen events, if a particularly serious situation arose, this should be used as a last resort.
- 11.10 As already mentioned, there is the potential for the Council to benefit from any additional rates collected, but there is also the risk that if rating income falls, there will be a direct impact on the Council's finances. There is a lot of

uncertainty around the collection of business rates and the impact of appeals and refunds. This will need reflecting in the risk assessment.

11.11 However, if a general reserve of £1.3 million is held, it is felt that this amount, together with other provisions, reserves and balances held by the Council, is adequate to protect the Council's financial position for both the forthcoming year and in the medium-term.

11.12 Although not all risks are likely to occur in 2015/16, there is a real possibility that the position could be worse than that anticipated. It could also be better. Best and worst case scenarios are indicated in Appendix L, and show that in the event of the worst case scenario being realised in 2015/16, the Authority would have the opportunity to adjust its financial strategy, and manage any changes required. Budgets are monitored throughout the year, with the budgetary position reported to Boards on a regular basis, so the Authority is in a good position to identify risks as they occur.

12 Council Tax Options

12.1 The Authority has estimated the Council Tax surplus and notified all major precepting authorities of the amounts they will receive. It has been estimated that North Warwickshire Borough Council will receive a sum of £109,040 for 2015/16. This will reduce the Council's use of balances.

12.2 As part of the finance settlement, the Government have announced that they will provide support to councils who freeze their Council Tax in 2015/16. This support would be a direct grant for one year. It is uncertain whether the government will build on going support into the Council's Settlement Funding Assessment. It is also uncertain whether support will continue after the 2015/16 general election, as no funding for this is included in CLG's figures for 2016/17 onwards. Given the lack of guarantee, the current financial projection therefore assumes support for 2015/16 only. Grant would cover the cost of a 1% increase in Council Tax, amounting to £45,000 for the year for North Warwickshire. This would leave the Council with an increased call on balances of around £35,000 in 2015/16, potentially rising to £82,000 from 2016/17 onwards.

	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Use of Balances	507	460	424	412
Loss of 1.95% CT increase	80	82	83	85
Grant Funding	(45)		-	-
Revised Use of Balances	542	542	507	497
Potential Use of Balances	3,781	3,239	2,732	2,235

- 12.3 The Council could cover the on going shortfall of that level of Council Tax income lost as a result of the freeze in 2015/16 from balances initially. However there may be a need to increase savings targets in later years. The alternative of a higher increase in Council Tax in 2016/17 is unlikely to be an option, given the current rules around tax increases and the need for local referendums.
- 12.4 The Authority used an increase of 1.95% when it was updating its financial strategy in September. This level of increase has been used in compiling the figures in this report.
- 12.5 Inflation has reduced to some extent in recent months, although the extent depends on the inflation index used. The two main indices for measuring household inflation are the Consumer Price Index (CPI) and the Retail Price Index (RPI). Both indices measure the average changes month to month in prices of a basket of consumer goods and services purchased in the UK. However, there are several differences between the two indices:
- CPI excludes Council Tax, mortgage interest payments and house prices, which are included in RPI
 - The relative weightings given to items in the basket of goods for the two indices are different
 - Different mathematical formulas are used for combining the prices collected for each item in the basket. This works in such a way that the average price for each item in the CPI is always lower than or equal to the average price for the same item within RPI

A third index that is often quoted is RPI-X, which is RPI but excludes mortgage interest payments.

- 12.6 The latest figures at December 2014 for each of these indices is as follows:

- CPI 0.5%
- RPI-X 1.7%
- RPI 1.6%

- 12.7 The Council could choose not to accept support from the government and could opt for a different Council Tax increase. In general terms, a 1% increase in Council Tax would generate around an additional £40,810, and would mean an additional £2.07 increase in Council Tax rates per annum.

- ... 12.8 A range of Council Tax increases is shown in Appendix M, together with the resulting impact on balances. These use the 2014/15 actual Band D amount of £207.30 as a base, and are shown below, together with the impact on the level of balances.

Increase on Band D %	Band D Council Tax Payable £	Cash Increase On 2014/15 £	Impact on Balances - CT £	Govt protection £	Total Impact on balances £
Base 2014/15	207.30	-	(79,580)	45,000	(34,580)
0.5	208.34	1.04	(59,175)	-	(59,175)
1.0	209.37	2.07	(38,770)	-	(38,770)
1.5	210.41	3.11	(18,365)	-	(18,365)
1.95	211.34	4.04	-	-	-

- 12.9 There is no impact on balances if a 1.95% increase is chosen, as this is what has been assumed in the figures within this report. If Members choose to freeze Council Tax at 2014/15 levels, there will be a reduced impact on balances as the government will provide funding equivalent to a 1% increase. If a lesser increase is chosen, there will be a reduction in balances as shown in the table above. If the Council opted to go for an increase of 1.95% or more, there would be an annual improvement of balances.
- 12.10 The Government wants to ensure that Council Tax payers are protected against authorities that reject the offer of funding equivalent to a 1% increase and impose excessive Council Tax rises. A referendum will be required for any proposed Council Tax increases of 2% or above.

