

**To: Leader and Members of the Executive Board  
(Councillors Hayfield, Bowden, Fox, Lewis, May,  
Moore, Morson, B Moss, Phillips, Simpson,  
Smith, Swann, Sweet and Zgraja).**

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

**For general enquiries please contact  
David Harris, Democratic Services Manager,  
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[davidharris@northwarks.gov.uk](mailto:davidharris@northwarks.gov.uk).**

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

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

## **EXECUTIVE BOARD AGENDA**

**14 SEPTEMBER 2010**

The Executive Board will meet in the Council Chamber at  
The Council House, South Street, Atherstone,  
Warwickshire on Tuesday 14 September 2010 at 6.30 pm.

### **AGENDA**

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on  
official Council business.**
- 3 Declarations of Personal or Prejudicial Interests**

(Any personal interests arising from the  
membership of Warwickshire County Council of  
Councillors Hayfield, Fox, May, B Moss and Sweet  
and membership of the various Town/Parish  
Councils of Councillors Fox (Shustoke), Lewis  
(Kingsbury), Moore (Baddesley Ensor), B Moss  
(Kingsbury), Phillips (Kingsbury) and Zgraja (Over  
Whitacre) are deemed to be declared at this  
meeting).

- 4 **Requests for discussion of En Bloc items.**

## **PART A – ITEMS FOR DISCUSSION AND DECISION**

### **(WHITE PAPERS)**

- 5 **External Auditors' Report** – Report of the Deputy Chief Executive. – To follow.

#### **Summary**

The purpose of this report is to inform Members of changes to the 2009/10 Statement of Accounts following the audit and the External Auditors' report to those charged with governance. In addition, there is a report from the External Auditors on grant work undertaken relating to 2008/09.

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

- 6 **Corporate Plan 2011/12 – Key Corporate Issues** – Report of the Chief Executive

#### **Summary**

The purpose of this report is to draw Members' attention to the key corporate issues facing the Council over the next 18 months. It seeks Members' agreement to addressing these issues during the formulation of the 2011/12 Budget and Corporate Plan.

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

- 7 **Consultation on Formula Grant Distribution** - Report of the Deputy Chief Executive

#### **Summary**

The Department of Communities and Local Government (DCLG) has issued a consultation paper regarding how formula grant is distributed to Local Authorities. This report identifies the proposals that apply to North Warwickshire and provides a draft response for consideration.

The Contact Officer for this report is Chris Brewer (719259).

8 **Financial Strategy 2011–15** – Report of the Deputy Chief Executive

**Summary**

This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2014/15, and suggests a detailed budget approach for the 2011/12 General Fund Budget.

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

9 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2010 to June 2010** – Report of the Chief Executive and the Deputy Chief Executive

**Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2010.

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

10 **Policing in the 21<sup>st</sup> Century: Reconnecting Police and the People** – Report of the Chief Executive

**Summary**

This report informs members of a national consultation by the Coalition Government on plans for policing reform.

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

11 **Interim Planning Policy Statement** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report outlines the recent changes to the Planning system and sets out the Borough Council's planning policy stance in order to give clarity to residents, landowners, developers and other stakeholders on how the Council will consider development proposals. A Draft Interim Planning Policy Statement has been prepared and will be taken into account as a relevant material consideration in determining planning applications.

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

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

**Summary**

This report informs Members of a review of Locality/Area Forum working conducted by Warwickshire County Council. The County Council has asked for comments and this report suggests a draft response.

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

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

- 13 **Local Enterprise Partnerships** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report seeks to inform the Executive Board of the abolition of Regional Development Agencies (RDA) and proposals for their replacement.

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

- 14 **Reviews of Polling Districts, Polling Places and Polling Stations** – Report of the Chief Executive

**Summary**

To agree a process for the review of polling districts and polling places in accordance with the Electoral Administration Act 2006 (EAA).

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

- 15 **Value For Money and Efficiency Update** - Report of the Deputy Chief Executive

**Summary**

This report details the Council's Value for Money (VFM) efficiency achievements to date in 2010/11.

The Contact Officer for this report is Sara Haslam (719489).

- 16 **Budgetary Control Report 2010/11 Period Ending 31 August 2010** - Report of the Assistant Director (Finance and Human Resources)

**Summary**

The report covers revenue expenditure and income for the period from 1 April 2010 to 31 August 2010. The 2010/2011 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

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

- 17 **Warwickshire County Council Overview and Scrutiny Board – Co-Opted Member** – Report of the Chief Executive

**Summary**

To consider a replacement for Councillor Davis as the co-opted Member on the County Council's Overview and Scrutiny Board.

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

**PART C - EXEMPT INFORMATION  
(GOLD PAPERS)**

- 18 **Exclusion of the Public and Press**

**Recommendation:**

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

- 19 **Minutes of the meetings of the Special Sub-Group held on 5 July and 9 August 2010** – copies herewith to be received and noted.

JERRY HUTCHINSON  
Chief Executive

## **Agenda Item No 5**

### **Executive Board**

**14 September 2010**

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

#### **External Auditors' Report**

### **1 Summary**

- 1.1 The main purpose of this report is to inform Members of changes to the 2009/10 Statement of Accounts following the audit and the External Auditors' report to those charged with governance. In addition, there is a report from the External Auditors on grant work undertaken relating to 2008/09.

#### **Recommendation to Council**

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

### **2 Report on the Financial Statements**

- 2.1 The Council's appointed auditors, PricewaterhouseCoopers LLP, have now completed their audit of the 2009/10 financial statements. A small number of adjustments have been made to the statements that were presented to the June meeting of this Board, following the audit.
- 2.2 The main changes that have been made to the statements are:
- Grant of £1.11 million awarded to the Council for Housing New Build and Play Builder was included in the 2009/10 accounts. It was incorrectly included in the movement in the net worth of the Council, and was taken through the Income and Expenditure Account. As the receipt and retention of this grant is conditional on the successful completion of the schemes involved, this should not have affected the financial position of the Council at this stage, and so has been taken out of the Income and Expenditure Account. It is instead shown in the top half of the balance sheet as a Capital Grant Unapplied.
  - A capital receipt of £262,339 which was actually received in 2010/11, had been included within the 2009/10 accounts. This has now been corrected. As the receipt had been used to fund some Housing Revenue Account spending in 2009/10, this will now be financed on a temporary basis through unsupported borrowing.
  - A reduction in the Pension Fund liability. The actuary used estimates for the last three months of the year, in producing the pension figures

for the accounts. These have been updated to reflect more recent information, resulting in a reduction of £206,000 in the pension fund liability on the balance sheet.

- Some NDR revaluations carried out after the closure of the NDR accounts required refunds to be made to some local businesses, which related to 2009/10 and prior years. These totalled £249,632 and have since been made in 2010/11. Their inclusion in the 2009/10 accounts has increased the amount owed to sundry creditors, but has reduced the figure owed to the National Pool. The overall position on creditors is therefore unaffected.
- The Council spent £87,604 on the construction of new council housing during the year, and included this spend within the asset valuation for council housing. As these are 'assets under construction', they should be included within non operational assets, so an adjustment between the asset categories has been made.

In addition, there were some minor amendments and presentational changes made to the explanatory notes within the financial statements.

2.3 Given the small number of adjustments required, the revised statements have not been represented in full. However, the Core Statements which include the changes described above, have been attached as Appendix A.

2.4 The External Auditors' report to those charged with governance has been the subject of discussions with the Deputy Chief Executive and Assistant Director (Finance and Human Resources). A copy of the report is attached as Appendix B.

### 3 **Report on 2008/09 Grant Work**

3.1 Following the Audit Commissions review of the arrangements for certifying grant claims and returns at audited bodies, they recommended that auditors should report annually to those charged with governance on the results of their certification work.

3.2 A further report from the External Auditors covering grant work undertaken relating to 2008/09 is attached as Appendix C.

### 4 **Report Implications**

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

4.1.1 General Fund and Housing Revenue Account balances are unaffected by any changes resulting from the audit of the financial statements. The financing of the 2009/10 capital programme has been amended in the short term, to replace the use of capital receipts with prudential borrowing.

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

**Background Papers**

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

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



## Income and Expenditure Account for the Year Ended 31 March 2010

This Account brings together all of our functions and shows a summary of the resources generated and used by the Authority in the year.

2008/09 Net Expenditure Restated £000's		2009/10 Gross Expenditure £000's	2009/10 Income £000's	2009/10 Net Expenditure £000's	Note
	<b>FUNCTION/ACTIVITY</b>				
542	Central Services to the Public	5,679	(5,302)	377	
7,052	Cultural, Environmental, Regulatory and Planning Services	12,410	(5,804)	6,606	
408	Highways and Transport Services	484	(100)	384	
24,755	Local Authority Housing (HRA and Rent Rebates)	14,607	(17,902)	(3,295)	
1,065	Other Housing Services	8,193	(7,339)	854	
1,720	Corporate and Democratic Core	1,662	(98)	1,564	
197	Non-Distributed Costs	51	-	51	
<b>35,739</b>	<b>NET COST OF SERVICES</b>	<b>43,086</b>	<b>(36,545)</b>	<b>6,541</b>	1
260	Loss on the Disposal of Fixed Assets	613	-	613	35
817	Parish Council Precepts	862	-	862	
73	Interest payable	25	-	25	
392	Contribution of housing capital receipts to Government Pool	239	-	239	
(752)	Interest and Investment income	-	(196)	(196)	
3,381	Interest on Pensions Liability	3,305	-	3,305	22
(2,457)	Expected Return on Pension Assets	-	(2,094)	(2,094)	22
<b>37,453</b>	<b>NET OPERATING EXPENDITURE</b>	<b>48,130</b>	<b>(38,835)</b>	<b>9,295</b>	
(5,038)	Precept demanded from Collection Fund	-	(5,191)	(5,191)	
(45)	Distribution of Collection Fund Surplus	-	(51)	(51)	
(738)	General Government Grant	-	(1,090)	(1,090)	2
(4,633)	Distribution from Non Domestic Rate Pool	-	(4,357)	(4,357)	
<b>26,999</b>	<b>NET (SURPLUS)/ DEFICIT FOR THE YEAR</b>	<b>48,130</b>	<b>(49,524)</b>	<b>(1,394)</b>	

## Statement of Movement on the General Fund Balance for the Year Ended 31 March 2010

The Income and Expenditure Account brings together all of our functions and summarises all of the resources that we have generated, used or set aside during the year. However, we are required to raise council tax on a different accounting basis. The main differences are:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are used.
- The payment of a share of housing capital receipts to the government scores as a loss in the Income and Expenditure Account but is met from the usable capital receipts balance rather than council tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The Statement of Movement on the General Fund Balance compares the Authority's spending against the Council tax that it raised for the year taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

2008/09 Restated £000's		2009/10 £000's
26,999	<b>NET (SURPLUS)/ DEFICIT FOR THE YEAR ON THE INCOME AND EXPENDITURE ACCOUNT</b>	(1,394)
(27,065)	Net additional amount required by Statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year (see following table)	1,162
(66)	<b>INCREASE IN GENERAL FUND BALANCE FOR THE YEAR</b>	(232)
(2,038)	General Fund Balance brought forward	(2,104)
(2,104)	<b>GENERAL FUND BALANCE CARRIED FORWARD</b>	(2,336)

## Note of reconciling items for the Statement of Movement on the General Fund Balance

2008/09 Restated £000's		2009/10 £000's	2009/10 £000's	Note
	<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year</b>			
(261)	Amortisation of Intangible fixed assets	(253)		14
(26,224)	Depreciation and impairment of fixed assets	1,989		
(81)	Revenue Expenditure Funded from Capital under Statute	(161)		
223	Government Grants Deferred amortisation	242		
(260)	Net gain/ (loss) on sale of fixed assets	(613)		
17	Difference between amounts debited/credited to the I & E Account and the Collection Fund	11		
(924)	Transfer to/ (from) Pensions Reserve	(1,211)		
(203)	Net charges made for retirement benefits in accordance with FRS17	335		22
(27,713)			339	
	<b>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the Year</b>			
147	Minimum revenue provision for the repayment of debt	153		
(392)	Transfer from Usable Capital Receipts Reserve	(239)		
27	Amortised premiums and discounts	29		
374	Capital expenditure financed from revenue (General Fund and HRA)	411		
156			354	
	<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year</b>			
(285)	Transfer to/(from) HRA balances	153		19
976	Transfer to Earmarked Reserves	665		
(222)	Transfer to/(from) Major Repairs Reserve	(271)		
(177)	Transfer to/(from) Capital Adjustment Account	(74)		
200	Transfer to Earmarked Capital Reserve	(4)		
492			469	
(27,065)	<b>Net additional amount required by statute and non statutory practices to be debited or credited to the General Fund Balance</b>		1,162	

## Statement of Total Recognised Gains and Losses

This statement brings together all our gains and losses for the year and shows the total increase in our net worth. In addition to the surplus/deficit generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

2008/09 Restated £000's		2009/10 £000's
26,999	(Surplus)/Deficit for the year on the Income and Expenditure Account	(1,394)
3,949	(Surplus)/loss arising on revaluation of fixed assets	(1,927)
(1,716)	Actuarial (gains)/losses on pension fund assets and liabilities	7,253
<b>29,232</b>	<b>Total recognised loss for the year</b>	<b>3,932</b>

## The Balance Sheet as at 31 March 2010

This shows the overall financial position of the Council at 31 March 2010. It shows the assets and liabilities of the Council as a whole, including the Collection Fund.

2008/09 Restated £000's		Note	2009/10 £000's	2009/10 £000's
	<b>Fixed Assets</b>			
959	Intangible Assets	14		750
	Tangible Assets – Operational			
80,695	Council Dwellings	8	87,708	
58,391	Other Land & Buildings	8	57,991	
5	Infrastructure Assets	8	20	
819	Vehicles, Plant, Furniture & Equipment	8	1,722	
124	Community Assets	8	124	147,565
	Tangible Assets – Non Operational			
7,127	Investment Properties	8	7,870	
-	Assets under construction	8	88	
1,407	Surplus assets, held for disposal	8	1,078	9,036
<b>149,527</b>	<b>TOTAL FIXED ASSETS</b>			<b>157,351</b>
5	Long Term Investments			5
19	Long Term Debtors – mortgagors			15
<b>149,551</b>	<b>TOTAL LONG TERM ASSETS</b>			<b>157,371</b>
52	Stocks and Work in Progress		26	
1,986	Sundry Debtors	29	2,158	
521	Prepayments		499	
605	Cash in Hand	24	1,328	
7,267	Investments	26	3,540	
<b>10,431</b>	<b>TOTAL CURRENT ASSETS</b>		<b>7,551</b>	
3,632	Sundry Creditors	30	3,379	
2,000	Temporary Borrowing	25	2,000	
936	Receipts in Advance	31	852	
<b>6,568</b>	<b>TOTAL CURRENT LIABILITIES</b>		<b>6,231</b>	
<b>3,863</b>	<b>NET CURRENT ASSETS</b>			<b>1,320</b>
<b>153,414</b>	<b>TOTAL ASSETS LESS TOTAL CURRENT LIABILITIES</b>			<b>158,691</b>
-	Long Term Borrowing		-	
16,268	Pension Fund Liabilities	19/22	24,397	
-	Grant/Contributions Unapplied		1,042	
1,428	Government Grants Deferred	19	1,290	
128	Contributions Deferred	19	304	
<b>17,824</b>	<b>LONG TERM LIABILITIES</b>			<b>27,033</b>
<b>135,590</b>	<b>TOTAL ASSETS LESS LIABILITIES</b>			<b>131,658</b>
	<b>Financed by:</b>			
137,432	Capital Adjustment Account	19	140,228	
(145)	Financial Instruments Adjustment Account	19/33	(117)	
57	Collection Fund Adjustment Account		67	
4,125	Revaluation Reserve	19	5,669	
3,292	Usable Capital Receipts Reserve	19	2,664	
19	Deferred Capital Receipts	32	15	
(16,268)	Pension Reserve	19/22	(24,397)	
2,104	General Fund Balance	19	2,336	
517	Housing Revenue Account Balance	19	670	
55	Housing Act Advances	19	55	
17	Major Repairs Reserve	19	1	
4,385	Earmarked Reserves	19	4,467	
<b>135,590</b>	<b>TOTAL NET WORTH</b>			<b>131,658</b>

Signed \_\_\_\_\_  
C J Brewer CPFA, Director of Resources

Date \_\_\_\_\_



# North Warwickshire Borough Council

2009/10 Report to those charged with  
governance

14 September 2010



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

*The 'Statement of Responsibilities of Auditors and of Audited Bodies' issued by the Audit Commission in April 2008 applies to our 2009/10 audit of North Warwickshire Borough Council under the Code of Audit Practice for Local Government Bodies issued by the Audit Commission in July 2008. A copy of the Statement is available from the Chief Executive of North Warwick Borough Council. 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 expected of the audited body in certain areas. Our reports and letters are prepared in the context of this Statement and the Code of Audit Practice. 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

## The purpose of this report

This report summarises the results of our 2009/10 audit. It sets out:

- matters arising from our audit of the financial statements which we are required to report to you under the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260 - "Communication of audit matters with those charged with governance";
- the results of our work under the Code of Audit Practice, to support the Value for Money conclusion;
- changes to the audit plan presented to you on 13 April 2010; and
- an audit fee update.

We have issued a number of reports (including an interim controls letter addressed to the Director of Resources) during the audit year, detailing the findings from our work and making recommendations for improvement.

We have set out below the most important issues and recommendations that we have discussed with you in the course of our work.