13 Budget Consultation

- 13.1 A meeting for Non-Domestic Rate Payers was arranged for 27 January, but there were no attendees.

14 Council Tax Resolution

- 14.1 A Council Tax resolution will be prepared for consideration at the Council Meeting, using the recommendations agreed by this Board.

15 Manpower Estimate for the Year 2015/16

- 15.1 Within the Authority's revenue and capital estimates, allowances have been made for the required manpower provision. Appendix N sets out the manpower estimates for 2015/16, compared with 2014/15.

16 Delivering Value for Money Agenda

- 16.1 All Councils will be looking for cash-backed efficiency savings in the coming year, to contribute to their financial savings targets. This will reduce the impact of cuts on the provision of services.

17 **Conclusion**

17.1 It is clear that whichever option in respect of Council Tax increases is adopted, it will still be necessary to make savings of £1.36 million, which will inevitably impact on service levels, and to draw on reserves to meet the Council's budgetary requirement. However, current forecasts indicate that reserves will remain above the minimal acceptable level of £1.3 million by the end of 2018/19, although this is subject to the uncertainties inherent in budgetary forecasting, and subject to the level of Council Tax increase agreed.

17.2 However, there are a number of factors that could affect these forecasts. The major factors are set out in section 11. In addition:

- The Council currently has no external borrowing. However, there is an underlying borrowing requirement, which may increase costs in the future.
- The Council, through sound budgetary control, has always spent within its budget. This year our anticipated net expenditure is £355,830 less than our approved budget, due to 2015/16 savings found early.
- The ability to earn income from investments is uncertain at the moment. The Council is faced with the need to make further budgetary savings so that the Council can effectively manage its financial position. Undoubtedly this will continue in the future as new issues and initiatives emerge.
- The council may not be able to deliver the necessary savings.

17.3 The options available to the Council to meet these future pressures are rather restricted: increases in Government funding or higher increases in Council Tax which can be mitigated by the identification of further savings than those included in the budget strategy. Rather than increases in government funding, local authorities have been made aware of further reductions. Also as service delivery pressures increase, the options for savings decrease.

18 **Report Implications**

18.1 **Financial Implications**

18.1.1 As detailed in the body of the report.

18.2 **Safer Communities Implications**

18.2.1 The Council provides services and takes part in initiatives that work to improve Crime and Disorder levels within the Borough, and provision is included within the budgets for this.

18.3 Environment and Sustainability Implications

18.3.1 The financial strategy is linked to the delivery of targets and actions identified in the Corporate Plan and service plans. Continuing the budget strategy will allow the Council to manage its expected shortfall in resources without disruption of these targets and without disrupting essential services. Progress against both performance and financial targets are reported regularly to Service Boards.

18.3.2 Parts of the corporate and service plans directly support the sustainability agenda, for example, recycling and the green space strategy.

18.4 Equality Implications

18.4.1 Equality Assessments should be undertaken when making financial decisions to determine what the adverse impact on individuals or communities will be

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
Financial Strategy 2015/19	NWBC	Report to Executive Board	22 Sept 2014

NORTH WARWICKSHIRE BOROUGH COUNCIL
PLANNING AND DEVELOPMENT BOARD
SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
4009	Planning Control	30,796	85,720	(131,090)	(28,020)
4010	Building Control	27,977	60,330	60,330	61,540
4012	Conservation and Built Heritage	9,309	30,920	7,330	30,320
4014	Local Land Charges	(31,659)	(29,140)	(37,680)	(33,880)
4018	Street Naming and Numbering	(310)	5,180	1,050	1,160
	Net Controllable Expenditure	36,113	153,010	(100,060)	31,120
	Departmental Support	90,696	100,080	86,720	87,170
	Central Support	183,602	184,200	178,870	177,200
	Capital Charges	19,381	16,600	16,390	16,390
	Planning and Development Board Total	329,792	453,890	181,920	311,880