## Financial Statements

We anticipate issuing an unqualified opinion on the financial statements of the Council, subject to the receipt of an agreed letter of representation and approval of the revised financial statements by the Executive Board at its meeting on 14 September 2010.

We are pleased to report that all misstatements identified during our audit have been adjusted within the revised accounts presented to members.

## Financial Standing

The Council has reported a surplus of £1.4 million on the Income and Expenditure Account and an increase in its General Fund balance of £0.2 million in 2009/10. The closing General Fund balance to be carried forward for future financial periods totals £2.3 million.

The closing balance on the Council's Housing Revenue Account (HRA) has increased from £0.5 million to £0.7 million.

The Council's balanced budget in 2009/10, and significant revenue reserves, provides it a good financial base to approach the uncertain future of local government funding.

## Use of Resources

Following the Government's announcement that the Comprehensive Area Assessment (CAA) is to be abolished, all work on Use of Resources for CAA ceased at the end of May 2010. Therefore, we have not completed this work as planned, but provide an update of our main findings from Use of Resources work completed before the Government's announcement.



## Representation Letter

Before we are able to provide our audit opinion on the 2009/10 financial statements, we ask the Executive Board to consider the draft management representation letter included in Appendix D and to confirm that members are comfortable with the representations proposed.

## Other Matters

We have drawn to the attention of members of the Executive Board, a number of significant accounting developments, which may impact on the Council in future years. These are summarised in Appendix A.

## Freedom of Information Act

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made there under (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

# Financial statements

## Accounts

We have completed the audit of the Council's accounts in line with the Code of Audit Practice and International Standards on Auditing (UK & Ireland).

Subject to the approval of the revised financial statements and the receipt of a signed representation letter, we anticipate issuing an unqualified audit opinion on the 2009/10 financial statements.

## Accounting Issues

Under ISA (UK&I) 260 we are required to bring to your attention any significant misstatements identified as part of the audit process that have been corrected by management but which we consider you should be aware of in fulfilling your governance responsibilities.

As might be expected, the audit process identified some issues around the adequacy of disclosures within the financial statements, where we believed amendments to the accounts would enhance their accuracy and usefulness to the reader and the Council agreed to process these amendments accordingly.

The adjustments to the financial statements have reduced the surplus on the Council's Income and Expenditure Account by £1.1 million.

Only one of these adjustments is considered to be significant enough to require reporting to members in this context. This adjustment related to an error in accounting entries for grant funding relating to two schemes: Play Builder and Housing New Build. The Council had recognised, in error, the total value of grant receivable for these schemes (£1.1 million) within the Income and Expenditure Account, rather than the amount equivalent to expenditure incurred on these schemes during 2009/10 (£0.07 million). The Finance Team have corrected the error within the revised financial statements resulting in a reduction in the surplus reported in the Income and Expenditure Account for 2009/10 of £1 million. However, it is important to note that this error had no impact on the Council's General Fund balance for the year, and therefore no impact for Council Tax payers.

There are no misstatements identified during the course of our audit, which remain unadjusted.

## Systems of internal control

We are required to report to you any material weaknesses in the accounting and internal control systems identified during our audit. A small number of minor control weaknesses were noted during our audit. These were reported to the Director of Resources in our Interim Controls Letter dated 30<sup>th</sup> June 2010.

## Payroll processing

Since April 2009, the processing of the Council's payroll has been outsourced to Warwickshire County Council. As a result Warwickshire County Council is responsible for controls over access to and the outputs from the Council's payroll. However, a Service Level Agreement setting out the scope of service provision, respective roles and responsibilities or assurance arrangements does not exist between the two parties.

This has had a direct impact on the level of work we, as the Council's auditors, have been required to undertake in validating payroll expenditure recorded in the financial statements. We have completed additional work around the control environment and placed reliance on the Internal Audit work of the County Council's internal auditors.

For the purposes of the financial statement audit we have performed procedures which have provided us with the assurance necessary to confirm that staff expenditure in the Council's financial statements is not materially misstated. We have also sought representation from management on this matter.

### Accounting practices

We are required to report to you our view on qualitative aspects of the Council's accounting practices and financial reporting.

The financial statements were prepared in accordance with the Code of Practice on Local Council Accounting in the United Kingdom 2009 (the SORP).

The draft financial statements were received on time and were of a good standard. Working papers produced by the Finance Team were sufficiently detailed and clearly referenced.

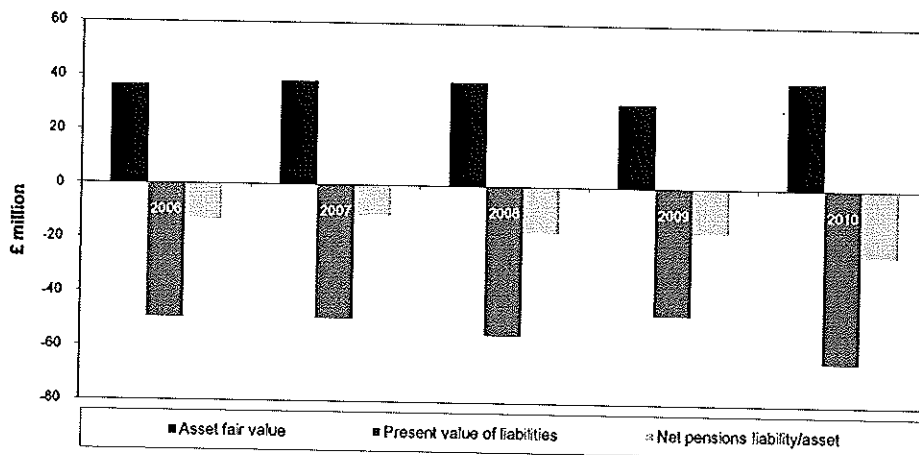
The Audit Commission recently requested we conduct an assessment of the Council's preparedness for transition to International Financial Reporting Standards (IFRS). We assessed the Council as 'green' indicating that, at this stage, we believe the Council is progressing well with the transition process to IFRS.

### Pensions estimate

The most material estimate included in the accounts is for pension liabilities in respect of employees who are members of the Warwickshire County Council local government pension scheme. The scheme is administered by Warwickshire County Council. The Council's net pension liability at the Balance Sheet date is £24.4 million. This is an increase of £8.1 million on the previous year.

The chart below shows the trend in pension assets and liabilities attributable to the Council over the last 5 years. The Council is not required to recover the deficit on the pension fund immediately, but it is an important factor in the assessment of future employer's pension contributions.

Trend in pensions assets and liabilities



A full actuarial valuation for the scheme as at 31 March 2010 is underway. Current indications are that an increased level of employer contributions may be needed across the sector to make up scheme shortfalls. The extent of any contributions increase will depend on the magnitude of the shortfall and the period over which it is recovered. Decisions concerning the recovery period should take into account prudence and the likelihood that longer recovery periods will increase the real cost to the scheme and employer.

We have reviewed the reasonableness of the assumptions underlying the pension liability in the accounts in accordance with ISA (UK&I) 540 'Audit of accounting estimates'. Overall we are comfortable with the net effect of the assumptions adopted but have specifically requested that members of the Executive Board consider the appropriateness of the assumptions that have been used in our letter of representation.

A comparison of the assumptions used by actuaries in the calculation of local government pension liabilities is contained in Appendix C.

The Chancellor of the Exchequer announced in his emergency budget on the 22 June 2010 that future increases in Local Government pension schemes will be linked to the Consumer Prices Index (CPI) as opposed to the Retail Prices Index (RPI). Historically, CPI has been lower than RPI by around 0.5% which will result in lower pension liabilities for local authorities. In line with information received from the pension fund actuary, the Council has disclosed the decrease as being approximately 5-8% of their net pension liability within their financial statements.

# Financial Standing

The Council reported a surplus of £1.4 million in the Income and Expenditure Account for 2009/10. After adjustments for statutory accounting the Council has increased its General Fund balance and its earmarked reserves. The following table details the movement in usable reserve balances during 2009/10.

	31/03/2010 (£'000)	31/03/2009 (£'000)	Movement (£'000)
General Fund	2,336	2,104	232
Earmarked Revenue Reserves	3,974	3,524	450
<b>Total Revenue Reserves</b>	<b>6,310</b>	<b>5,628</b>	<b>682</b>
Usable Capital Receipts	2,664	3,292	-628
Earmarked Capital Reserves	471	839	-368
<b>Total Capital Reserves</b>	<b>3,135</b>	<b>4,131</b>	<b>-996</b>
Housing Revenue Account Balance	670	517	153
<b>Total</b>	<b>10,115</b>	<b>10,276</b>	<b>-161</b>

The table above shows that during 2009/10 the Council's revenue reserves increased by £0.7 million whilst the Council's Capital Reserves decreased by £1 million. The Council's Housing Revenue Account has increased to £0.7 million from £0.5 million.

The reduction in capital reserves can be attributed to a reduction in the sales of Council assets generating proceeds for future use. This is a situation not unique to the Council and is reflective of the current economic uncertainties.

In September 2009, the Executive Board approved the Financial Strategy for the Council for the period 2010/2013. The Strategy assumed a 1.5% increase in Council Tax and a 1.4% increase in external funding for 2010/11 and -1% in external funding for the subsequent two years. The Council is revising its Medium Term Financial Strategy (MTFS) to consider the impact of central government funding reductions, the economic outlook, demand for services and the impact on income. The Council has modelled a number of scenarios in relation to its main source of funding, the Revenue Support Grant. The Council has used an expected 4% reduction as the likely outcome on which to determine required savings of approximately £1.5 million over the same period. The Council is continuing work to understand the impact of likely external funding changes.

The Council's Financial Strategy is based upon maintaining a minimum level of General Fund balances of £1 million over the medium-term, and growth, savings and service budget requirements are all determined taking this factor into account.

The Council's MTFS should be reassessed if the outcomes from the comprehensive spending review are different to currently used assumptions. We understand this will happen as part of the Council's normal financial procedures in February 2011. This reassessment should continue to reflect the impact of changes to other forms of grant income, particularly once clarity is obtained regarding the substantial revenue the Council receives through the concessionary travel grant.

Net capital expenditure is ordinarily funded through usable capital receipts or other capital reserves. The Council has until now not made use of borrowing. A decision was taken to fund the purchase of new refuse vehicles through borrowing in 2009/10 on value for money grounds. In addition, following on from partial government funding to build new council houses, further borrowing will be undertaken in 2010/11 to complete this particular project. With lower levels of receipts now available to the Council in the Usable

Capital Receipts reserve, future capital funding will need to come from increased borrowing or through the use of revenue resources.

There are a number of capital schemes that are expected to be undertaken over future years, but which have not yet been included within the Council's Capital Programme, as the costs associated with these schemes has yet to be identified in the Council's financing. For example, improvements to the Council owned buildings in Atherstone, and enhancements at Coleshill Leisure Centre.

In either case the long term consequences will mean an additional charge to revenue, either through the impact of financing capital expenditure directly with revenue resources or through the additional interest payments of long term borrowing. The Council should continue to consider the long term consequences on the revenue budget of future capital expenditure.

Overall, the Council's balanced budget in 2009/10, and significant revenue reserves, provides a solid financial base to approach the uncertain future of local government funding.

# Value for Money in the Use of Resources

## Work performed

We have performed work to conclude on the Council's arrangements for achieving economy, efficiency and effectiveness in its use of resources. Our work to support our Value for Money conclusion comprised the following elements:

- Work performed on the key lines of enquiry (KLoEs) specified by the Audit Commission as underpinning the Value for Money conclusion. This includes Use of Resources assessment work undertaken to the end of May 2010.
- Our review of the Annual Governance Statement.

We intend to issue an unqualified value for money conclusion based on our work in these areas.

## Value for Money Conclusion

Under the Code of Audit Practice we are required to provide a conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. The conclusion is based on the adequacy of the Council's arrangements to meet criteria issued by the Audit Commission. Since 2008/09, selected Key Lines of Enquiry (KLOEs) have formed the criteria for the Value for Money conclusion.

## Use of resources

In May 2010, the Government announced its intention to abolish the Comprehensive Area Assessment (CAA). Shortly afterwards, we were instructed by the Audit Commission to halt all work on the Use of Resources assessment.

Therefore we cannot report Use of Resources scores, as this work was not completed. However, we will present a separate report to the Director of Resources setting out our findings and recommendations from initial work we carried out under CAA and summarise our findings for members of the Executive Board in our Annual Audit Letter.

## 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 was included in the financial statements.

CIPFA recently issued a statement on The Role of the Chief Financial Officer in Local Government 2010<sup>1</sup>, which makes recommendations about:

- the Chief Finance Officer's position in an Council's leadership;
- their involvement in and ability to influence key business decisions;
- their responsibility for promotion of good financial management;
- their role in leading and directing a finance function which is resourced to be fit for purpose; and
- the qualifications and experience required of a Chief Finance Officer.

<sup>1</sup> [http://www.cipfa.org.uk/pt/download/role\\_of\\_CFO\\_in\\_LG\\_2010\\_WR.pdf](http://www.cipfa.org.uk/pt/download/role_of_CFO_in_LG_2010_WR.pdf)

The recommendations of the statement are expected to be consolidated into the CIPFA/Solace Framework "Delivering Good Governance in Local Governance" over the next year. In the meantime, CIPFA has recommended a voluntary "comply or explain" approach in the 2009/10 AGS. This means the AGS is expected to include either:

- a confirmation that the Council's financial management arrangements conform to the CIPFA Statement;  
or
- an explanation of why they do not and how the Council delivers the same impact.

The Council has included this in the AGS. As auditors, we are not required to report on this aspect of the AGS for 2009/10.

We reviewed the AGS to consider whether it complied 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. We found no areas of concern to report.



# Audit plans and fee update

## Audit Plan

We issued our Audit Plan for 2009/10 and presented it to Members on 13 April 2010.

Other than the curtailment of CAA Use of Resources work in May 2010, which impacts directly on the work we are required to undertake in 2010/11 and future years, our Audit Plan has not been changed in any significant respect.

## Audit fees update for 2009/10

We reported our audit fee proposals in our Audit Plan.

Our actual fees were in line with our proposals.

Our fees charged were:

	2009/10 Outturn	2009/10 Fee proposal
Financial Statements (main Council accounts)	£91,500	£91,500
<b>Total audit fee</b>	<b>£91,500</b>	<b>£91,500</b>

In May 2010 we performed work which fell outside of the Code of Audit Practice relating to assistance to the Finance Team with their review of leases as part of the transition to IFRS. Our proposed and actual fee for this work was £2,500. We do not consider that provision of this additional work has impaired our independence as the Council's auditors, as the following safeguards were in place:

- the firm and staff involved were independent from officers and PwC personnel used in the delivery of the work were not engaged in the delivery of any audit work;
- management retained ownership of the process. PwC gave no assurance over the work performed and all decisions were made by management; and
- the Council was the only intended user of the advice given, therefore no advocacy risk was realised.

# Appendix A: Current and Future Developments

We provide regular accounting and technical updates for the Council through annual training events and our periodic accounting publication for local government 'Council on Accounting'.

	Current Issues	Emerging Issues (+ 6 months)	Longer term (+12 months)
Financial reporting	International Financial Reporting Standards (IFRS) implementation for 2010/11 accounts		
Governance	CIPFA /SOLACE review of Delivering Good Governance in Local Governance Framework		
	CIPFA consultation: Statement on the role of the Head of Internal Audit in public service organisations		
Housing finance	CLG consultation on the future of council housing		
Capital finance	Capital finance regulation changes		
Efficiency	Government spending review		
Sustainability	Carbon reduction commitment		
Pensions	Local Government Pension Scheme valuations		
Audit	Clarity International Standards on Auditing (UK & Ireland)		
Other legislation	UK Bribery Bill		

## International Financial Reporting Standards (IFRS) implementation for 2010/11 accounts

The adoption of International Financial Reporting Standards (IFRS) represents a significant change in financial reporting in the UK public sector. The process has already started for local authorities, as this year's SORP adopted the new accounting arrangements for PFI and service concessions, while previous SORPs have adopted IFRS style accounting for financial instruments.

The IFRS-based Code of Practice on Local Council Accounting (the IFRS-based Code), will complete the transition process and applies to local Council accounts from 1 April 2010. As well as preparing the 2010/11 accounts under the IFRS-based Code, authorities must restate their balance sheet at the point at which the Code is adopted (1 April 2009), and present restated comparatives for 2008/09.

The format of the financial statement will change, with the Income and Expenditure Account and Statement of Total Recognised Gains and Losses being combined to form a new Comprehensive Income and Expenditure Statement. In addition, the Statement of Movement on the General Fund Balance will be replaced by the new Movement in Reserves Statement.

As well as these changes to the format of statements, there will be significantly increased levels of disclosure in the notes to the account and certain items may be brought onto the balance sheet for the first time.

## CIPFA /SOLACE review of Delivering Good Governance in Local Government Framework

CIPFA has issued an Application Note to Delivering Good Governance in Local Government as an addendum to the CIPFA /SOLACE Governance Framework Delivering Good Governance in Local Government. The guidance builds on the Statement on the role of the Chief Financial Officer in Local Government published by CIPFA. The Statement recommends that the CFO should be a member of the leadership team, with a status at least equivalent to other members. It sets out the key features of the role that CIPFA expects the CFO to play as well as outlining the skills and personal attributes required for successful performance.

The Application Note is intended to be a temporary measure that will operate for the financial years 2009/10 and 2010/11 during which time CIPFA aims to carry out a full review of the CIPFA/SOLACE Framework including consultation.

## CIPFA consultation: Statement on the role of the Head of Internal Audit in public service organisations

CIPFA's consultation on the draft Statement on the role of the Head of Internal Audit in public service organisations closed on 10 September. The statement is intended to raise the profile and clarify the role of the Head of Internal Audit (HIA). It sets out best practice for HIAs to aspire to and for Audit Committees and others to measure internal audit against. The proposed principles-based framework is intended to apply to all HIAs in the UK, irrespective of the particular part of the public services in which they work. The Statement draws on the best practice and regulatory requirements in public services, as well as the requirements of CIPFA, other professional accountancy bodies' and the Institute of Internal Auditors' codes of ethics and professional standards.

## CLG consultation on the future of council housing

In March 2010, the Department for Communities issued a prospectus "Council Housing - A Real Future". This contains proposals for putting the HRA on a self-funding basis that will involve the abolition of HRA Subsidy. Instead, authorities would fund their expenditure from rental income. The mechanism that will ensure equity between authorities is a reallocation of housing debt, based on an assessment of the level whose servicing will be affordable from individual HRAs. It will be crucial to get the opening debt figure correct if the HRA is to achieve the break-even target effectively.

There is no target implementation date for the proposals. However, authorities have been encouraged to consider the new skills and capacity they might need for the new arrangements and to test the opening debt figure proposed for them. The consultation exercise is being endorsed by the new Government (although without any commitment to the views expressed in the consultation document).

## Capital finance regulation changes

Amendments made in 2010 to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 have effect for 2010/11 as follows:

- The regulation allowing authorities to defer the revenue impact of Equal Pay back payments until cash is paid has been extended from 31 March 2011 to 31 March 2013.
- Purchase of shares in the Local Authorities' Property Fund (LAPF) can no longer be regarded as capital expenditure.

- Capital receipts may now be used to:
  - finance costs of disposals for non-housing disposals, up to a maximum of 4% of the capital receipts generated, and
  - to settle obligations arising on the disposal of an asset in relation to agreements made at the time the asset was acquired.

## Government spending review

The Government has published details of reductions to individual local Council grant allocations for 2010-11, which will contribute £1.166bn of local government savings in 2010/11. The changes include measures to remove ring fencing of certain grant streams. The grant reductions are part of a total of £6.2bn cross government savings in 2010/11 intended to tackle the UK's deficit in order to restore confidence in the economy and support the recovery. At the same time the government has committed to freezing levels of council tax for 2010/11.

The distribution and level of grants from 2011-12 onwards will be considered in the autumn Spending Review with further cuts and removal of ring fencing expected.

## Carbon reduction commitment (CRC)

This mandatory emissions trading scheme started in April 2010. It aims to promote energy efficiency and help reduce carbon emissions. It is UK-wide, covering large businesses and public sector organisations. Authorities with an annual spend of more than £400,000 - 500,000 on electricity each year are likely to be in the scope of CRC.

All participants must monitor energy use and file an annual return with the Environment Agency which sets out their energy usage. They will then have to purchase allowances from the Government to use energy in the following year. The Government will compare the energy efficiency of each participant by ranking them in a published league table. The monies collected through the sale of allowances will then be returned to the participants, but with those who perform better in the league table receiving a bonus and those who perform badly suffering a penalty. Consequently there will be a cash flow impact for all participants, but both a reputational risk (via their standing in the league table) and financial downside for the poor performers.

The first annual reporting year is April 2010 – March 2011 and the first sale of allowances will take place in April 2011 – March 2012. Organisations that are required to participate fully in the scheme will need to consider how to account for the purchase of allowances, the obligation to deliver allowances and the receipt of revenue recycling payments. If you require assistance with getting to grips with the CRC scheme please contact Leon Mayfield on 07841 564164 or email [leon.c.mayfield@uk.pwc.com](mailto:leon.c.mayfield@uk.pwc.com).

## Clarity International Standards on Auditing (UK & Ireland)

The Auditing Practices Board (APB) has issued 33 clarity ISAs (UK & I), based on the IAASB's clarity International Standards on Auditing (ISAs), effective for audits of financial statements for periods ending on or after 15 December 2010.

A number of the standards have been completely revised and new requirements have been introduced. There are approximately one-third more explicit requirements applying to entity audits and extra new requirements that apply to group audits, with about half of the total increase resulting from clarification of the existing standards, and about half relating to new requirements designed to improve audit quality and, consequently, financial reporting.

The actual impact on cost of audits will depend on a variety of factors such as the effectiveness of current execution; the size and complexity of the entity; and how effectively we can work with you to obtain any additional information needed to enable us to perform the required procedures.

## The UK Bribery Act

The UK Bribery Act received Royal Assent in April 2010 and will come into force in April 2011. The Act seeks to enhance the UK's anti-bribery legislation, which is widely perceived as out of date and has been subject to serious criticism internationally.

The Act replaces previous offences with a general bribery offence and a specific offence relating to bribery of foreign public officials (both of which are applicable to individuals and UK-registered companies). It also introduces the specific corporate offence of failing to prevent bribery, which is designed to make companies and other corporate bodies responsible for bribery committed on their behalf. The key potential liability relates to failure to prevent active bribery for and on behalf of the corporate body by its employees, agents or subsidiaries. Corporate bodies found to have committed any bribery offence could face unlimited fines, while individuals could face a maximum 10 year prison sentence and/or an unlimited fine.

## Appendix B: Comparison of actuarial assumptions

We have reviewed the reasonableness of the assumptions underlying the pension liability in the accounts in accordance with ISA (UK&I) 540 'Audit of accounting estimates'. Overall we are comfortable with the net effect of the assumptions adopted, although we note that the rate of discount scheme liabilities are towards the top of the range of assumptions we would normally consider acceptable. The effect of this is to produce a net liability estimate, which is smaller than that of many equivalent bodies.

As consulting actuary to the Audit Commission, PwC meets all the local government scheme actuaries annually to gain an understanding of the methodology and assumptions they use. The table below sets out the principal assumptions used by your actuary in 2009/10 and 2008/09 and the impact of changes in assumptions on the gross pension liability.

	2009/10	2008/09	Approximate impact of change in assumption
Discount Rate	5.6%	7.1%	Increase of 0.1% decreases liability by 2%
Inflation rate	3.3%	3.3%	Increase of 0.1% increases liability by 2%
Rate of salary increase	5.05%	5.05%	Increase of 0.1% increases liability by 0.5%
<b>Life expectancy at 65 (years)</b>			
Male age 65	21.2	21.2	Increase of 1 year increases liability by 4%
Female age 65	24.1	24.0	
Male age 45	22.2	22.2	
Female age 45	25.0	25.0	
<b>Returns on assets</b>			
Equities	7.5%	7.5%	
Government Bonds	4.5%	4.0%	
Corporate Bonds	5.2%	6.0%	
Property	6.5%	6.5%	
Cash	0.5%	0.5%	

Typical assumptions used by actuaries for local government pension schemes are shown below.

	Hewitt	Barnett Waddingham	Hymans Robertson	Mercer*
Discount Rate	5.50%	5.50%	5.50%	5.60% - 5.70%
Inflation rate	3.80% - 3.90%	3.90%	3.80%	3.30% - 3.50%
Rate of salary increase	5.30% - 5.40%	4.90% - 5.90%	5.30%	4.55% - 4.75%
<b>Life expectancy at 65 (years)</b>				
Male age 65	20.0 - 23.2	19.1 - 21.5	18.4 - 22.6	20.4 - 22.1
Female age 65	22.0 - 25.1	22.1 - 24.6	21.7 - 26.0	23.2 - 25.0
Male age 45	22.2 - 25.6	20.0 - 22.5	20.3 - 24.7	21.3 - 23.1
Female age 45	24.1 - 27.4	23.0 - 25.8	23.7 - 28.2	24.1 - 25.9
<b>Returns on assets</b>				
Equities	8.00%	6.50% - 8.00%	7.80%	7.50%
Government Bonds	4.50%	4.50%	5.00%	4.50%
Corporate Bonds	5.50%	5.50%	5.00%	5.20%
Property	8.50%	5.50% - 7.00%	5.80%	6.50%
Cash	0.70%	3.00%	4.80%	0.50%

\*Mercer Limited acts as actuaries for the Warwickshire County Council Pension Fund.

## Appendix C: Value for Money conclusion criteria

The Audit Commission publishes Code of Practice criteria on which auditors are required to reach a conclusion on the adequacy of an audited body's arrangements for economy, efficiency and effectiveness in its use of resources. The criteria are linked to Key Lines of Enquiry (KLoEs). The Commission specifies which KLoEs will form the 'relevant criteria' for the VFM conclusion for each type of body each year. The table below shows the KLoEs specified for the conclusion in 2009/10 and 2008/09.

### Managing Finances

Key Lines of Enquiry	Specified in 2009/10	Specified in 2008/09
1.1 Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	✓	✓
1.2 Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	✓	✓
1.3 Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	✓	✓

### Governing the Business

Key Lines of Enquiry	Specified in 2009/10	Specified in 2008/09
2.1 Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?	✓	✓
2.2 Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	✓	✓
2.3 Does the organisation promote and demonstrate the principles and values of good governance?	✓	✓
2.4 Does the organisation manage its risks and maintain a sound system of internal control?	✓	✓

### Managing Resources

Key Lines of Enquiry	Specified in 2009/10	Specified in 2008/09
3.1 Is the organisation making effective use of natural resources?	✓	X
3.2 Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?	X	X
3.3 Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	X	✓



# Appendix D: Draft Management Representation Letter

(To be placed on North Warwickshire Borough Council Letterhead)

PricewaterhouseCoopers LLP  
Government and Public Sector  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

This representation letter is provided in connection with your audit of the financial statements of North Warwickshire Borough Council for the year ended 31 March 2010.

Your audit is conducted for the purpose of expressing an opinion as to whether the financial statements of the Council give a true and fair view of the state of affairs of the Council as at 31 March 2010, of its income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Council Accounting in the United Kingdom 2009.

My responsibilities as Director of Resources for preparing the financial statements are set out in the Statement of Responsibilities for the Statement of Accounts. I am also responsible for the administration of the financial affairs of the Council. I also acknowledge that I am responsible for making accurate representations to you.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of North Warwickshire Borough Council with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation, to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief and having made the appropriate enquiries, the following representations:

## **Accounting records**

I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that you (the Council's auditors) are aware of that information, including that:

- All the accounting records, whether for the purposes of financial reporting or any other purpose, have been made available to you for the purposes of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records.
- All other records and related information which might affect the fair presentation of, or necessary disclosure in, the financial statements, including minutes of the Resources Board, Executive Board and relevant management meetings, have been made available to you and no such information has been withheld.

So far as I am aware, there is no relevant audit information of which you are unaware.

### **Accounting policies**

I confirm that I have reviewed the Council's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the Council's particular circumstances, as required by the Code of Practice on Local Council Accounting in the United Kingdom 2009.

### **Related party transactions**

I confirm that the Council has disclosed all related party transactions relevant to the Council and that I am not aware of any other such matters required to be disclosed in the financial statements under the requirements of the Code of Practice on Local Council Accounting in the United Kingdom 2009.

### **Employee benefits**

I confirm that the Council has made you aware of all employee benefit schemes in which employees of the Council participate.

### **Payroll System**

I confirm we are satisfied that the control arrangements in place at Warwickshire County Council are adequately designed and operated to help mitigate a material misstatement of expenditure in the Council's financial statements.

### **Contractual arrangements/agreements**

All contractual arrangements (including side-letters to agreements) entered into by the Council with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.

### **Laws and regulations**

I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations which provide a legal framework within which the Council conducts its business and which are central to the Council's ability to conduct its business or that could have a material effect on the financial statements.

I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

### **Fraud**

I acknowledge responsibility for the design and implementation of internal control to prevent and detect fraud.

I have disclosed to you:

- i) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- ii) my knowledge of fraud or suspected fraud affecting the Council involving:

- members
  - management
  - employees who have significant roles in internal control, or
  - others where the fraud could have a material effect on the financial statements;
- iii) my knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by members, employees, former employees, analysts, regulators or others.

#### **Misstatements detected during the audit**

I acknowledge my responsibility for the design and implementation of internal control to prevent and detect error.

I confirm that the financial statements are free from material misstatement, including omissions.

#### **Taxation**

I have complied with UK taxation requirements and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any direct tax or any indirect taxes. I am not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest.

In particular:

- In connection with any tax accounting requirements, I am satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.
- I have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken the Council's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the Council or any associated company for whose taxation liabilities the Council may be responsible.

#### **Assets and liabilities**

- The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- In my opinion, on realisation in the ordinary course of the Council's business the current assets in the balance sheet are expected to produce no less than the net book amounts at which they are stated.
- I confirm that we have carried out impairment reviews appropriately, including an assessment of when such reviews are required, where they are not mandatory. I confirm that we have used the appropriate assumptions with those reviews.
- I confirm that all significant assumptions made in relation to fair value measurement and disclosures are reasonable and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Council where relevant to the fair value measurements or disclosures.

### **Financial Instruments**

Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the year end have been properly valued and that valuation incorporated into the financial statements.

Where we have assigned fair values to financial instruments, we confirm that the valuation techniques, the inputs to those techniques and assumptions that have been made are appropriate, and reflect market conditions at the balance sheet date, and are in line with the business environment in which we operate.

### **Provisions**

Full provision has been made for all liabilities at the balance sheet date including guarantees, commitments and contingencies where the items meet the terms of FRS 12 for a provision and are expected to result in significant loss.

### **Pension fund assets and liabilities**

All known assets and liabilities (other than liabilities to pay pensions and benefits after the end of the year) including contingent liabilities, as at the 31 March 2010, have been taken into account or referred to in the financial statements.

Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the 31 March 2010 have been properly valued and that valuation incorporated into the financial statements.

The pension fund has satisfactory title to all assets and there are no liens or encumbrances on the pension fund's assets.

The value at which assets and liabilities are recorded in the net assets statement is, in the opinion of the Council, the market value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the pension fund. Any significant changes in those values since the date of the financial statements have been disclosed to you.

### **Bank accounts**

I confirm that we have disclosed all bank accounts to you including those that are maintained in respect of the pension fund.

### **Subsequent events**

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

**Going Concern**

I confirm that that Statement of Accounts has been prepared on a going concern basis and I am not aware of any material uncertainties about the entity's ability to continue to operate as a going concern that need to be disclosed in the financial statements.

As minuted by the Executive Board at its meeting on 14 September 2010

.....

Director of Resources

.....

Date

For and on behalf of North Warwickshire Borough Council

pwc.com

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# Annual Grants Certification Report

North Warwickshire Borough Council 2008/09

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

In April 2008 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.

The Members of the Executive Board  
North Warwickshire Borough Council  
South Street  
Atherstone  
Warwickshire  
CV9 1DE

24 May 2010 DRAFT

Ladies and Gentlemen

### **Annual Certification Report 2008/09**

In September 2009 the Audit Commission undertook a review of arrangements for certifying grant claims and returns at audited bodies. The review concluded that additional steps should be taken by auditors to raise the profile and importance of grant certification work to encourage audited bodies to improve standards of claims and returns preparation. The review also encouraged better use of the results of certification work and to use evidence from this work to support other aspects of auditors' responsibilities, including Use of Resources assessments. To help achieve these objectives, the Audit Commission has recommended that auditors report annually to those charged with governance on the results of certification work.

In line with the Audit Commission's recommendations, this report summarises the results of grant certification work we undertook at North Warwickshire Borough Council between March 2009 and December 2009.

### **Scope of Grant Certification Work**

Grant-paying bodies pay billions of pounds in grants and subsidies each year to local authorities and often require certification, by an appropriately qualified auditor, of the claims and returns submitted to them. Certification work is not an audit but involves applying prescribed tests, as set out within Certification Instructions ("CIs") issued by the Audit Commission, which are designed to give reasonable assurance that claims and returns are fairly stated and in accordance with specified terms and conditions.

The Audit Commission is required by law to provide certification arrangements for grant paying bodies when requested to do so. Thresholds for claim and return certification are set and prescribed tests issued to appointed auditors for each claim to be certified.

Certification work is undertaken during the course of the year the timing of which is managed to ensure we are able to meet deadlines set by grant paying bodies for claim certification. We met all submission deadlines during the course of work in 2008/09.

If you have any queries with matters raised within this report, please do not hesitate to contact us.

Yours faithfully

PricewaterhouseCoopers LLP



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# Results of Certification Work

During the period 2008/09 we certified six claims and returns worth, in total, over £52 million. A list of claims certified and a summary of the outcome of our certification work is provided below. For two of the claims we reviewed, we issued a qualification letter setting out the issues arising from the certification of these claims. Four of the claims / returns we reviewed were amended following the completion of our certification work.

There are no significant matters identified from our certification work that we deem necessary to bring to your attention in this summary annual report. Full details of all matters we reported following our certification work have been provided to management and are set out, where relevant, in qualification letters to relevant government departments.

Fees charged for undertaking our work are included in Appendix A.