NORTH WARWICKSHIRE BOROUGH COUNCIL
COMMUNITY AND ENVIRONMENT BOARD
SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Codes	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
3072-3073	Polesworth Sport Centre	96,928	74,130	74,380	69,020
3074	Arley Sports Centre	127,796	118,210	135,730	118,990
3075-3076	Coleshill Sport Centre	152,529	144,690	148,490	105,140
3077-3078	Atherstone Leisure Complex	205,789	186,760	181,640	179,190
3082-3083	Memorial Hall	80,659	88,050	90,410	91,640
4002	Public Health (Commercial Pollution Control)	188,678	208,620	200,260	208,250
4003	Public Health (Domestic Pollution Control)	52,783	48,520	44,990	48,950
5000	Domestic Refuse Collection	964,974	711,020	784,760	732,520
5002	Trade Refuse Collection	(31,501)	(43,150)	(52,400)	(50,300)
5003	Cesspool Emptying	(62,378)	(79,750)	(44,760)	(59,180)
5004	Recycling	459,648	358,340	527,100	537,680
5010	Amenity Cleaning	641,085	616,680	567,260	547,210
5013	Unadopted Roads	7,600	7,450	7,450	7,600
5014	Flooding And Land Drainage	10,104	8,610	8,610	8,870
5015	Street Furniture	834	1,250	1,250	1,280
5016	Atherstone Market	4,057	3,960	1,550	1,600
5019	Parks, Playing Fields and Open Spaces	434,560	444,590	415,860	412,630
5020	Play Areas	101,812	102,720	102,720	100,860
5021	Public Health (Control of Disease) Act 1984 Burials	2,155	-	(470)	-
5022	Sustainable Communities	2,606	2,860	2,860	-
5023	Consultation	1,041	7,320	7,320	4,470
5025	Corporate Policy	19,122	17,870	17,980	13,380
5030	Rural Regeneration	2,022	31,030	23,450	20,370
5034	Landscape	8,660	8,880	8,880	9,060
5040	Marketing and Market Research	8,371	8,190	8,190	8,350
5044	Support to Voluntary Organisations	87,037	89,260	89,290	90,890
5051	Young People and Intergeneration	11,402	37,090	17,800	37,580
5052	Community Development Environment	18,644	29,340	17,040	27,180
5054	Social Inclusion and Sport	32,681	28,310	35,680	31,310
5055	Community Development Health Improvement	18,123	17,670	(4,890)	19,590
5056	Community Development Safer Communities	16,400	52,380	26,140	52,400
5059	Allotments and Biodiversity	48	(30)	-	-
5064	QE - Artificial Grass Pitch	(6,704)	(6,890)	(6,520)	(6,540)
5065	Carlyon Road Skate Park	(429)	-	-	-
7700	Stronger & Safer Communities	-	-	-	-
7860	Sports Club Development Officer Programme	11	-	-	-
7880	Local Nature Reserves	19	-	-	-
	Net Controllable Expenditure	3,657,166	3,323,980	3,438,050	3,369,990
	Departmental Support	543,544	522,590	534,530	497,290
	Central Support	517,399	547,640	518,670	509,420
	Capital	1,494,778	595,400	559,470	648,330
	Net Expenditure	6,212,887	4,989,610	5,050,720	5,025,030

NORTH WARWICKSHIRE BOROUGH COUNCIL
LICENSING COMMITTEE SUMMARY
SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
4000	Licensing Authority	(43,112)	(45,670)	(44,930)	(45,540)
4001	Licences and Registration	(16,732)	(15,030)	(14,690)	(12,700)
4008	Hackney Carriages	(14,581)	(22,410)	(21,470)	(20,770)
4019	Gambling Act Authority	(9,901)	(9,520)	(9,520)	(9,710)
	Net Controllable Expenditure	(84,326)	(92,630)	(90,610)	(88,720)
	Departmental Support	47,660	47,690	45,940	45,440
	Central Support	47,060	47,380	42,930	41,530
	Licensing Committee Total	10,394	2,440	(1,740)	(1,750)

NORTH WARWICKSHIRE BOROUGH COUNCIL

RESOURCES BOARD (REMAINING)

SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
3000	Cost of Democratic Services	401,460	406,290	404,770	400,970
3001	Election Expenses	3,241	9,840	4,890	60,220
3002	Registration of Electors	14,464	15,710	15,710	16,210
3003	Business Rates	(53,960)	(48,930)	(51,470)	(50,280)
3004	Council Tax Collection	(115,712)	(79,370)	(56,160)	(52,760)
3050	Finance Miscellaneous	(682,019)	-	-	-
3051	Compensation and Pension Increases	144,896	147,850	515,810	526,130
3052	Assisted Car Purchase	(825)	(340)	(700)	(620)
3054	Electricity at Work	18,352	17,560	17,560	18,000
3059	Finance Unused Land	4	-	-	-
3060	Corporate and Democratic Core	29,255	10,610	10,610	10,820
3061	Unallocated Central Support Services	24,962	106,220	23,410	106,730
3065	Coleshill Shops and Flats	(68,174)	(67,510)	(68,310)	(68,760)
3066	The Arcade, Atherstone	(1,029)	-	(40)	-
3067	The Pavilions, Holly Lane	(82,824)	(80,490)	(82,120)	(82,100)
3068	Carlyon Road Industrial Estate	(123,266)	(116,790)	(113,030)	(110,730)
3069	Innage Park Industrial Estate	(128,550)	(75,040)	(101,210)	(96,770)
3070	Polesworth Workspace Units	(5,479)	(3,770)	(4,700)	(4,580)
3079	Maya Bar and Restaurant	(13,738)	(13,760)	(9,300)	(9,250)
3080	Football Stadium	(3)	-	-	-
3084	Homeless Persons	81,795	83,860	83,670	77,200
3089	Public Conveniences	18,778	18,510	18,070	18,530
3094	Customer Contact	(16,301)	(14,500)	11,080	14,370
3097	Rent Allowances	(83,499)	47,880	61,060	83,850
3098	Housing Benefit Administration and Rent Rebates	21,100	(29,650)	(37,750)	(26,860)
3099	Concessionary Fares	15,178	19,370	15,700	15,780
3101	Council Tax Support	21,823	33,500	20,850	40,390
3102	Car Parks	43,196	44,020	48,820	50,070
3111	Broadband Delivery UK	50,000	50,000	50,000	50,000
5005	Animal Control	43,925	43,390	40,920	39,460
5006	Abandoned Vehicles	1,826	1,820	1,810	1,850
5008	Private Sector Housing Assistance	21,780	19,320	24,320	34,340
5035	CCTV	5,579	(2,750)	(1,100)	(520)
5036	Community Support	442,275	451,920	447,320	465,030
7360	Englands Rural Heart LEADER Partnership	20,404	(30)	290	390
	Net Controllable Expenditure	48,914	994,740	1,290,780	1,527,110
	Recharged to Services	(145,370)	(145,790)	(260,240)	(267,640)
	Departmental Support	1,002,353	1,012,110	887,340	900,030
	Central Support	1,110,518	1,173,500	1,057,550	1,054,900
	Capital	402,615	443,490	440,680	447,650
	Resources Board (Remaining) Total	2,419,030	3,478,050	3,416,110	3,662,050

NORTH WARWICKSHIRE BOROUGH COUNCIL
RESOURCES BOARD (RECHARGED)
SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
Various	Chief Executive	201,220	205,970	196,910	199,940
Various	Deputy Chief Executive	4,214,474	4,466,910	4,283,580	4,364,130
Various	Assistant Chief Executive and Solicitor to the Council	1,282,861	1,343,660	1,259,020	1,288,750
Various	Assistant Chief Executive (Community Services)	1,286,066	1,312,140	1,257,400	1,319,640
3006-3039	Building Maintenance Fund	212,630	206,760	207,210	205,130
3040-3041	Council Offices	305,788	315,300	242,870	206,590
3043	Central Telephones	37,026	38,010	29,260	27,770
3045	Recruitment	18,872	23,250	22,460	22,160
3046	Printing and Stationery	64,655	70,250	68,180	69,120
3047	Training	18,655	91,080	30,620	88,450
3048	Depot and Stores	66,671	70,900	67,410	68,770
3110	Postal Services	81,579	72,150	83,150	63,880
3226	Central Services	285,591	288,040	282,320	260,460
3290	Information Services	865,226	866,370	681,600	684,060
3291	Procurement	65,816	67,410	65,370	64,030
3292	Staff Welfare	20,483	15,880	20,340	17,920
3300	Transport Management Account	775,815	680,120	803,520	711,040
	Net Controllable Expenditure	9,803,428	10,134,200	9,601,220	9,661,840
	Recharged to Services	(12,238,230)	(12,522,330)	(11,755,460)	(11,675,000)
	Departmental Support	15,800	10,740	10,900	12,350
	Central Support	1,822,481	1,828,170	1,629,840	1,557,900
	Capital	2,089,301	564,720	513,500	442,910
	Resources Board (Recharged) Total	1,492,780	15,500	-	-

Resources Board Summary

Description	Budget 2014/2015 £	Budget 2014/2015 £	Budget 2015/2016 £
Totals - Recharged Services	15,500	-	-
Totals - Services Remaining	3,478,050	3,416,110	3,662,050
Central Vacancy Factor	(80,000)	-	(80,000)
Resources Board Total	3,413,550	3,416,110	3,582,050