CH Ref	Title	Form	Original Value (£)	Final Value (£)	Amendment	Qualification
CFB06	Pooling of housing capital receipts	Audit 2008-09	537,858	537,858	Yes	No
HOU21	Disabled Facilities Grant	DSG 2008D3	200,000	200,000	No	No
HOU02	HRA Subsidy Base Data Return	10B2 Auditor Base Data Return	N/A	N/A	Yes	Yes
LA01	National Non Domestic Rates Return	NNDR3	39,927,619	39,927,910	Yes	No
HOU01	HRA Housing Subsidy Claim	0804	(3,470,494)	(3,470,494)	No	No
BEN01	Housing and Council Tax Benefits Scheme	MPF720A	14,431,303	14,431,325	Yes	Yes

*\*Some amendments have no impact on the overall value of the claim.*

# Appendices

# Appendix A: Certificate Fees

The certification fees for each claim are set out below:

Claim/Return	2008/09 Fee (£)	2007/08 Fee (£)	Explanation of significant difference
CFB06 Pooling of Housing Capital Receipts	1,145	4,114	Due to level of expenditure in this area, only limited testing of the Return was required in 2008/09.
HOU21 Disabled Facilities Grant	1,070	3,340	Due to level of expenditure in this area, only limited testing of the Return was required in 2008/09.
HOU02 HRA Subsidy Base Data Return	2,691	4,937	Minor issues identified during the review in 2008/09.
LA01 National Non Domestic Rates Return	3,271	4,234	Minor issues identified during the review in 2008/09.
HOU01 HRA Housing Subsidy Claim	2,186	3,933	No issues identified during work undertaking in 2008/09.
BEN01 Housing & Council Tax Benefits Scheme	27,892	32,382	The Council undertook the required additional testing in light of initial sample errors identified; this resulted in a reduction to the final fee for 2008/09. In prior year all additional testing was undertaken by PwC.

The above fees are influenced by the Council's performance and arrangements for certification. It may be possible to reduce future fees should the Council improve its performance or arrangements by:

- ensuring certification deliverables are available on time;
- the review of prior year issues to ensure that similar risks have been addressed and mitigated against; and
- the review of claims and returns by a Senior Officer prior to the submission to the Grant paying body.

We are happy to discuss how we may assist further with your improvement, for example we can perform specific focused, risk-based work in this area should that be required.

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## **Agenda Item No 6**

### **Executive Board**

**14 September 2010**

### **Corporate Plan 2011/12**

#### **Key Corporate Issues**

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

## **1 Summary**

- 1.1 The purpose of this report is to draw Members' attention to the key Corporate issues facing the Council in the next 18 months. It seeks Members' agreement to addressing these issues during the formulation of the 2011/12 Budget and Corporate Plan.

### **Recommendation to the Council**

**That the issues raised in this report are the main areas which should be considered for inclusion in the 2011/12 Corporate Plan.**

## **2 Consultation**

### **2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members**

- 2.1.1 All Portfolio Holders and Shadow Portfolio Holders have been sent a copy of this report.

## **3 Introduction**

- 3.1 Members have been requested, in a separate report on this agenda, to agree the 2011/12 Budget Strategy. This report sets out the key issues facing the Council. Members are requested to give consideration as to whether these are the main areas which should be considered for inclusion in the 2011/12 Corporate Plan.

## **4 Government Agenda and other External Issues**

- 4.1 Perhaps the two key issues which will affect the direction of the Council over the next 18 months are the economy and the significant policy and legislative changes introduced and proposed by the Government since the General Election in May 2010. Of these, the one which will have the biggest bearing on our future direction, will be the Spending Review proposed for October and the subsequent Grant Settlement for this Council, expected late November/early December. The report on the Budget Strategy includes a number of assumptions on the potential impact

of the Grant Settlement on our budget and savings targets over the next four years.

4.2 I have reported previously on a number of initiatives which may affect the Council and a number of these are set out below, although there may be others and, undoubtedly, more will emerge:-

The pace of change has been very rapid since the General Election on 6 May.

The position is changing daily, so it was not possible to prepare a comprehensive report on all aspects of change and proposed change, in advance of Executive Board.

I shall keep Members updated as things progress.

The list below just sets out some key policy issues:-

- Abolition of Planning Development Grant, Housing Delivery Grant (but current NWBC new-build projects on garage sites safe) and LABGI (Local Authority Business Growth Incentive).
- Announcement that local authorities' ability to charge for Personal Searches has been stopped.
- Council Tax freeze in 2011/12.
- Change of emphasis from 'top down' to 'bottom up'.
- Big Society
- Place Based Budgeting
- Abolition of CAA (Comprehensive Area Assessment).
- Possible scrapping of LAAs (Local Area Agreements).
- Abolition of Regional Spatial Strategy.
- Abolition of Regional Development Agencies - proposals to set up LEPs (Local Enterprise Partnerships)
- Removal of funding for Regional Leaders' Board – likely to lead to slimmed down West Midlands LGA office.
- Scrapping of Government Regional Offices.
- Abolition of the Audit Commission.
- Publication of all items of expenditure over £500.

- Abolition of free swimming.
- Potential to allow all local authorities to elect to go back to the Committee system.
- Pulling back on drive to encourage local authorities to move to fortnightly bin collections.
- Potential funding restrictions for DEFRA which could endanger the LEADER Project.
- Possible repeal of “pre-determination” rules when considering Planning Applications.
- Proposal to abolish the Standards Board for England.
- Changes in Planning Rules around housing density and “garden grabbing”.
- Consultation on the future of Policing, including proposals for Crime & Disorder Reduction Partnerships.
- Two year public sector pay freeze.
- Public Sector Pension Review.
- Proposals to ban the use of Regulation of Investigatory Powers Act (RIPA) by Councils unless signed off by a Magistrate and required for stopping serious crime.
- Proposals to put power into the hands of rural communities to protect and preserve village life.
- National Affordable Homes Swap Scheme.
- Consultation on ‘New Homes Bonus’ providing extra funding for Councils who go for growth.
- Creation of Regional Growth Fund.
- Abolition of Place Survey.
- New Community right to build homes in rural areas.
- New flexible approach to making new homes zero carbon.
- Trialling ‘pay as you throw’ waste reduction schemes.
- Reform of NHS, including phasing out of PCTs.



- Dealing with street clutter.

#### 4.3 Regional/Sub-Regional Issues

- 4.3.1 An early and significant change has been proposals to abolish a number of national and regional bodies. These include the Audit Commission, Regional Development Agencies and Government Offices.
- 4.3.2 On the other hand, invitations have been sought to set up Local Enterprise Partnerships and this forms the basis of a separate report on this agenda. Whether or not the LEP bid is successful, there is likely to be much more focus on working within the Coventry and Warwickshire Sub-Region, than in regional Working in the future.
- 4.3.3 Regional Spatial Strategies have been abolished, together with the proposed transfer of more local control on Planning to local Councils and this has led to the Council needing to review its approach to the Local Development Framework.
- 4.3.4 Overall, early impact is to create the opportunity to reduce process in terms of things like the abolition of Comprehensive Area Assessment, National Performance Indicators, Local Area Agreements, etc, and many of the partnership machinery and reporting mechanisms that go with them, to a much more bottom-up approach. This means that we will need to look at how bodies like the Public Service Board and Local Strategic Partnerships work in the future.
- 4.3.5 Similarly, processes like Best Value, CPA and CAA have gone and the latest thinking is that local authorities may be judged on progress through Value For Money studies from our auditors, together with potential peer reviews from within the local government sector.
- 4.3.6 The main thrust of thinking however is clearly that we should much more be concentrating on a “bottom-up” approach to local government and basing policy on what local communities want, rather than what is imposed from above. This is fundamental to the ‘Big Society’.
- 4.3.7 This is likely to result in us having to review how we work with partners at a local level, including looking at the effectiveness of Area Fora in the new landscape.

#### 4.4 Policy Framework

- 4.4.1 Having said all this, North Warwickshire still has a Sustainable Community Strategy, concentrating on three major themes – Health Improvement, Access to Services and Improving Educational & Skills Attainment. These themes are based on key local needs. The Council has agreed to this strategy, which is relevant both in terms of our Local Development Framework and our Corporate Plan.

#### 4.5 Partnership & Shared Working

4.5.1 In the current financial climate, the drive towards efficiencies will continue and working with other agencies, including shared working initiatives wherever there is a good business case for doing so, will remain important.

4.5.2 There are a number of sub-regional work streams going forward, but opportunities to move quickly on collaborations with one or two other partners will be pursued and when they occur.

#### 4.6 Rural Issues

4.6.1 One of the key themes in the Sustainable Community Strategy is access to services and the Council has been a partner in a bid to obtain European LEADER funding. Members will be aware that decisions are awaited regarding DEFRA funding to assist with LEADER projects, but maximising the opportunities from LEADER will be important in the current environment.

#### 4.7 Access Strategy

4.7.1 In addition to the significant progress that the Council has made in terms of electronic access to our services, a significant amount of work is now taking place to develop opportunities for local residents to be able to directly access Council services using local facilities, in partnership with other agencies and this forms part of our overall Accommodation Strategy.

#### 4.8 Crime & Disorder

4.8.1 Crime and Disorder remains a key national and local public concern. Overall, the trend for recorded crime in North Warwickshire has been downward over the last few years, although recent figures show some areas for concern, particularly around vehicle crime. Efforts continue to deal with anti-social behaviour and the fear of crime.

#### 4.9 Demography

4.9.1 At a time of reducing resources, the demographic profile of the population continues to age and there will be even more pressure on many of our services, including Disabled Facilities Grants, Borough Care, special housing needs, etc. This will need to be part of our Policy Framework in future year.

#### 4.10 Climate Change

4.10.1 Global issues need national and local solutions, but reducing resources means that the Council will have to come up with innovative solutions to make a contribution to this agenda.

#### 4.11 Elections

4.11.1 The Council faces all-out elections in 2011, at a time when major decisions will need to be made about the future direction of the Council and its services.

#### 4.12 Housing

4.12.1 The role of the Council has traditionally concentrated on its management role as a provider of housing stock and this remains a huge part of the Council's work.

4.12.2 We also have an important role in strategic terms. This includes our role as a Planning Authority. The change in the Planning Policy Framework through the abolition of the Regional Spatial Strategy, will put much more emphasis on our Local Development Framework in future and government proposals indicate that local people will have much more say on the provision of housing in future years. Further reports will be brought to Members in due course.

4.12.3 In terms of the Council's own housing stock, the Decent Homes Standard has been met, but there will be an ongoing requirement to ensure that the Standard continues to be met in future years and national decisions on the future of the Housing Revenue Account (which was the subject of a Special Council meeting earlier this year) will be important in clarifying what resources the Council will have available to meet these obligations.

4.12.4 Significant work has also been taking place to improve the effectiveness of the Council's Housing workforce and this is leading to major changes in systems and working practices.

4.12.5 In addition to its own housing stock, the Council also has a role in terms of ensuring that non-Council housing stock is both available and up to standard, which it can do in a number of ways, eg through provision of grants to improve existing private sector stock, particularly in terms of Disabled Facilities Grants, and through continuing to work with Planning and social landlords to deliver social housing across the Borough, both in terms of grants and Planning Permission for private land and working with social landlords to deliver new housing on Council land. This is in addition to the 25 new Council houses currently being constructed.

4.12.6 The Borough Care Service is now part of the Housing Division and a review is taking place to modernise the service, which will be the subject of further report in due course.

#### 4.13 Planning and Development

4.13.1 Policy changes are mentioned earlier in the report, particularly the abolition of the Regional Spatial Strategy and alterations to advice on housing density and garden land. This has led to a need for the Council to review

its overall approach to Planning Policy and reports are coming forward to deal with this.

4.13.2 In terms of Planning Applications, the numbers are still relatively low, but have been increasing. The recent past has also seen Planning Permissions being renewed which is a sign that developers are delaying starts, particularly in relation to housing where application numbers are still low. Reductions in grant funding have an impact on delivering affordable housing, travellers sites and public transport.

#### 4.14 Waste and Recycling

4.14.1 This remains a key issue for the Council. Whilst recent changes to our recycling contract should enable us to improve recycling rates, we remain behind many other Districts.

4.14.2 Discussions and negotiations with both the County Council and neighbouring authorities to both improve recycling rates and drive down costs will be an important area of activity in the near future. The Scrutiny Board continues its review of the options in this area.

#### 4.15 Health & Well-being

4.15.1 This remains an important issue for the Council and has been recognised both in our priorities and in the Sustainable Community Strategy. Members will recall that the most recent health profile of North Warwickshire was circulated at the recent Member seminars. Health priorities include smoking, work on obesity to include families and supporting independent living for older people. The profile also indicated that road injuries and deaths, life expectancy for females, obesity in adults, binge drinking for adults and GCSE achievements are significantly worse than the England average.

4.15.2 Health and well-being is particularly relevant to services such as Housing and Borough Care, as well as being a key role for the Leisure & Community Development Division. There are close links between the Partnership and Community Development Sections and the PCT Health Improvement Team, who use office facilities in Leisure & Community Development.

4.15.3 North Warwickshire's Health, Well-being and Leisure Strategy is aimed at improving health and well-being across the Borough, with the authority and its partners particularly reducing health inequalities, focussing scarce resources in targeted communities and dealing with priorities highlighted in the Sustainable Community Strategy. The Borough Council has a key role as a provider of housing, open spaces, leisure facilities, community development and targeted outreach and well-being services. The support of voluntary and third sector organisations is also of importance in this context.

4.15.4 Whilst the Sustainable Community Strategy and the Health, Well-being & Leisure Strategy are also important in terms of setting the framework for deciding how we will deliver services and facilities in the future, this will be particularly challenging in the light of the reducing resources available to the Council in the future.

#### 4.16 Revenues & Benefits

4.16.1 The Council's performance remains strong and in the upper quartile nationally. This is despite economic circumstances which have seen collecting monies from customers and businesses more challenging and case load increase in the recent past.

4.16.2 Work continues to be co-ordinated around the cross-cutting anti-poverty and social inclusion agendas, to ensure that benefits and income are maximised for all customers. Key to this has been working collaboratively with government and third sector partners. The future of Housing Benefits is subject to a review and it may be that more benefits will be administered locally in the future.

4.16.3 Concessionary Travel will be transferring to the County Council from April 2011. The financing of the changes is currently subject to consultation and will be the subject of a separate report.

4.16.4 Members will be aware of the successful BOB bus initiative. Decisions will need to be made on the future of this project when the funding period ends.

4.16.5 Mention has been made earlier in the report of working with partners to provide outreach services in other parts of the Borough and this will be a key project for the Division.

4.16.6 The service has also been involved in shared service working with Coventry City Council on a number of areas, including fraud, policy development and training, together with looking at providing shared customer services with the Warwickshire Direct Partnership. This work will be reviewed over the next few months.

#### 4.17 Emergency Planning

4.17.1 A fundamental review is taking place across the sub-region to provide a more integrated approach to emergency planning.

4.17.2 A full report will be brought to Members during the next few months.

#### 4.18 Improving the Public Realm

4.18.1 This is a key part of the Council's environment priority and significant progress has been made, particularly in relation to street cleaning,

community clean ups, improvement of allotments, litter awareness, prevention of dog fouling and littering.

- 4.18.2 Proposals for the development of the first local nature reserves in the Borough have been prepared. Development is dependent upon the successful outcome of a funding bid that has been submitted to Natural England.

#### 4.19 Green Space Strategy

- 4.19.1 The Strategy has been adopted and the challenge is now to implement the Strategy, in accordance with the agreed Action and Funding Plan bearing in mind reducing financial resources. In overall terms, the evidence is that there is a sufficient supply of open spaces in North Warwickshire but that investment is needed to improve their quality and accessibility. This is likely to be a significant challenge. Linked to this and with similar matters arising is the implementation of the Grounds Maintenance Review and the Playing Pitch Strategy.

### 5 **Internal Issues**

#### 5.1 Introduction

- 5.1.1 This section is largely about the culture of the Council and the expectations of our stakeholders. Some of the issues above already take account of these matters. For example, the shape of the Council's democratic structure was largely set by the belief that both local people and Members need to involve as many democratically elected representatives as possible. It is interesting that recent proposals suggest that those authorities which do not have committee structures may be given the opportunity to return to them. Similarly, the contents of the Sustainable Community Strategy reflect distinctive issues in North Warwickshire, as expressed by local people, taking account of the particular problems affecting their lives.

- 5.1.2 Culture and stakeholder expectations affect the way that many decisions are made in the authority, for example our approach to partnership, the extent to which we want to be a listening Council, value our workforce, put customer care at the forefront of all service delivery, etc.

#### 5.2 Corporate Framework

- 5.2.1 The Council currently has various policy documents and Members recently agreed to reviewing those within the context of an overall Corporate Framework. The Special Sub-Group is working through a work programme to review these. The starting point will be revising the Council's Vision, which will be the subject of a future meeting of the Special Sub-Group.

### 5.3 Stakeholder Expectations

- 5.3.1 We are in an era of growing expectations and, as the thinking around the 'Big Society' grows, the Council will have to put more effort into how it goes about understanding local views. How we do this will be very much up to the Council, rather than through prescription, as has been the case in the past. The requirement to carry out a biannual Place Survey with set questions has recently been removed. Input can be obtained in many ways, through consultation, direct community feedback, via Members and staff and through the ballot box. We continually seek to improve in this area but there is always more that we can do, particularly for those whose voices are often not heard.
- 5.3.2 Taking account of all these issues, the priorities in the Sustainable Community Strategy and the Corporate Plan reflect identified local need and the views of local people.
- 5.3.3 Ensuring that we are delivering services that people want and in a way that they are happy with will continue to develop. We currently use the GovMetric System which asks customers to rate the services that they have received, as soon as their transaction is completed, using 'smiley faces'. We are also using Experian data to help understand who lives in our area, the services they need or choose and how they prefer to contact us.
- 5.3.4 In view of the abolition of the statutory Place Survey, we will now need to review whether we wish to replace it with a more customised local approach and, if so, how we can best use the feedback that we get. Clearly, it is important that customer feedback is taken account of in making final decisions on priorities, the budget and the Corporate Plan.

### 5.4 Council Priorities

- 5.4.1 Much or what has been set out above reflects the Council's priorities which are currently:-
- Housing
  - Environment
  - Countryside and Heritage
  - Safer Communities
  - Health, Well-being and Leisure
  - Community Life
  - Resources
- 5.4.2 Most of the actions being taken by the Council and set out in the Corporate Plan are aimed at addressing these priorities and I have covered where we are on most of these issues above.

## 5.5 Corporate Plan Themes & Structure

5.5.1 As explained above, the Council's priorities and Corporate Plan currently align with the existing Sustainable Community Strategy and this previously reflected the work that the Council was doing to contribute towards meeting the Local Area Agreement priorities. In view of the potential abolition of Local Area Agreements, together with the significant reduction in the reward funding arrangements, the whole structure at a County and Sub-Regional level is under review and should be significantly slimmed down. In view of its resource-intensive nature, this is to be welcomed.

5.5.2 Service Plans are also used across the organisation and each service takes its Action Plan through the relevant Boards. Portfolio Holders and Lead Officers play a key role in ensuring that the Council's priorities are taken forward and Portfolio Holders also have the support of Portfolio Groups to look at important issues.

## 5.6 Resources

5.6.1 The proposed financial strategy and budget approach forms a separate report on this agenda, but the key issue is that the Council needs to find ongoing savings from the General Fund based on current projections of £1.5 million over the period 2011/12 – 2014/15. Significant savings have already been made and will also be required from 2011/12 onwards, but the projections will clearly need to be reviewed in light of the spending review and grant settlement.

5.6.2 Consequently, there is limited potential for future growth.

5.6.3 As Members are aware, a long term approach has been developed, but there are significant challenges ahead and a strategy for seeking to meet these challenges has been agreed. It may well need to be reviewed during 2011/12 when there is more clarity around the funding settlement.

5.6.5 The Deputy Chief Executive's report deals in more detail with the General Fund budget situation and what action is being taken to address it.

5.6.6 What is clear is that opportunities for external funding of the type that we have had in the past for the BOB bus, LEADER, etc, are likely to be much more difficult to find.

5.6.7 The position on the Housing Revenue Account is more favourable. Any new initiatives are, however, subject to a project appraisal to ensure that Value For Money is achieved.



5.6.8 The position in relation to capital is also one for concern, particularly with the impact of the reducing value of housing land, the sale of which is a key part of the Council's capital strategy. This is likely to remain a significant challenge for the foreseeable future, despite ongoing demands for keeping our Council Housing Decent, renovating ageing buildings and delivering our Green Space Strategy.

## 5.7 Staffing

5.7.1 Staffing remains the Council's biggest asset and resource. We have a Human Resources Strategy which aims to look after our workforce and ensure that North Warwickshire is seen as an attractive place to work.

5.7.2 In terms of capacity, the demands on staff continue to grow. Sickness continues to be managed and is significantly down from the position a few years ago. Current evidence does not support a link between long term sickness and the increased demands on staff at this time, although some absences are as a result of the physical nature of some jobs. Positive action in terms of absence management continues to be taken through the use of Occupational Health, phased returns to work and flexible working arrangements to minimise absence, wherever possible.

5.7.3 I continue to work with a group of staff to look at how we can make things better and key areas that we have taken forward are Improving Communication, Ensuring Management Consistency, Acknowledging Achievements, Improving Staff Understanding of Healthy Lifestyles and arranging our first Staff Christmas Party for many years!

5.7.4 There has also been a fundamental review of flexible and home working and adoption of a new Strategy by Members.

5.7.5 The Strategy will be kept under review, but its aims are to provide benefits in terms of retention, recruitment and efficiency, improve motivation through enabling staff to have a better work/life balance and providing benefits for the organisation including reducing our accommodation needs with the financial benefits that accrue from that.

5.7.6 The opportunity was taken during the year to review and reduce our Senior Management Structure, whilst retaining sufficient capacity to deliver good quality services in a challenging financial environment.

5.7.7 Similarly, the shared services agenda is also aimed at helping to improve capacity as our financial position becomes more challenged.

## 5.8 Land/Accommodation

5.8.1 As I have referred to in previous reports, the Council has a number of aging assets including the Council Offices, Coleshill Leisure Centre, The

Arcade and Atherstone Memorial Hall. This has created an interesting challenge when the main priority for capital spend is on Decent Homes and low land prices continue to limit our ability to generate capital receipts from land sales.

5.8.2 The options for the accommodation review will be the subject of a Member seminar tomorrow and the solution to that issue will help the Council to decide how to take forward its overall corporate capital strategy. Key decisions still need to be made over our other capital assets.

5.8.3 We also continue to work to ensure that we are maximising efficiency gains from information systems and services, we are similarly working through the shared services agenda and with other partners and also looking at Lean Systems initiatives to ensure that we are maximising the opportunities for the authority from efficient systems of working and joint procurement initiatives.

## 6 Report Implications

### 6.1 Finance and Value for Money Implications

6.1.2 Any new financial implications will be reported as part of the budget process.

### 6.2 Environment and Sustainability Implications

6.2.1 The issue of the Council needing to review its approach to sustainability issues is mentioned in the body of the report.

### 6.3 Risk Management Implications

6.3.1 These will be identified as proposals for 2011/12 are developed.

6.3.2 The key issue in this report however is to note the importance of matching the Council's obligations and ambitions with the resources available to it.

### 6.4 Link to Council's Priorities

6.4.1 These are referred to in the report.

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
None			

## Agenda Item No 7

### Executive Board

14 September 2010

#### Report of the Deputy Chief Executive

#### Consultation on Formula Grant Distribution

### 1 Summary

- 1.1 The Department of Communities and Local Government (DCLG) has issued a consultation paper regarding how formula grant is distributed to Local Authorities. This report identifies the proposals that apply to North Warwickshire and provides a draft response for consideration at Appendix A.

#### **Recommendation to Council**

**That the draft response be approved.**

### 2 Introduction

- 2.1 The Formula Grant distribution system divides a finite pot of available grant between all local authorities. The system considers authorities' needs and their potential to raise resources locally, relative to other councils.

- 2.2 The system of formula grant is based on four blocks.

#### 2.2.1 Relative Needs Block

This is designed to reflect the relative needs of individual authorities in providing services. The formula is based on a basic amount per client plus top-ups to reflect local circumstances which affect service costs, e.g. deprivation and area costs. The cash value of this block is distributed to authorities in proportion to their relative need.

#### 2.2.2 Relative Resource Amount

This is a negative figure and takes account of individual authorities' ability to raise income from Council Tax, by looking at each authority's Council Tax base.

#### 2.2.3 Central Allocation

This is an amount which is allocated on a per capita basis.

#### 2.2.4 Floor Damping Block

This is to ensure that all authorities receive a minimum grant increase. In order to achieve this, the Government sets a guaranteed minimum increase in grant, compared with the previous year, on a like-for-like basis. This is called the grant "floor". As all the Formula Grant to be paid to local authorities must come from within the finite overall pot, the cost of providing the guaranteed floor must also be met from this pot. In order to do this, grant increases above the floor are scaled back. The amount of grant scaled back is used to pay for the floor guarantee.

2.3 The Government are proposing to make changes to the formulae by which they calculate an authority's relative needs to spend, and are asking for views on their proposals by 6 October 2010.

2.4 The main areas of proposed change that affect North Warwickshire are:

- (1) Responsibility for concessionary fares moving from District Councils to County Councils from 1 April 2011
- (2) Replacing the day visitors indicator with a foreign visitor night indicator
- (3) Changes to flood defence and coastal protection indicators

### 3 **Concessionary Fares**

3.1 Members will be aware that responsibility for concessionary travel is due to transfer from District Councils to County Councils from 1 April 2011. There will, therefore, be a need to transfer grant from Districts to Counties.

3.2 Prior to 2006/07, an authority's spending reflected the then concessionary fares scheme and this was reflected in the grant they received. However, in 2006/07, statutory free local concessionary travel was introduced and additional funding was made available via formula grant and changes were made to the formulae to distribute all grant.

3.3 In order to calculate the change now required to a District's grant entitlement, DCLG are proposing to reduce each authority's grant by their current expenditure on concessionary travel and also revert back to the pre 2006/07 formula calculations to distribute grant. They have produced 12 options each showing our grant before floor damping would reduce by £1million and £700,000 after floor damping. Our expenditure is £400,000, therefore, we would be £300,000 to £600,000 worse off under these options.

### 4 **Comment**

4.1 Formula Grant is a complex calculation with a mass of formulaic inter-relationships. Removing money from District level service assumed spending needs and adding it to County level assumed spending needs does not restrict the changes to these two types of authorities, since London Boroughs, Metropolitan and Unitary Authorities also provide District and County level

services. Therefore, they will be affected by changes to these totals, and therefore their grant entitlement will change. This is further affected by the proposal to revert back to the pre 2006/07 formula calculations to distribute grant. The result of this is that although only District Councils and County Councils are affected by the concessionary fare changes from 1 April 2011, all authorities that receive formula grant are affected, even those with no responsibility for the service (i.e. Police and Fire Authorities).

- 4.2 Analysis of the figures in the consultation shows that up to £89million of the money being taken from Districts is not transferred to County Councils, but would go to London and Metropolitan areas, who are unaffected by the changes. Police and Fire Authorities could gain up to £14million and £2.6million respectively. As far as Warwickshire is concerned as much as £2.6million of funding transferred from Districts may not be transferred to the County.
- 4.3 In 2005/06 Government Grant supported expenditure on concessionary travel in North Warwickshire of £166,000. In 2006/07 additional grant of £370,000 was provided to support the enhanced statutory scheme. This equates to £610,000 at current prices.
- 4.4 These proposals imply potential cuts of £1million (18%) of our total grant for a service that currently costs £400,000. A grant reduction of this size seems inequitable and will have a detrimental affect on service delivery. Members will be aware that future years' formula grant is likely to be cut as part of the Government's spending review. Government departments have been asked to identify the implications of spending reductions of 25% plus. To propose changes to formula distribution at a time of a reducing grant total is inappropriate.
- 4.5 A fairer method of dealing with the transfer of responsibility would be to leave the grant calculation and expenditure totals untouched, and then deduct from each District Council's grant entitlement their current expenditure on concessionary fares and transfer this to the County Council. This would mean current resources used to fund the scheme would stay within the County area.

## **5 Replacing Day Visitor Indicator with Foreign Visitors Indicator**

- 5.1 DCLG do not believe this indicator is fit for purpose, given that the information is over 20 years old. Attempts to update it have not been accepted as reliable, they are therefore proposing to replace it with a foreign visitor nights indicator. The proposal, if implemented, could reduce North Warwickshire's grant by £80,000.

## **6 Flood Defence**

- 6.1 The indicator for flood defence and expenditure has been based on previous spend, the proposal is to replace this with an assessment based on GIS analysis of the length of ordinary water courses. This proposal if implemented could increase our grant by £38,000.

## **7 Area Cost Adjustment**

- 7.1 This part of the formula aims to reflect variations in the costs of service delivery around the country. It takes into account local wage information and differences in business rates. The proposal is to change the weighting given to wages in this calculation, which if introduced would increase our grant by £15,000.

## **8 Central Allocation**

- 8.1 The central allocation distributes money on a per head basis based on the services an authority provides. Proposed changes to the size of the central allocation fund could result in the authority losing between £11,000 and £39,000, depending on the option chosen.

## **9 Comment**

- 9.1 At a time when the total amount of grant is likely to be reduced it is not appropriate to adjust formula which could result in distributional cuts and which add an additional level of uncertainty to Council's grant levels. Council's finance need as much stability as possible and therefore no distributional changes should be made prior to completion of the local government finance review.
- 9.2 On specific proposals it is difficult to see how foreign visitor rights is a better indicator of relative spending need than day visitors. It puts greater emphasis on national tourist attractions based in London and ignores the costs of visitors in shire areas who come to enjoy amenities such as the open countryside or canals.

## **10 Floor Damping**

- 10.1 The floor has been used to ensure that all authorities receive a minimum grant increase and is paid for by scaling back the increases of those gaining. Over the next spending review period, it is likely that a negative floor may be set, i.e. a maximum reduction in grant.
- 10.2 The lower the floor is set from the average change in grant, then the more of the formula changes will come through for authorities above the floor. The closer the floor is set to the average change in grant, then less of the formula changes will feed through to authorities above the floor.
- 10.3 The DCLG are asking whether over the next spending review period, should the floor level be set close to the average change or should it be set at a level that allows some formula changes to come through for authorities above the floor.

## **11 Comment**

11.1 At a time of significant change to grant funding setting the floor closer to the average offsets some of the risks of grant loss due to formula change.

## 12 **Report Implications**

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

12.1.1 The proposals indicate that the Council could lose £1 million in grant before damping, which could reduce to £700,000 after damping. The cost of concessionary fares of £400,000 would pass to the County Council. Thus the Council could be £300,000 worse off. This would impact on the Council's financial strategy and would require additional savings to be found.

12.1.2 Other proposed changes to the formula distribution could result in further Grant reductions of up to £66,000 before damping, which, again could impact on the Council's savings requirements.

12.1.3 The full impact of these changes will not be known until individual authority Grant entitlements are issued in December.

The Contact Officer for this report is Chris Brewer (719259).

### **Background Papers**

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



# North Warwickshire Borough Council

## Deputy Chief Executive

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Your ref :  
Our ref : Formula Grant Consultation

Date : August 2010

Andrew Lock  
Formula Grant Review Team  
Communities & Local Government  
Zone 5/J2  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Dear Sir

### Formula Grant Consultation

The Council has considered your consultation proposals and has the following comments to make.

The Council does not support any proposal to adjust the formulae that distribute grant at the same time as a significant reduction in the total amount of grant is due to take place, as a result of the Government's comprehensive review. Formula changes will result in distributional cuts for some authorities over and above the cuts arising from the reduction in the formula grant quantum and will add an additional level of uncertainty to Council's grant levels. The Council feels no formula distributional changes should be made prior to the completion of the local government finance review.

On specific points, the Council does not believe that foreign visitor nights is a suitable replacement for day visitors in the district level EPCS. We believe this will put far too much emphasis on national tourist attractions based principally in London and under estimate the impact of visitors in shire areas who come to enjoy the amenities of the open countryside and canals.

As far as concessionary fares is concerned, the Council has serious reservations about the proposals and in particular the decision to revert back to pre 2006/07 formula calculations to distribute grant. This exercise results from the decision to transfer responsibility for concessionary fares from District to County Councils yet under all the proposals, resources are being transferred from shire areas to London and Metropolitan areas, which are unaffected by the proposals and even authorities with no responsibility for the service are affected, i.e. Police and Fire authorities. As far as Warwickshire is concerned, as much as £2.6million of funding transferred from Districts may not reach the County Council.

cont'd/.....



These proposals imply potential cuts of £1million in this Borough's grant (18%) for a service that currently costs £400,000. A grant reduction of this size is inequitable and will have a detrimental effect on service delivery, particularly when combined with a reduction in grant that will result from the Comprehensive Spending Review. If projected cuts in Government departmental spending of 25% are transferred into formula grant reductions, the Council could face a total grant reduction in excess of 40% whilst only seeing expenditure reduce by 4%.

This Council received £370,000 in additional grant in 2006/07 as a result of the new statutory concessionary fares scheme. Prior to that, concessionary travel costs of £166,000 were being funded from general government grant. These amounts equate to £610,000 at today's prices and the Council cannot see any justification for any grant reduction in excess of this amount.

The Council, therefore, does not support any of the options being consulted on and believes a fairer method of dealing with the transfer of responsibility would be to leave the grant calculation and expenditure totals untouched and then deduct from each District Council's grant entitlement their current expenditure on concessionary fares and transfer this to the County Council. This would mean current resources used to fund the scheme would stay within County areas.

However, if one of the options is to be used, then Concf 1 would be the one favoured.

As far as floor damping is concerned, the Council believes that the floor should be set close to the average in order to protect authorities from some of the risks of grant loss due to formula change.

Yours faithfully

Chris Brewer  
Deputy Chief Executive

**Agenda Item No 8**

**Executive Board**

**14 September 2010**

**Report of the  
Deputy Chief Executive**

**Financial Strategy 2011/15**

**1 Summary**

- 1.1 This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2014/15, and suggests a detailed budget approach for the 2011/12 General Fund Budget.

**Recommendation to Council**

- a That the Financial Strategy shown as Appendix A is approved;**
- b That the General Fund budget projections for 2011/12 to 2014/15 be noted;**
- c That the budget approach, set out in paragraph 13.1 to 13.2 of this report, be adopted; and**
- d That growth bids be assessed according to the criteria set out in 10.2 of this report.**

**2 Introduction**

2.1 The Council has adopted a clear financial strategy over a number of years, and this is attached as Appendix A to this report. There have been a number of significant changes to the financial environment nationally, so some amendments have been made to the strategy to reflect the current financial pressures facing the Council.

2.2 Government departments are required to reduce their expenditure by 25% over the next four years. There is current uncertainty over how this reduction will feed through in terms of the Finance Settlement, so it has been assumed that the full reduction of 25% will be passed on to local authorities. Although some reduction had been anticipated, this level is higher than had been included within previous forecasts. The transfer of concessionary fares from districts to counties will also have a financial impact on the Council. In addition, all councils will have a greater duty to consult members of the public about future financial plans.

- 2.3 As a result, the strategy has been extended to cover the next four years, to fit in with the timescales of the expected external funding reductions. Given the scale of the budget reduction required, this will also give greater opportunity for public consultation. A forecast of the General Fund Revenue Estimates has been completed for 2011/12 and the following three years. The figures are intended to indicate the position in broad terms only. More accurate ones will be produced during the forthcoming estimate process.
- 2.4 The budget strategy agreed in February 2010 included ongoing growth of £75,000, one off growth of £50,000 and a savings target of £280,000 for 2011/12. Given the increasing difficulty of finding savings, some work started in 2010/11 was intended to generate a number of savings in 2011/12. To date savings of £186,000 have been found towards the 2011/12 target, with other work still on going.