NORTH WARWICKSHIRE BOROUGH COUNCIL
EXECUTIVE BOARD SUMMARY
SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2013/2014 £	Approved Budget 2014/2015 £	Revised Budget 2014/2015 £	Original Budget 2015/2016 £
2000	Housing Strategic Service Review	1,036	-	-	-
2001	Outreach and Access to Services	81,333	81,460	67,700	67,380
2002	Corporate Communications	54,871	53,390	46,100	46,720
2003	Community Strategy	44,436	43,230	41,450	38,410
2007	Emergency Planning	11,468	15,490	15,490	5,790
2009	North Warwickshire Local Development Framework	142,913	139,280	131,640	131,210
5050	Support to Parishes	23	-	-	-
	Net Controllable Expenditure	336,080	332,850	302,380	289,510
	Departmental Support	171,232	167,720	157,670	151,560
	Central Support	103,907	116,750	126,180	132,190
	Capital Charges	6,391	6,700	11,430	11,410
	EXECUTIVE BOARD TOTAL	617,610	624,020	597,660	584,670

SUMMARY OF REVENUE REQUIREMENTS

2014/2015 Gross Expenditure	2014/2015 Gross Income	2014/2015 Net Expenditure		2015/2016 Gross Expenditure	2015/2016 Gross Income	2015/2016 Net Expenditure
£	£	£		£	£	£
7,127,030	2,137,420	4,989,610	Community and Environment	7,230,840	2,205,810	5,025,030
916,440	462,710	453,730	Planning and Development	885,510	573,630	311,880
130,290	127,850	2,440	Licensing	124,890	126,640	(1,750)
19,382,700	15,969,150	3,413,550	Resources	20,282,620	16,700,570	3,582,050
633,170	9,160	624,010	Executive	589,180	4,510	584,670
11,556,440	11,556,440	-	Council Housing	12,365,290	12,365,290	-
119,320	-	119,320	Contingencies	58,990	-	58,990
-	-	-	Growth	23,230	-	23,230
-	100,000	(100,000)	Interest on balances	-	100,000	(100,000)
-	742,810	(742,810)	Financing adjustment	-	807,720	(807,720)
119,000	-	119,000	RCCO (Revenue Contribution to Capital Outlay)	119,000	-	119,000
98,210	-	98,210	Grant payments to Parish Councils (CTS)	83,480	-	83,480
40,082,600	31,105,540	8,977,060		41,763,030	32,884,170	8,878,860
-	595,460	(595,460)	Use of balances	-	507,390	(507,390)
40,082,600	31,701,000	8,381,600		41,763,030	33,391,560	8,371,470
868,561	-	868,561	Special items - Parish precepts	-	-	-
40,951,161	31,701,000	9,250,161		41,763,030	33,391,560	8,371,470
		(3,674,610)	Revenue Support Grant / Business Rates			(3,396,050)
		(44,850)	Council Tax Freeze Grant			-
		(514,490)	New Homes Bonus			(703,660)
		(139,260)	Surplus / Deficit on Collection Fund			(109,040)
		4,876,951				4,162,720

IMPACT OF COUNCIL TAX FREEZES IN 2011/12, 2012/13, 2013/14 and 2014/15

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Grant Income - 2011/12 CT freeze	-111,746	-111,746	-111,746	-111,746					-446,984
Grant Income - 2012/13 CT freeze		-112,220							-112,220
Grant Income - 2013/14 CT freeze			-44,650	-44,650	-44,650				-133,950
Grant Income - 2014/15 CT freeze				-44,850					-44,850
Grant Income - 2015/16 CT freeze	-111,746	-223,966	-156,396	-201,246	-44,650	0	0	0	-738,004
Grant Income									
Loss of CT 2011/12	134,012	136,003	120,040	121,389	123,588	124,206	124,827	125,451	1,009,516
Loss of CT 2012/13		92,539	81,678	82,596	84,092	84,513	84,935	85,360	595,713
Loss of CT 2013/14			83,312	84,247	85,774	86,203	86,634	87,067	513,237
Loss of CT 2014/15				85,932	87,489	87,927	88,367	88,808	438,524
Loss of CT 2015/16					7,428	7,466	7,503	7,540	29,937
Loss of CT 2016/17						7,611	7,649	7,687	22,948
Loss of CT 2017/18							7,798	7,837	15,636
Loss of CT 2018/19								7,990	7,990
CT Lost	134,012	228,542	285,030	374,164	388,372	397,925	407,713	417,742	2,633,500
Net Revenue Impact	22,266	4,576	128,634	172,918	343,722	397,925	407,713	417,742	1,895,496