### 3 Finance Settlement

- 3.1 The assumptions used in the financial forecasts, for estimating the likely finance settlement the Authority will receive, are set out in the Financial Strategy, and are also covered in a separate report on this agenda.
- 3.2 In summary, North Warwickshire is expecting a general cash reduction of around 25% over the next four years, which will include a cash reduction of around 4% year on year. In addition to this, the recent consultation paper has indicated a potential net loss of around £300,000 as a result of the transfer of concessionary fares, and a further reduction of around £40,000 as a result of other formula changes.
- 3.3 The final implications for individual Councils will be reassessed in November when further details of the Local Government Finance Settlement are published.

### 4 2011/12 Budget Strategy

- 4.1 Financial forecasts for 2011/12 and 2012/13 were prepared as part of the 2010/11 budget strategy, which agreed savings of £280,000 and £290,000 respectively. This strategy was expected to lead to the following use of balances:

	2010/11 £000	2011/12 £000	2012/13 £000
Use of Balances	(17)	297	318
Level of Balances at 31 March	1,968	1,671	1,353

### 5 Updated Forecast

- 5.1 In order to update the strategy, a number of areas have been revisited. The 2010/11 budget has been adjusted for the following significant changes:

	£000
2011/12 savings found early	(154)
Reduction of the provision for the pay award	(125)
Anticipated underspend on Concessionary Fares	(74)

Greater recovery of benefit overpayments	(71)
Provision for West Midlands Leader organisation costs	60
Increase in MRP	25
Loss of planning income	25
Other employee Changes	23
Additional investment income	(20)

5.2 The government have withdrawn financial support from a number of regional organisations, including the West Midlands Leaders Board. As a result the Board will only be able to sustain a small core organisation providing a limited range of support to authorities within the region. There are costs associated with the reduction of the organisation, such as redundancy and premise costs. Collectively, authorities within the West Midlands are liable for any residual costs and an estimate of the likely contribution required from individual authorities has been made. For North Warwickshire, this is expected to be around £60,000. The improved position expected in 2010/11 has allowed provision for this to be made.

5.3 In addition the anticipated amount to be put into balances is expected to increase to £330,000, leaving an anticipated opening General Fund balance of £2,666,000 at 1 April 2011. This has been used as the revised starting point for the updated forecast. The 2011/12 and 2012/13 years have also been reviewed and two further years, 2013/14 and 2014/15, have been forecast.

## 6 Budget Projections 2011/12 to 2014/15

6.1 The forecast has been summarised and attached to this report as Appendix B. This includes a general provision for growth in all three years. The forecast anticipates balances of £1,191,000 at March 2015, if the assumed savings are made.

6.2 In completing the forecast, a number of assumptions have been made:

Cost / Income Type	2011/12	2012/13	2013/14	2014/15
Pay awards (where 0%, the effect of a basic increase for employees under £21,000 has been included)	0%	0%	2.0%	2.5%
Superannuation rates	16.7%	18.2%	19.7%	21.2%
Premise costs	3.0%	2.0%	2.0%	2.0%
Supplies and services	3.0%	2.0%	2.0%	2.0%
General inflation, where a contractual obligation	3.0%	2.0%	2.0%	2.0%
Reduction in specific Housing Benefit admin grant	-4.0%	-4.0%	-4.0%	-4.0%
External funding from central government	-4.0%	-4.0%	-4.0%	-4.0%
Council Tax	2.0%	2.0%	2.0%	2.0%
Income	3.0%	2.0%	2.0%	2.0%

6.3 The expected use of balances in the current forecast are shown below, together with those estimated in previous forecasts.

	<b>2011/12</b> <b>£000</b>	<b>2012/13</b> <b>£000</b>	<b>2013/14</b> <b>£000</b>	<b>2014/15</b> <b>£000</b>
Current Forecast	506	213	304	452
2010/11 Strategy to Board	297	318		
<b>Difference</b>	<b>+209</b>	<b>-105</b>		

## 7 Areas of Difference

7.1 The main areas of difference between previous projections and the current figures in 2011/12 are:

- **Pay award** – the only assumed increase in pay has been for those earning less than £21,000, where a basic increase of £250 has been included
- **Concessionary Fares** – budget provision has been removed from April 2011
- **Investment Income** – investments are expected to decrease in 2011/12
- **Council Tax** – the inflationary increase has been revised to reflect current rates
- **Government Funding** – A general reduction in cash terms has been assumed, in addition to the specific reduction related to the transfer of concessionary fares to the County
- **Growth** – the general provision has been reduced

## 8 Savings

8.1 The forecast has assumed savings of 1.5 million over the next 4 years, which equates to a saving of around 4% of the net budget per annum. The authority has already made reductions of £1,658,900 in its budget over the last five years, so talking out a further £1.5 million will be challenging. Work is already in hand for identifying options for reducing net expenditure for both 2011/12 and subsequent years.

## 9 Growth Items

9.1 Bids for growth are normally made during the estimate process. For the purpose of this exercise, only a general provision has been assumed. The level of the provision has been reduced from £75,000 to £50,000 in 2011/12, and to £25,000 from 2012/13.

9.2 Given the Council's financial position and the variety of demands being placed upon it, no growth bids should be considered, unless they are unavoidable.

Before any growth is approved, it will need to be assessed against the following criteria:

- Whether there is a statutory need to incur the expenditure
- The level of risk to which the Council would be exposed, should the expenditure not be incurred
- The extent to which the proposed growth generates income or external funding

In addition, Assistant Directors have been asked to identify the outcomes that the Council could expect from any growth approved.

## 10 An Updated Strategy

- 10.1 The projection in Appendix B leaves the Council with balances at the required level by the end of 2014/15. This is on the basis that the net loss of government funding following the transfer of concessionary fares of £300,000 will be added to the 2012/13 savings target, and that further savings of £320,000 and £310,000 are found in 2013/14 and 2014/15. Due to the late indication of the amounts involved on concessionary fares, it is proposed to cover the loss of income in 2011/12 from general balances. This is possible due to the beneficial position expected for 2010/11, highlighted in paragraph 6.1.
- 10.2 In order for the Council to continue with current service provision, there is a need to continue to use future savings targets and review allocations for growth. Keeping to the strategy is dependent on savings being achieved to target in each of the years covered.
- 10.3 The current forecast also indicates that further savings will be required in 2015/16 and beyond, as expenditure continues to be partly funded through the use of balances each year. The difficulty in finding savings has become greater over time, and this will only increase in the future.

## 11 Potential Risk Areas

- 11.1 In preparing this forecast, a number of assumptions have been made and these have been set out in section 7 of this report. Clearly, should these assumptions not materialise, there will be an impact on the figures. The main risk areas for this forecast are:
- **Revenue Support Grant (RSG)** – whilst government announcements have been used to give the level of general reduction, this will not be confirmed until November / December when details of the Finance Settlement are published. The transfer of concessionary fare funding is currently the subject of a consultation exercise, and again the outcome will not be known until later in the year
  - **Investment Income** – although interest rates have been predicted using professional advice, financial markets can vary significantly over time

- **Salary Increases** – a public sector pay freeze has been announced for 2011/12 and 2012/13. However pay awards will actually be dependant on the national negotiations carried out by the Employers Organisation
- **Housing Benefit Administration Grant** – the same reduction used for RSG has been assumed for this specific grant. The outcome will not be known until later in the year
- **Pension costs** – the latest full valuation of the scheme commenced in April 2010, with the results expected later in the year. Given the increased pension liability evident at the end of 2009/10, this area has the potential to lead to an increase in costs for the council

11.2 The potential impact of an improved or worse position for all four years of the forecast are shown in Appendix C (savings of £1.5 million are included in each of the options). The increased use of balances / contribution to balances are summarised below:

Year	Worse Case £000	Most Likely Case £000	Best Case £000
2011/12	624	506	354
2012/13	410	213	(36)
2013/14	625	304	(140)
2014/15	890	452	(174)

Changes in a small number of areas can materially impact on the expected use of balances in all of the years covered. These could affect the level of savings required either favourably or adversely.

- 11.3 If the best case scenario occurred in 2011/12, the Council would be able to reduce the savings currently included in the strategy from £1.5 million to £880,000, and achieve the same level of balances at the end of 2014/15.
- 11.4 If the worst-case scenario occurred in 2011/12, there would be an additional call on balances. As the balances at 1 April 2011 are expected to be £2,666,000, the Council could manage the worst case into 2013/14 if needed. However further savings of £1,000,000 would be needed in 2014/15 to ensure balances were at an acceptable level at the end of that year. Finding the additional savings earlier would mean the total savings required during the life of the strategy would increase by £400,000 to £1.9 million.

## 12 Budget Approach 2011/12

- 12.1 As mentioned earlier, a number of areas have already been identified where budget reductions are expected, and these are in the process of being reviewed. To date savings of £186,000 have been found towards the target of £280,000.
- 12.2 A firm stance should be taken in order to limit the level of growth approved in 2011/12, as any further expenditure will increase the need to draw from balances. Only growth that cannot be statutorily avoided, makes a significant

contribution to moving forward the Council's priorities, or would expose the Council to an unacceptable level of risk should the expenditure not be incurred, should be approved. A prioritisation exercise on growth based around these three main criteria should be used.

### 13 **Conclusion**

13.1 The Council could be faced with savings ranging from £880,000 to £1.9 million. The updated strategy includes savings of £1.5 million over the next four years.

13.2 It is unlikely that all of the main risk areas will materialise at the same time, in any of the years highlighted above. The main area of concern included in the risks around the financial position of the Council is that of Revenue Support Grant/Concessionary Fares, as the impact of any transfer to the County Council is not yet known, and could be significant.

### 14 **Report Implications**

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

14.1.1 As detailed in the body of the report.

#### 14.2 **Environment and Sustainability Implications**

14.2.1 Continuing the budget strategy will allow the Council to manage its expected shortfall in resources, without disruption of essential services.

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

### **Background Papers**

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

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



**MEDIUM TERM FINANCIAL STRATEGY      2011/12 – 2014/15****1 Introduction**

- 1.1 The purpose of the Financial Strategy is to set out the broad financial framework that the Council will operate within, during the next four financial years. A four-year period has been used, as this permits reasonably robust financial forecasts to be produced and ties in with current announcements on financial settlements from the government. A longer period would require more speculative forecasts.
- 1.2 By using a medium term approach, the Council can ensure that financial and service decisions can be taken in a structured and proportionate way. Short-term policies are not adopted without identifying what the medium term implications of those decisions are.
- 1.3 The strategy covers all revenue and capital activity, although some individual sections may be specific to a particular type of spending only. Areas covered are:
- **General Fund Activities** – these are the majority of the day to day activities carried out by the Council, such as refuse collection and the payment of benefits
  - **Housing Revenue Account Activities** – these relate to the management and maintenance of the Council's housing portfolio
  - **Capital Spending** – this is spending that provides benefits over a period of 12 months, such as the purchase of vehicles or equipment

**2 Linking Resources With Corporate Priorities**

- 2.1 The Council has identified a number of priorities and these are given in its Corporate Plan, along with targets for a three year period. A continuation of the identified priorities has been assumed for the fourth year of the financial strategy.
- 2.2 In summary, these are:
- Enhancing community involvement and access to services
  - Protecting and improving our environment
  - Defending and improving our countryside and rural heritage
  - Tackling health inequalities through improving well-being and providing leisure opportunities to all our citizens
  - Working with our partners to tackle crime, the fear of crime and anti-social behaviour
  - Improving housing in the Borough by delivering more affordable housing and achieving the Decent Homes Standard for our own stock
  - Making the best use of resources through achieving a balanced budget and developing our workforce
- 2.3 In arriving at the priorities, external influences are taken into account, including the aims of the Local Strategic Partnership (LSP). Other factors such as legislative changes and reward incentives are also considered.

- 2.4 The Corporate Plan and associated Financial Strategy are reviewed and updated on an annual basis, before the start of the new financial year. A further review of the Financial Strategy for the General Fund is also carried out part way through the year, to ensure that changing circumstances are taken into account in carrying out the full review. This additional review is not considered necessary for the Housing Revenue Account at this time, as the financial position is less constrained. However the additional review is used, when necessary.
- 2.5 As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add known unavoidable spending pressures. This is then measured against the projection of available funding to determine affordability. The package of measures required to balance the two form the financial strategy for the budget year.

### **3 Economic Forecast**

- 3.1 Both general inflation and specific areas of increase affect the spending of the Council. There are two main indices for measuring household inflation: the Consumer Price Index (CPI) and the Retail Price Index (RPI). 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 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 in the RPI

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

- 3.2 The Council reviews all three indices when it is assessing the level of inflation to be included in its financial strategy. However the Council may choose to use a lower general rate in some areas, where it wishes to encourage efficiencies.
- 3.3 Specific areas of increase are considered separately and individual rates of increase used to reflect prevailing market conditions, where they are significantly different to the general rate of inflation. These are assessed on an annual basis and depending on economic conditions, may include:
- Employee costs – pay awards and pension costs
  - fuel and energy costs
  - insurance costs
  - investment rates.

## APPENDIX A

3.4 The assumptions used in the latest forecasts are given below:

<b>Cost / Income Type</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Pay awards	0%	0%	2.0%	2.5%
Superannuation rates	16.7%	18.2%	19.7%	21.2%
Premise costs	3.0%	2.0%	2.0%	2.0%
Supplies and services	3.0%	2.0%	2.0%	2.0%
General inflation, where a contractual obligation	3.0%	2.0%	2.0%	2.0%
Housing Benefit Administration Grant	-4.0%	-4.0%	-4.0%	-4.0%
External funding from central government	-4.0%	-4.0%	-4.0%	-4.0%
Council Tax	2.0%	2.0%	2.0%	2.0%
Income	3.0%	2.0%	2.0%	2.0%

## 4 Demographic Factors

4.1 Demographic factors can affect the Council's planning in a number of ways:

- Changes in population can affect the Council's entitlement to government grant
- Changes in the number and value of households can affect the tax base used in calculating Council Tax
- The characteristics of the population, and households, influences the type of services provided
- The level of demand for services can be affected by changes in any of the above.

4.2 The population of the Borough currently stands at 62,300 and has been subject to little change over recent years. The Financial Strategy has assumed this will continue over the medium term.

4.3 Similarly the Council Tax Base has remained fairly consistent over a number of years, with only small increases. This position is not expected to change much in the medium term, given the potential new build in the area. The Strategy has therefore assumed a constant tax base.

## 5 General Fund Activities

### 5.1 Comprehensive Spending Review and Grant Settlement

5.1.1 Central government provides funding to local authorities for its General Fund activities through the Revenue Support Grant system. A Comprehensive Spending Review is carried out, which identifies the funding to be allocated to the public sector, and the proportion allocated to local government is then split between individual local authorities using a Formula Grant distribution system.

5.1.2 The last Comprehensive Spending Review was carried out in 2007, and the totals produced were used to allocate grant for 2008/09, with indicative allocations given for 2009/10 and 2010/11. The formula grant is based on four blocks:

- **Relative needs** – based on a basic amount per client plus top-ups to reflect local circumstances which affect service costs, eg. deprivation and area costs. The cash value of the block is distributed to authorities in proportion to their relative need
- **Relative Resource Amount** – this is a negative figure and takes account of individual authorities' ability to raise income from Council Tax, by looking at their tax base
- **Central Allocation** – an amount allocated on a per capita basis
- **Floor Damping** – to ensure that all authorities receive a minimum grant increase. The government set a minimum increase in grant compared with the previous year, on a like for like basis – known as a 'floor'. Grant increases to authorities above the floor are scaled back to pay for this.

5.1.3 The Council received an increase of 1.4% in 2010/11, in line with the indicative allocation. No information is available yet for 2011/12 and beyond, as a further Comprehensive Spending Review is being carried out in 2010. However announcements made to date have indicated that there will be a reduction in funding for government departments of around 25% in real terms over the next four years. As there is uncertainty over how this reduction will feed through in terms of the Finance Settlement, it has been assumed that the full reduction of 25% will be passed on to local authorities. This reduction in public sector spending is required as a result of the current national economic situation.

5.1.4 Concessionary Fares are due to transfer to county councils from April 2011. This will require a transfer of funding from districts to counties, and a consultation exercise is currently underway. Indicative amounts have been used in the Financial Strategy; however this remains a risk area in any financial planning undertaken.

5.1.5 Previous grant settlements have also included a number of specific grants given to local authorities. These were: Concessionary Fares; Homelessness; Housing / Council Tax Benefit Administration; and Housing & Planning Delivery Grant.

5.1.6 Housing & Planning Delivery Grant has been abolished in the current year (2010/11). The three other grants are no longer ring fenced, although this Council will not receive Concessionary Fare Grant once the provision of the service is transferred to the County Council from April 2011.

## 5.2 Council Tax Base

5.2.1 The Council has had a fairly consistent tax base for a number of years. Given the minimal variation, the current tax base is used in the financial projections for each year of the medium term financial strategy. This tax base assumes a collection rate of 98.5%. Although the Council usually exceeds this collection rate, a small margin for non-collection allows some room for other variations during the year. Any additional funds are then distributed in the following year.

## 5.3 Council Tax

- 5.3.1 The Council attempts to balance the need for retaining an affordable council tax, with the retention of services. This is increasingly difficult with current financial constraints, including the pressures of government funding levels, limited income raising opportunities, economic pressures and rising expectations. Council policy is to keep council tax rises at, or below, inflation.
- 5.3.2 The government has indicated that the capping system used to restrict increases in council tax will no longer be used. Instead the indication is that proposed increases above a given level will be subject to a local referendum.

## 5.4 Fees and Charges

- 5.4.1 The Council has tended to increase fees and charges for inflation, on an annual basis. Any other changes have tended to be on an ad hoc basis.
- 5.4.2 The current financial strategy highlighted this and a fundamental review of fees and charges was agreed. This is progressing and will enable the Council to ensure that its charging strategy supports its priorities and assists in providing the outcomes it requires. Where this does not conflict with its priorities, it will also enable maximisation of income.

## 5.5 Growth Areas

- 5.5.1 Given the Council's existing financial constraints, a strong approach is taken with growth areas. In general terms, growth will be allowed if one of the following conditions is met:
- **Statutory Need.** Where the Council needs to spend resources in order to comply with statutory requirements
  - **Invest to Save.** Where services can demonstrate that an initial outlay will generate additional income or reduced costs in the future, an advance from an earmarked reserve held for this purpose will be made. The service is required to repay this advance from the additional income or expenditure saving, over an agreed period of time. This enables investment, whilst maintaining the reserve for future bids.
  - **External Funding.** Services are encouraged to look for external funding to support service development and enhancement. In doing so, consideration of ongoing costs against potential one off funding is fundamental.
  - **Efficiencies.** The Council looks for efficiencies in service provision, which allows the reallocation of resources to other priorities. For example, a rationalisation of rounds on the domestic refuse collection service, enabled additional recycling to be undertaken.
- 5.5.2 The Council also uses the financial savings identified in its strategy to fund general growth areas, where these are not needed to maintain balances. Growth bids are assessed according to their contribution to Council priorities, the ability to obtain external funding and their contribution to the management of risk.

## **5.6 Approach to Savings**

- 5.6.1 The Authority includes the requirement to find savings in its financial strategy. However whilst unidentified savings are built into financial projections over the medium term, only identified savings are included in the detailed budget put forward for approval for the coming financial year. This is part of the management of financial risks, and gives greater assurance around the approved budget, and the medium term position.
- 5.6.2 As the council looks for specific savings in advance of setting the budget for the following year, work on finding savings for 2011/12 will be carried out in 2010 during the production of that budget. Only those found will be included. Where possible the savings will be brought in earlier, during 2010/11, as this will give a beneficial impact on balances. If the savings target of £280,000 is not found, this will be reflected in the financial strategy for future years.

## **5.7 General Fund Balances**

- 5.7.1 One of the Council's aims is to have a balanced budget. However this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.
- 5.7.2 The current policy for general balances is to retain minimum working balances of £1 million on the General Fund. The risk assessments, which support these requirements, are updated on an annual basis as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks.
- 5.7.3 The Council has also established a system of risk management, which is operated by all services. This ensures that if there are significant changes in the level of risk to the Council from new legislation, or policy changes, they are considered and reported to Board. Any significant increase in financial risks will therefore be addressed during the year, if this is necessary.

## **5.8 Budget Process**

- 5.8.1 The budget process operates throughout the year, with the budget strategy updated twice per year. The updated budget cycle is given below in broad terms:
- February / March – a financial strategy is approved for a four year period, with Year 1 being a detailed budget for the following financial year. The financial strategy includes an assessment of the general balances to be maintained, and savings targets for future years. Detailed savings for the following financial year (Year 1) are built into the approved budget.
  - April / December – work is carried out on finding savings for the following year (Year 2)
  - July / September – the financial projections for years 2, 3 and 4 in the financial strategy are updated, and a projection for an additional year 5 is added
  - September – Executive Board approve an updated budget strategy for the four years following the current financial year (Years 2 – 5). This

sets the framework for the preparation of the following years detailed budget.

- September /December – detailed work on the budgets is carried out
- January / February - Service Boards consider detailed budgets
- February / March - a financial strategy is agreed for a four year period (Years 2 – 5), with a detailed budget approved for the following financial year.<sup>1</sup> The financial strategy includes an assessment of the general balances to be maintained, and savings targets for future years. Detailed savings for the following financial year are built into the approved budget.

5.8.2 In the event of potentially significant changes to the Council's financial position, the Director of Resources will assess whether additional updates of the financial strategy are needed.

## **5.9 Budget Consultation**

5.9.1 The Council consults on how it spends its resources on an annual basis. A number of methods are used – some every year, whilst others are carried out periodically:

- financial questions are included in the survey carried out by BMG on the performance of the Council
- Business Rate payers meetings are held, to discuss budget proposals
- paper questionnaires to a sample of the citizens panel
- focus groups involving participants from members of the citizens panel
- electronic questionnaires on the website.

5.9.2 Consultation on the 2010/11 budget was undertaken using the BMG survey and the Business Rate payers meeting.

5.9.3 The timing of consultation is important. The Council will carry out more of its consultation before Christmas, to enable Members to give more consideration to the results obtained.

5.9.4 A consultation paper has recently been issued on a proposed requirement for local authorities to hold a local referendum if they are considering excessive council tax increases. A rise would be considered excessive if it was above a centrally set limit.

## **6 Housing Revenue Account**

### **6.1 National Housing Pool**

6.1.1 The government allocates an amount of funding to support local authority housing nationally. It allocates this sum through the operation of a national housing pool and subsidy system, which involves all authorities that manage their own housing stock. A potential move to a system of self financing is currently being assessed. The Authority has responded to the consultation sent out, and is awaiting the outcome.

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<sup>1</sup> note. Years 2 – 5 are then reclassified as years 1 – 4, and the process starts again.

- 6.1.2 The Housing Subsidy system requires a notional calculation to be carried out for each Council, which shows either a surplus or deficit. The elements taken into account include allowances for management, maintenance, major repairs and capital financing costs, together with an assessment of the rental income that the stock will generate. If the calculation shows a surplus, the Authority is required to pay that surplus into the National Pool. If a deficit is calculated, the Authority will receive funding of that amount from the National Pool.
- 6.1.3 The calculation for this Authority has produced a notional Housing Revenue Account surplus for a number of years now, so the Council has to pay this amount into the National Pool. Projections indicate that this is likely to increase in future years, although the amount will depend on the assumptions made by the government, in calculating the notional surplus or deficit.
- 6.1.4 In 2002/03, the government introduced a rent re-structuring programme, with the aim of bringing rents for local authority housing closer to the rent levels for other social housing. The programme requires local authorities to increase rents to a target level by 2015/16, and a formula is used to calculate the increases required each year. The notional subsidy account assumes this increase in rents, penalising those authorities who increase rents by a lesser amount. This Authority sets rents using the rent re-structuring formulae, in order to maximise the resources available for its housing stock.

### **6.2 General Balances on the Housing Revenue Account**

- 6.2.1 The Council aims to have a balanced budget on the Housing Revenue Account. Again this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.
- 6.2.2 The current policy for general balances is to retain minimum working balances of £500,000 on the Housing Revenue Account. The risk assessment, which supports this requirement, is updated annually as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks.
- 6.2.3 Risk management practices are used, when assessing new legislation, or policy changes, so any significant increase in financial risks will therefore be addressed during the year, if this is necessary.

### **6.3 Housing Business Plan**

- 6.3.1 Further detail around the management and maintenance of the Council's housing stock is given in the Housing Business Plan.

## **7 Capital Programme**

### **7.1 Capital Funding**

- 7.1.1 The Council projects its expected resources over both a three and ten-year period. These include receipts from the sale of council assets, revenue funding used to support capital expenditure and anticipated contributions from third parties.



- 7.1.2 Funding from the government is also considered and can be received in three ways:
- An element of support for the costs of borrowing are included in the grant settlement and in the housing subsidy calculation
  - The housing subsidy calculation includes a Major Repairs Allowance, which is to support the achievement of the Decent Homes Standard
  - Specific grant of 60% is received towards the cost of Disabled Facility Grants, up to a maximum allocation.
- 7.1.3 The current approved capital programme is heavily reliant on land sales to fund expenditure over the next 4 years. As part of its management of capital resources, the council has re-assessed a number of housing capital schemes. Some have been taken out of the programme, as they don't contribute to the achievement of the Decent Homes standard. The timing of some others has been changed, to remove the expenditure peaks previously showing in the capital programme. This has enabled all required schemes to be included within the proposed longer term programme.
- 7.1.4 There are still some funding issues which need to be addressed in the longer term, and other funding options will be considered in future updates of the Capital Strategy. The Capital Strategy gives further detail on the allocation of capital funding.

## **7.2 Interaction between Revenue and Capital Spending**

- 7.1.1 Many capital schemes will impact on the revenue budget. This may be due to ongoing maintenance costs which are incurred following the acquisition of an asset, or may be related to the cost of repaying loans taken out to finance capital expenditure, or the loss of investment income if internal loans are used.
- 7.1.2 In assessing bids put forward for inclusion in the capital programme, the impact of capital spending on the revenue budget is examined.

## **8 Efficiency Agenda**

- 8.1 All Councils are required to demonstrate to the government the progress they are making on achieving efficiencies in service provision. In 2010/11 each Council is required to achieve annual cash savings of 3% of net expenditure. These can be a combination of revenue and capital savings, and can come from different accounts ie. from either the Housing Revenue Account or the General Fund.
- 8.2 The Council doesn't set targets for individual services, as it recognises that efficiency savings can take longer to generate in some services. The central target allows services some flexibility in the timing of efficiencies. Efficiencies are sought in a variety of ways:
- an internal officer group, which focuses on efficiency and Value for Money, meets on a quarterly basis. The group identifies areas for efficiencies and monitors progress against targets.
  - Value for Money reviews on individual services are carried out on a rolling basis, with higher spending services reviewed early in the programme.

- a procurement group meets to monitor the target set for procurement savings, and ensures that action is taken corporately.
- a number of actions are agreed each year as part of the budget process, which require specific attention eg. a fundamental review of fees and charges was approved as part of the 2010/11 process.

8.3 The Council will continue to look for efficiencies in these ways, but will also take the opportunity to use new approaches, as they arise. The adoption of a Value for Money Strategy has also given more rigor in this area.

### **9 Treasury Management**

9.1 This is the management of the Local Authority's cash flows, its banking, money market and capital market transactions. The Council has adopted a Treasury Management and Annual Investment Strategy, which sets out a framework for its activity in these areas. The current Strategy aims to minimise risk by putting greater emphasis on security and liquidity. Once risk has been minimised, the Council will maximise performance wherever possible, within existing controls.

9.2 As highlighted in the Treasury Management Strategy, the Council has a borrowing requirement of £7.9 million. The Council chose to repay all of its external loans in 2003/04, in order to take advantage of some transitional arrangements on capital receipts, which increased the resources available for capital spending. To do this, the external borrowing was replaced by an internal loan from earmarked reserves held for future revenue and capital spending. As these resources are used, there will be a need to borrow.

9.3 The Government have recently expressed some concern over the level of new borrowing by local authorities. There is a risk that there may be a decision in the future to restrict or cap any new borrowing by authorities. Any restrictions would be an issue if they are in place when the authority needs to borrow externally when earmarked reserves are used. The timing of this borrowing will be kept under review, although in light of the above, there may be a need to consider external borrowing sooner than originally expected. Externalising debt early may result in an additional revenue cost, depending on the money market rates in operation at the time.

9.4 The Council has internal funds in excess of those needed to cover the internal loans. These are invested on the money market and generate investment income for both the General Fund and the Housing Revenue Account. The cash fund portfolio is managed internally, with advice from Sector, the Council's treasury management consultants.

### **10 Earmarked Reserves**

10.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes. Earmarked reserves are used to hold:

- Funding received in advance for specific initiatives, where the timing of expenditure goes across financial years eg. Planning Delivery Grant, Community Development schemes

- Funding set aside for specific services, where the timing of demand can vary eg. Housing Repairs, Parish Plans
- Funding set aside for the future replacement of assets eg. Play Areas
- Funding set aside for capital spending, either from revenue provision, contributions received from third parties or receipts from the sale of assets
- Some funds are held which would enable the Council to manage specific risks. For example, the VAT reserve would cover the VAT which could not be recovered if the Council exceeded its exempt limit in a particular year. This would allow corrective action to be taken in a planned way.
- In some instances, it is not possible for services to spend the budget allocation in the year. For example, where staffing vacancies result in work being delayed. Where this relates to a particular piece of work which is still required, the funding is set aside for future use

10.2 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Reserves set up to manage timing differences or hold funding received in advance match expenditure to the income available. Reserves held to allow risks to the base budget to be managed are estimated using the best available information.

### **11 Risk Management**

- 11.1 The Council has a Risk Management strategy in place which it uses to manage all of its risks, including financial risks.
- 11.2 The financial risks of individual services are considered during the budget preparation process, and are considered by Service Boards, along with the related budgets. A full risk assessment is undertaken annually on the level of balances for the General Fund as a whole, and the Council consider this in setting the overall budget and council tax. A risk assessment for the Housing Revenue Account is also prepared and considered at the same time as the budgets. This ensures that all current issues are included.
- 11.3 To assist with highlighting the impact of the potential risks, the major risks will be assessed on differing risk levels, and these are included in reports to Board.

## APPENDIX B

### EXPENDITURE FORECAST

	2010/11 Revised £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Base Budget</b>	<b>10,378</b>	<b>10,526</b>	<b>10,820</b>	<b>11,148</b>	<b>11,469</b>
Investment Income	(120)	(100)	(140)	(170)	(150)
Financing Adjustment	(786)	(800)	(822)	(814)	(794)
Revenue Contribution to Capital Spending	130	130	130	130	130
Growth 11/12		100	50	50	50
Growth 12/13			25	25	25
Growth 13/14				25	25
Growth 14/15					25
Savings 11/12		(280)	(280)	(280)	(280)
Savings 12/13			(290)	(290)	(290)
Additional Savings 12/13 (Concessionary Fares)			(300)	(300)	(300)
Savings 13/14				(320)	(320)
Savings 14/15					(310)
<b>Net Expenditure</b>	<b>9,602</b>	<b>9,576</b>	<b>9,193</b>	<b>9,204</b>	<b>9,280</b>
Council Tax	(4,442)	(4,531)	(4,622)	(4,714)	(4,809)
Government Grant	(5,437)	(4,509)	(4,328)	(4,156)	(3,989)
Collection Fund	(53)	(30)	(30)	(30)	(30)
<b>Use of Balances</b>	<b>(330)</b>	<b>506</b>	<b>213</b>	<b>304</b>	<b>452</b>
<b>Balance C fwd</b>	<b>2,666</b>	<b>2,160</b>	<b>1,947</b>	<b>1,643</b>	<b>1,191</b>

## APPENDIX C

### Potential Use of Balances

#### Best Case

	2010/11 Revised £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
<b>Estimated Use of Balance</b>	<b>(330)</b>	<b>506</b>	<b>213</b>	<b>304</b>	<b>452</b>
Reduction in RSG of 2%		(94)	(182)	(265)	(343)
Reduction in pay award to 1% in 13/14				(100)	(100)
Reduction in pay award to 1.5 % in 14/15					(103)
Improvement of 1% in investment rates		(49)	(50)	(54)	(48)
Lower reduction in Housing Benefit administration grant (2% instead of 4%)		(9)	(17)	(25)	(32)
<b>Potential Use of / (Cont to) Balances</b>	<b>(330)</b>	<b>354</b>	<b>(36)</b>	<b>(140)</b>	<b>(174)</b>
<b>Balances at Year End</b>	<b>2,666</b>	<b>2,312</b>	<b>2,348</b>	<b>2,488</b>	<b>2,662</b>

*Note. If the loss on concessionary fares reduces, this would allow the reduction of the specific savings included in the strategy.*

#### Worst Case

	2010/11 Revised £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
<b>Estimated Use of Balance</b>	<b>(330)</b>	<b>506</b>	<b>213</b>	<b>304</b>	<b>452</b>
Reduction in 'damping' allowance on RSG		30	60	90	120
Increase in RSG to 5%		47	90	129	164
Increase of 0.5% in pay award in 13/14				50	50
Increase of 0.5% in pay award in 14/15					52
Reduction of 0.75% in investment rates		37	39	40	36
Increased reduction in Housing Benefit administration grant to 5%		4	8	12	16
<b>Potential Use of / (Cont to) Balances</b>	<b>(330)</b>	<b>624</b>	<b>410</b>	<b>625</b>	<b>890</b>
<b>Balances at Year End</b>	<b>2,666</b>	<b>2,042</b>	<b>1,632</b>	<b>1,007</b>	<b>117</b>

## **Agenda Item No 9**

### **Executive Board**

**14 September 2010**

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

#### **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2010**

### **1 Summary**

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2010.

#### **Recommendation to Council**

**That Members consider the performance achieved and highlight any areas for further investigation.**

### **2 Consultation**

#### **2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members**

- 2.1.1 The Portfolio Holder and Shadow Portfolio Holder for Resources, Councillors Bowden and Butcher have been sent a copy of this report and any comments received will be reported to the Board.

### **3 Background**

- 3.1 This report shows the first quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2010/11. This is the first report showing the progress achieved so far during 2010/11.

### **4 Progress achieved during 2010/11**

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with the national and local performance indicators during April to June 2010/11 for the Executive Board.

- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

Red – target not achieved

Amber – target currently behind schedule and requires remedial action to be achieved

Green – target currently on schedule to be achieved.