POTENTIAL IMPACT OF AN ADDITIONAL COUNCIL TAX FREEZE IN 2015/16

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Grant Income - 2011/12 CT freeze	-111,746	-111,746	-111,746	-111,746					-446,984
Grant Income - 2012/13 CT freeze		-112,220							-112,220
Grant Income - 2013/14 CT freeze			-44,650	-44,650	-44,650				-133,950
Grant Income - 2014/15 CT freeze				-44,850					-44,850
Grant Income - 2015/16 CT freeze	-111,746	-223,966	-156,396	-201,246	-89,500	0	0	0	-782,854
Grant Income									
Loss of CT 2011/12	134,012	136,003	120,040	121,389	123,588	124,206	124,827	125,451	1,009,516
Loss of CT 2012/13		92,539	81,678	82,596	84,092	84,513	84,935	85,360	595,713
Loss of CT 2013/14			83,312	84,247	85,774	86,203	86,634	87,067	513,237
Loss of CT 2014/15				85,932	87,489	87,927	88,367	88,808	438,524
Loss of CT 2015/16					87,008	87,443	87,881	88,320	350,652
Loss of CT 2016/17						9,171	9,217	9,263	27,650
Loss of CT 2017/18							9,396	9,443	18,840
Loss of CT 2018/19								9,627	9,627
CT Lost	134,012	228,542	285,030	374,164	467,952	479,462	491,256	503,340	2,963,758
Net Revenue Impact	22,266	4,576	128,634	172,918	378,452	479,462	491,256	503,340	2,180,904

Increase in Net Revenue Impact for Council Tax Freezes in 2015/16

285,408

SAVINGS / ADDITIONAL INCOME

Board	Description	2015/2016
C & E	A reduced DSO recharge (Additional income from the HRA)	13,000
C & E	The Horticulture DSO undertake pitch repair treatments on a more targeted basis	7,490
C & E	A move to an 8 day fortnight for road sweeping on the Amenity Cleaning service	5,890
C & E	Reduction in Carriage way sweeping weekend work on amenity cleaning service	5,000
C & E	Reduction in the Warwickshire Race Equality Partnership payment in the corporate policy budget	5,000
C & E	New Coleshill Leisure Centre - more financially efficient service delivery	3,820
C & E	Reduction on professional fees in the consultation budget	3,000
C & E	Reduction in Grants and Contributions in Sustainable Communities budget	2,860
C & E	Reduction in Corporate Subscriptions on the Public Health budget	240
P & D	Additional Planning Fee Income	25,000
P & D	Increase in Street Naming and Numbering Fees	4,130
Exec	Community Strategy - Grants and Contributions	2,500
Exec	Emergency Planning - Professional Fees	10,000
All	Reduction in Pay Award	79,630
Resources	Increase in charges to the Housing Revenue Account	46,200
Resources	Lower External Audit fees	12,680
Resources	Business rates at industrial units	10,640
Resources	Cessation of Members' superannuation scheme	9,840
Resources	Premises budgets at industrial units	6,930
Resources	Travel tokens and taxi vouchers	4,000
Resources	Lower bank charges	3,450
Resources	Members subsistence and travel allowances	2,510
Resources	Reduction in costs of Staff Lease cars	40,340
Resources	Reduction in Hours in the Corporate Services Division	37,250
Resources	Superann provision not required (0.25%)	32,470
Resources	Carrying out work on the Rent Collection system for the HRA	16,830
Resources	CRM software	10,240
Resources	Reduction in Management Team Contingency	9,000
Resources	Telephone Maintenance	6,110
Resources	Significantly reduce outgoing post	5,000
Resources	Reduce provision for corporate & service specific training	4,000
Resources	Computer Audit fees	2,920
Resources	Reduction Legal Section books	2,000
Resources	Telephone Charges	2,000
Resources	Reduction in Professional Service budgets in Information Services	2,000
Resources	Additional Legal Fee income	1,000
Resources	Reductions in essential travel allowances	330
Resources	Reduction IT books	80
Corporate	Additional Business Rates	250,000
	Overall Total	685,380

EARMARKED RESERVES

Purpose of Reserve	Balance March 2015 £000
Revenue Reserves	
Leasing – Leases for a number of vehicles were only finalised after the vehicles were already in use. This meant that charges included within the revenue account in the first year of operation covered a different period to the actual leasing payment made. The difference was set-aside in this reserve, to cover the outstanding costs at the end of the lease, arising from the timing difference.	31
Training – These funds have been set aside to provide resources for one off training requirements in the future, for both staff and members.	97
Invest to Save – This reserve is to provide ‘pump priming’ for the initial costs that arise from new initiatives, which will ultimately reduce existing costs. Savings achieved will be used to repay the contribution from the Reserve, so that other services will have similar opportunities to implement new schemes.	226
Approved growth not yet spent – to cover Corporate Communications, Borough Care, Parish Plans, Environmental Issues, Business Improvement work and other one off growth items	190
Contingencies – to cover possible costs arising from contaminated land issues, a sum held in case the Council goes above its VAT de minimis level, as this will mean that not all VAT can be reclaimed, a sum for concessionary fares in case the outcome of the judicial review is unfavourable, provision for emergency planning issues and funds to cover possible repayments to the HRA.	593
Consultation – for consultation with residents of the Borough and service users. The requirement to consult varies from year to year and the reserve allows fluctuations between years to be managed, without affecting other revenue expenditure.	43
Planned Work - the Council has set priorities and initiatives where work is planned and may have been started, but has not yet been completed. Provision has been made from existing budgets to fund this work in future periods. This includes work on Community and Economic Development Schemes, Green Space Strategy, Area Forums, Amenity Cleaning, Refuse Collection and Recycling service changes and Broadband UK.	437
External Grants Received – Resources received towards specific projects, such as homelessness, anti-fraud initiatives, Wellness Matters, the Crime and Disorder strategy, Sports Club Officer, Arts Development, Homelessness, Community Development, Environmental Sustainability, Smoke Free Grant and the Branching Out Bus, which will be spent in future years	505
Frozen posts – As part of the financial strategy, some posts have been frozen where possible when they have become vacant. Some funding has been set aside to cover any short term additional costs that may be incurred in covering peaks in workload.	100
Local Development Framework – planning fees over an agreed base position have been set aside for future expenditure on the Local Development Framework	204
Maintenance of Assets – To cover future maintenance requirements on some council owned assets	132
Human Resources – This is held to cover specialist employment law advice that may be required from time to time.	50
Other – A number of other reserves are held to cover areas such as additional pension costs and Sickness fund	215
Business Rates – a volatility reserve to cover fluctuations in the level of appeals and rating income	466

EARMARKED RESERVES

Purpose of Reserve	Balance March 2015 £000
Capital Reserves	
Equipment Replacement – These funds are earmarked for the future replacement of leisure equipment, environmental health equipment, CCTV equipment, Play Area equipment, Refuse Freighters and the replacement of PC's.	476
General Fund Capital - Some funding has been set aside for capital spending.	932

COUNCIL WIDE - RISK ANALYSIS

	Likelihood	Provision
Additional in-year budget allocation	High	50,000
Income Generation – decrease in fees and charges of 5% (5% = approx £92,000)	Medium	46,000
Lower vacancies than expected (provision for vacancies = £80k)	Medium	40,000
Investment Income – loss of cash flow (£2m @ 1% = £20k)	Medium	10,000
Investment Income – fall in interest rates (£10m @ 0.5% = £50k)	Low	5,000
Impact of future legislation	Medium	50,000
Further Public Inquiries (potential £50k)	Medium	25,000
Housing Benefit – reduction in reimbursement (approx £14m @ 5% = £700k)	Low	70,000
Possibility of overspending the agreed budget by 1% (Gross Expend = £29.4m)	Low	29,400
Urgent work to Council buildings (£200k)	Medium	100,000
Risk of litigation/ Investigation costs	Low	50,000
Contaminated Land	Medium	30,000
Increasing cost of Recycling	Medium	40,000
Housing Benefit – Local Authority error & Overpayments (£450k)	Low	45,000
Increased cost of maintaining mechanical equipment	Medium	20,000
Agency Labour costs (£75k)	Medium	37,500
Additional costs on fuel and utilities	Medium	20,000
NDR payments of vacant Industrial Units (£41k)	Medium	20,340
Increased transport costs (£350,110)	Low	3,500
Reduction in Business Rates (£1.745m @ 5%)	Medium	43,600
Additional New Homes Bonus not achieved	Medium	50,000
Government requirement to reverse the transfer from the HRA	Low	80,000
General Contingency		500,000
Total		1,365,340

Likelihood of Risk

High	100%
Medium	50%
Low	0 –10%

ALTERNATIVE SCENARIOS – GENERAL BALANCES

Best Case

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Estimated use of balances	507	460	424	412
Reduced pay award of 1%	(80)	(80)	(80)	(80)
Additional staffing vacancies	(40)	(40)	(40)	(40)
Improvement in letting of industrial units	(20)	(21)	(21)	(21)
Additional income from services	(40)	(41)	(42)	(43)
Recovery of benefit overpayments better than anticipated	(35)	(35)	(35)	(35)
1% increase in investment rates	(50)	(50)	(50)	(50)
Additional business rates	(100)	(100)	(100)	(100)
Potential Use of/ (Cont to) Balances	142	93	56	43
Potential Balances at Year End	4,181	4,088	4,032	3,989

Worst Case

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Estimated use of balances	507	460	424	412
Reduction in business rates	337	354	372	390
Removal of New Homes Bonus scheme		400	400	400
Repayment of the transfer from the HRA	800			
Potential Use of/ (Cont to) Balances	1,644	1,214	1,196	1,202
Potential Balances at Year End	2,679	1,465	269	(933)

NORTH WARWICKSHIRE BOROUGH COUNCIL

Appendix M

COUNCIL TAX INCREASES

	Original 2014/15	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16
Council Tax - Band D	207.30	207.30	208.34	209.37	210.41	211.34	
Council Tax Increase		0%	0.5%	1.0%	1.5%	1.95%	
Council Tax Base	19,336.17	19,686.54	19,686.54	19,686.54	19,686.54	19,686.54	
Net Expenditure	8,879	8,795	8,795	8,795	8,795	8,795	
External Funding	(4,092)	(4,016)	(4,016)	(4,016)	(4,016)	(4,016)	
Collection Fund (Surplus)/Deficit	(139)	(109)	(109)	(109)	(109)	(109)	
Council Tax	(4,008)	(4,083)	(4,104)	(4,124)	(4,145)	(4,163)	
Government Protection	(45)	(45)	-	-	-	-	
Use of Balances	595	542	566	546	525	507	
Balances 1 April 2015		4,082	4,082	4,082	4,082	4,323	
Use of Balances		(542)	(566)	(546)	(525)	(507)	
Balances 1 April 2016		3,540	3,516	3,536	3,557	3,816	
Use of Balances		(542)	(520)	(500)	(478)	(460)	
Balances 1 April 2017		2,998	2,996	3,036	3,079	3,356	
Use of Balances		(507)	(485)	(465)	(443)	(424)	
Balances 1 April 2018		2,491	2,511	2,571	2,636	2,932	
Use of Balances		(497)	(475)	(453)	(431)	(412)	
Balances 1 April 2019		1,994	2,036	2,118	2,205	2,520	

MANPOWER BUDGET

The Board estimates contain the effect of the following changes in employee numbers.

	2014/15 Estimate (original) FTE	2015/16 Estimate FTE
Monthly Paid	349	360
Total	349	360

Agenda Item No 15

Executive Board

10 February 2015

Report of the Chief Executive

**Revised Calendar of Meetings
2015/16**

1 Summary

- 1.1 The purpose of this report is to consider a revised calendar of meetings for 2015/16.

Recommendation to the Council

That the revised calendar of meetings for 2015/16 as submitted at Appendix A to the Chief Executive's report be approved.

2 Report

- ... 2.1 As Members will be aware the calendar of meetings for 2015/16 was agreed by Full Council in December 2014.
- 2.2 Following further consideration, the Board is advised that the Annual Meeting following the elections in 2015 cannot be held until the eighth day after the retirement of Councillors (existing Councillors retire four days after the day of election - 11 May).
- 2.3 It is therefore suggested that:
- Annual Council is moved to Wednesday 20 May (from 13 May)
 - Planning and Development and Community and Environment Boards scheduled for 18 and 19 May respectively are cancelled and matters dealt with, if necessary, by having urgent meetings called in early June or under urgent business powers. (the Bank Holiday week at the end of May does not make it easy to re-schedule these meetings.)
- 2.4 There are currently Planning and Development Board meetings set for Monday 13 April and Monday 15 June and Community and Environment Board meetings on Monday 16 March and Monday 20 July.

2.5 Attached is a revised calendar of meetings taking into account the suggestions at paragraph 2.3 above. The Board is invited to endorse the changes.

3 Report Implications

3.1 There are no report implications.

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

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
None			

NORTH WARWICKSHIRE BOROUGH COUNCIL
REVISED MEETINGS TIMETABLE – 2015/16

	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
1	RES								B HOL					
2													B HOL	
3														
4	B HOL								HSC					
5						HSC								
6			HSC											SB
7	ELECTIONS				PLAN						PLAN			
8		SB			RES					PLAN				
9							PLAN	COUNCIL		EXB				
10				PLAN										
11									PLAN			PLAN	COUNCIL	
12						PLAN								
13			PLAN											PLAN
14					SB			PLAN			CEB			EXB
15		PLAN								SB				
16		EXB					RES						PLAN	
17													CEB	
18									CEB			HSC		
19														
20	COUNCIL		CEB											
21					EXB									
22														COUNCIL
23							EXB						RES	
24		COUNCIL								COUNCIL				
25	B HOL							B HOL	LIC/RES		B HOL			
26														
27														
28								B HOL			B HOL			
29														
30					COUNCIL		SB						B HOL	
31				B HOL										

EXB - Executive Board
 RES - Resources Board
 CEB - Community and Environment Board
 PLAN - Planning and Development Board
 AF (N) - Area Forum North
 AF (S) - Area Forum South
 AF (E) - Area Forum East
 AF (W) - Area Forum West
 SB - Scrutiny Board
 HSC - Housing Sub-Committee
 LIC - Licensing Committee
 SAC - Safer Communities Sub-Committee
 SSG - Special Sub-Group