## 5 Performance Indicators

- 5.1 The current national and local performance indicators have been reviewed by each division and Management Team for monitoring for the 2010/11. All the indicators including the quarterly and annual returns are shown on the spreadsheet. Only the quarterly returns will be shown on subsequent reports until the year end returns are prepared. Members should be aware that the current set of national indicators are being reviewed by the Coalition Government and maybe subject to deletion and or changes in the current year. For example the requirement to carry out a Place Survey has recently been announced as being cancelled.

## 6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 71% of the Corporate Plan targets and 43% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

### Corporate Plan

Status	Number	Percentage
Green	22	71%
Amber	8	26%
Red	1	3%
Total	31	100%

### Performance Indicators

Status	Number	Percentage
Green	6	43%
Amber	8	57%
Red	0	0%
Total	14	100%

## 7 **Summary**

- 7.1 Members may wish to identify any areas that require further consideration where targets are not currently being achieved.

## 8 **Report Implications**

### 8.1 **Safer Communities Implications**

- 8.1.1 The community safety performance indicators are included in the report.

### 8.2 **Legal and Human Rights Implications**

- 8.2.1 The national indicators have been specified by the Secretary of State for Communities and Local Government as part of a new performance framework for local government as set out in the local Government White Paper Strong and Prosperous Communities. They are currently being reviewed by the Coalition Government.

### 8.3 **Environment and Sustainability Implications**

- 8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of targets and indicators included which contribute towards the priorities of the sustainable community strategy including financial inclusion, core strategy, community safety and affordable housing,

### 8.4 **Risk Management Implications**

- 8.4.1 Effective performance monitoring will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance level.

### 8.5 **Equalities**

- 8.5.1 There are a number of equality related targets and indicators including achieving the equality framework, domestic abuse, race equality, hate crime, and financial inclusion highlighted in the report.

### 8.6 **Links to Council's Priorities**

- 8.6.1 There are a number of targets and performance indicators contributing towards the priorities of enhancing community involvement and access to services, protecting and improving our environment, defending and improving our countryside and rural heritage, to tackle crime, improving housing and making best use of our resources.

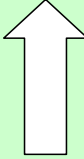

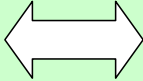
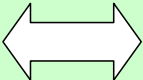
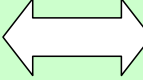

The Contact Officer for this report is Robert Beggs (719238).

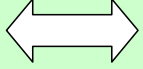
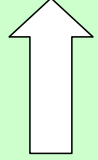
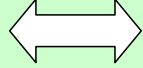

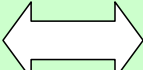
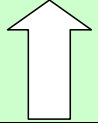




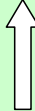
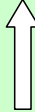
## Background Papers

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

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
National Indicators for Local Authorities and Local Authority Partnerships	Department for Communities and Local Government	Statutory Guidance	February 2008








Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
8	Apr-10	Working with four local communities to assist in the implementation of Parish Plan priorities	Executive Board	AD (L&CD)	Simon Powell	Community Life		The Borough Council has determined not to fund WRCC in respect of its work on the development of new Parish Plans. Contact has been made with four communities (Atherstone, Curdworth, Fillongley and Hartshill), however, to offer support and assistance in the implementation of existing Parish Plan priorities.	Green	
11	Apr-10	Reaching the 'Achieving' level of the new Equality Framework to ensure more equal outcomes and service provision for all of our communities by March 2011 and promoting understanding of how the democratic process of the Council works	Executive Board	ACESC	Robert Beggs	Community Life		Draft self assessment for the Achieving level prepared. Evidence being reviewed by Policy Support currently for wider circulation.	Green	
12	Apr-10	Review with the County Council and other partners how best to develop an overall financial inclusion strategy with partners that addresses Narrowing the Gap objectives as outlined in the Local Area Agreement by March 2011	Executive Board	AD (R&B)	Bob Trahern	Community Life		This is currently subject of a review following the decision of the Government to significantly reduce funding initially awarded via LPS2 reward funding to third sector partners to provide debt advice, savings advice and benefit maximisation services. Work on how to continue to provide this support on a significantly reduced budget and how to address wider Child Poverty strategy commitments are currently being reviewed in conjunction with the County Council who are leading on this important area of work.	Amber	
24	Apr-10	Publishing the Core Strategy by October 2010 and submitting it formally to the Secretary of State	Executive Board / Planning & Development Board	ACESC	Dorothy Barratt	Housing		Work on Core Strategy stalled due to abolition of RSS	Amber	
29	Apr-10	Publishing the Core Strategy by October 2010 and submitting it formally to the Secretary of State which will include policies to defend the openness and character of the countryside, policies containing strategic housing proposals and other land use implications. Policies will also be included to reflect the Strategic Flood Risk Assessment	Executive Board / Planning & Development Board	ACESC	Dorothy Barratt	Countryside & Heritage		Work on Core Strategy stalled due to abolition of RSS	Amber	
31	Apr-10	Using the information from the Landscape Character work to inform the development of the Core Strategy and when considering planning applications including policies reflecting the RSS revision in the Core Strategy by February 2011	Executive Board	ACE&SC	Dorothy Barratt	Countryside & Heritage		Work on Core Strategy stalled due to abolition of RSS	Amber	

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
32	Apr-10	Consideration of planning applications to ensure only appropriate development is allowed in the Green Belt including policies to focus development within the agreed settlement hierarchy in the Core Strategy by February 2011	Executive Board / Planning & Development Board	Head of DC/DCE	Jeff Brown	Countryside & Heritage		This is the basis of current planning determinations, notwithstanding the delays in moving the Core Strategy forward.	Green	
33	Apr-10	Working with partners at the sub regional level to gather information and then develop a financial plan for financial contributions linked to development. At the same time gathering information locally and develop a robust financial plan for inclusion in the LDF process by February 2011 including a Supplementary Planning Document on contributions for Open Space provision within the LDF process by February 2011	Executive Board / Planning & Development Board	ACEESC	Dorothy Barratt	Countryside & Heritage		Work continuing to be gathered although there may be implications from abolition of RSS and work on Core Strategy that may impact on the implementation.	Green	
36	Apr-10	Continuing to engage with farmers as part of our consultation on the Core Strategy with specific consultation with the National Farmers' Union and the Rural hub by February 2011	Executive Board	ACEESC	Dorothy Barratt	Countryside & Heritage		Work on Core Strategy stalled due to abolition of RSS	Amber	
38	Apr-10	Including these policies in the Core Strategy of the LDF to protect and maintain the best and most versatile agricultural land by February 2011	Executive Board	ACEESC	Dorothy Barratt	Countryside & Heritage		Work on Core Strategy stalled due to abolition of RSS	Amber	
42	Apr-10	Design briefs for strategic sites in the Core Strategy and SPD on issues such as local distinctiveness and design to be prepared following the publication of the Core Strategy in February 2011	Executive Board / Planning & Development Board	ACEESC	Jeff Brown	Countryside & Heritage		Work on Core Strategy stalled due to abolition of RSS	Amber	
43	Apr-10	To ensure design advice is given at pre-application stages in appropriate cases and to introduce a system of post development visits. Continue to use the design champion	Executive Board / Planning & Development Board	ACE&CS	Jeff Brown	Countryside & Heritage		Design Champion involved in pre-application discussions and post development visits now taking place.	Green	

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
63	Apr-10	Contributing towards the achievement of the partnership plan 2008 – 2011 actions and targets for the 2010/11 strategic priorities of reducing violent crime including domestic abuse, youth related and alcohol related; reducing anti-social behaviour- alcohol related and damage to vehicles; reducing serious acquisitive crime- especially domestic burglary and theft from vehicles; and improving public perceptions and public confidence	Executive Board	CE / AD (L&CD)	Robert Beggs	Safer Communities		Partnership Plan in place for 2010/11 which includes all the strategic priorities. Analysis of youth related violence has been carried out to inform the actions. Challenging reduction targets have been set to sustain the crime and disorder reductions. The quarter 1 performance report shows some red and ambers for serious violent crime , serious acquisitive crime, anti social behaviour, business crime, criminal damage and violent crime. A lot of the increases are only by a small margin. No significant concerns overall identified and measures put in place to reduce increases in vehicle crime currently.	Amber	
64	Apr-10	Working with partner agencies to ensure the delivery of relevant actions arising through Safer neighbourhood PACT processes and reporting progress to each Area Fora meeting	Executive Board	CE / AD (L&CD)	Robert Beggs	Safer Communities		Current priorities have included multi agency responses on flytipping in Area Forum South and on going responses to anti social behaviour in Hartshill, Ansley Common, Dordon and Arley.	Green	
65	Apr-10	Improving public confidence in accordance with the Warwickshire strategy and action plan	Executive Board	CE / AD (L&CD)	Robert Beggs	Safer Communities		Community Safety Days have been set up across the borough and recent ones have included New Arley and Corley. Days of Action responses have been arranged to address issues identified. New Arley event helped address community concerns following recent arson incidents. The Corley event identified a number of issues including security at Corley Services , street lighting, and speeding. feedback also shows a high proportion of people feeling safe.	Green	
67	Apr-10	Subject to the outcome of the Warwickshire strategic review of domestic abuse services supporting the provision of locally based support services for domestic abuse to help improve the take up of support services and to reduce the number of repeat victims in accordance with the targets in the LAA Safer Block action plan	Executive Board	CE / AD (H)	Robert Beggs	Safer Communities		Local support service continues to be provided for 20 hours per week through Warwickshire Domestic Abuse Support Services. Quarter 1 report shows 25 service users receiving support. New referrals are slightly lower but presenting with complex issues. Outcome from the Warwickshire strategic review has prepared a model for the provision of support services. The funding for the model is subject to confirmation following a reduction in LPSA2 reward monies.	Green	

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
68	Apr-10	Providing a home security survey and security measures to all victims of domestic burglary and vulnerable people to reduce the level of burglaries and repeat victimisation	Executive Board	CE	Robert Beggs	Safer Communities		The Capital funding for this scheme has been fully committed from previous years allocations. Options for continuing referral service need to be identified.	Red	↓
69	Apr-10	Achieving a further 3% cashable savings	Executive Board	DR / AD (F&HR)	Sue Garner	Resources		Efficiencies have been identified which meet the target, provided these are maintained to the end of the year.	Green	↔
70	Apr-10	Achieving the savings required by the budget strategy	Executive Board	DR / AD (F&HR)	Sue Garner	Resources		A proportion of the savings target for 2011/12 has been found. Work to establish further savings is progressing.	Green	↔
71	Apr-10	Generating sufficient capital funding to deal with the council's capital priorities over the medium term	Executive Board	DR / AD (F&HR) / AD (S)	Sue Garner	Resources		Work is in progress.	Green	↔
72	Apr-10	To Completing the review of the business case for joint or shared working in Human Resources and Legal	Executive Board	MT / AD (F&HR)	Sue Garner	Resources		Work on legal services has been completed. Some new working arrangements have been agreed, and these will be put in place. Shared working on HR has not progressed as anticipated, however the service will be reviewed later in the year.	Green	↔
77	Apr-10	Progressing the Value for Money Strategy, including completing existing and commissioning three further Value for Money reviews to be completed by March 2011	Executive Board	DR / AD's	Chris Brewer	Resources		A new VFM Action Plan for 2010/11 was approved by the Exec Board in June which the Efficiency Working Party is working through and the VFM reviews are progressing with a view to being completed by March 2011.	Green	↑
78	Apr-10	Identifying six relatively under performing service areas and agree an improvement plan for approval by the Scrutiny Board by July 2010	Scrutiny Board	ACESC / AD's	Steve Maxey	Resources		A report will be taken on this issue to the next Scrutiny Board ( September).	Green	↑
81	Apr-10	Subject to the agreement of the Emergency Planning SLA deliver actions within it	Executive Board	CE	Robert Beggs	Resources		Work programme approved with the County Council EPU which has provisionally committed 25 days out of 30. Work underway to deliver the actions.	Green	↑
82	Apr-10	Exploring feasibility of supporting implementation of "resident flood warden" schemes for areas at risk of flooding in order to reduce the impact of flooding events by enabling communities to react in a more timely manner by March 2011	Executive Board	CE	Robert Beggs	Resources		Funding for property flood prevention measures received from the government for a targeted scheme at Fillongley.	Green	↑
83	Apr-10	Making information available to the public in line with the Warn and Inform duty of the Civil Contingencies Act and increase the linked National Indicator 37 score to above 18.7% (the top quartile benchmark for 2008). This will help increase the resilience of our communities in the event of an emergency by March 2011	Executive Board	CE	Robert Beggs	Resources		Information about Emergency Planning preparations are being promoted through North Talk and on the website. A test exercise at Kingsbury recently was promoted to local residents. The national indicator has now been deleted from the set.	Green	↑

Ref	Start Date	Action	Board	Lead Officer	Reporting Officer	Theme	Sub-Theme	Update	Traffic Light	Direction
84	Apr-10	Maintaining the Corporate Business Continuity Plan and Divisional Plans to help ensure the Council can continue to deliver critical functions during disruptive events by March 2011	Executive Board	CE	Robert Beggs	Resources		Corporate Business Continuity Plan prepared with some minor amendments required following recent structural changes. Divisional plans prepared with approval by Management Team subject to the changes above.	Green	↑
85	Apr-10	Agreeing and implementing a contingency office location to ensure the delivery of critical services can continue in the event of the loss of The Council House and Old Bank House by 30 <sup>th</sup> June 2010	Executive Board	CE	Robert Beggs	Resources		An agreement has been prepared for the use of Kings House in Bedworth through the County Council. The final legal agreement is currently being confirmed by the County Council.	Green	↑
86	Apr-10	Engaging in Warwickshire-wide multi-agency major emergency planning exercise to test and identify lessons to improve how well public agencies across the county work together to support communities in responding to major emergencies	Executive Board	CE	Robert Beggs	Resources		Exercise Phoenix is being arranged for November to help test strategic responses to an emergency.	Green	↑
87	Apr-10	Supporting the testing of the Kingsbury Oil Complex Off-site Major Emergency Plan	Executive Board	CE	Robert Beggs	Resources		Test exercise with Warwickshire Fire and Rescue Service carried out to check the supply of water to the Oil Terminal carried out in June.	Green	↑
88	Apr-10	Continuing internal programme of training and exercising in Major Emergency Plan and Corporate Business Continuity Plan to enhance staff knowledge and enhance the Council's response by carrying out an exercise by March 2011	Executive Board	CE	Robert Beggs	Resources		Work programme with the County Council EPU includes training and exercising with dates proposed for later in the year.	Green	↑

PI Ref	Description	Division	Section	High/Low is good	2010/11 Target	2009/10 Outturn	National Best Quartile	Performance	Traffic Light	Direction	Comments	Suggested reporting interval	Board	Reported to MT
<b>Chief Executive's Division</b>														
New	To respond to all complaints and requests for service within three working days	Chief Executive	Env Health (C, L &HP)	High	99%	New	N/A	97%	Amber			Q	Executive Board	Yes
New	To inspect 37 wholesale/warehouse premises based on a risk assessment using current knowledge, history and accident reports to identify those posing the greatest potential risk.	Chief Executive	Env Health (C, L &HP)	High	37	New	N/A	6	Amber			Q	Executive Board	Yes
BVPI 2a	The level (if any) of "the Equality Framework for local government", to which the authority conforms. :	Chief Executive	Policy Support	-	Achieving	Altered indicator	N/A	Developing	Green		Draft assessment prepared using eset web based system. The draft is subject to review by Policy Support currently. Expectation that sufficient evidence will be provided to reach the achieving level.	Q	Executive Board	Yes
BVPI 2b	The duty to promote race equality. : Does the authority have a Race Equality Scheme (REC) in place?	Chief Executive	Policy Support	High	78%	73%	84%*	73.00%	Green		Race Equality Scheme is part of our proposed Single Equality Scheme. Further progress to achieved in line with the requirements of the Equality Bill.	Q	Executive Board	Yes
BVPI 126	Domestic burglaries per 1,000 households, and percentage detected :	Chief Executive	Policy Support	Low	8.15	8.38	4.6*	1.65	Green		There was a increase in May but an identified offender was arrested and overall levels are lower than expected.	Q	Executive Board	Yes
BVPI 127	Violent crime per year, 1,000 population in the Local Authority area. :	Chief Executive	Policy Support	Low	8.03	8.07	10.5*	2.32	Amber		A slight increase in May and June was experienced against our challenging target level. The partnership Special Interest Group will consider if there is any emerging trends to take further action on beyond our existing measures.	Q	Executive Board	Yes
BVPI 128	The number of vehicle crimes per year, per 1,000 population in the Local Authority area. :	Chief Executive	Policy Support	Low	10.51	10.68	5.5*	2.65	Amber		Some increases in thefts from vehicles experienced in May and June. Some identified offenders were subject to policing operations in Atherstone together with targeted vehicle crime prevention leafleting and promotions.	Q	Executive Board	Yes

PI Ref	Description	Division	Section	High/Low is good	2010/11 Target	2009/10 Outturn	National Best Quartile	Performance	Traffic Light	Direction	Comments	Suggested reporting interval	Board	Reported to MT
New	The number of hate crimes recorded by the authority per 100,000 population. :	Chief Executive	Policy Support	Low	0	New	N/A	0	Green	↔	No incidents reported in this period. Further work being carried out to raise awareness of reporting. Some community tension work being carried out in Arley with young people regarding racist graffiti.	Q	Executive Board	Yes
New	The percentage of hate crimes that resulted in further action. :	Chief Executive	Policy Support	High	100%	New	100%*	0	Green	↔	See above.	Q	Executive Board	Yes
NI 15 (new)	Serious Violent Crime	Chief Executive	Policy Support	Low	0.43	0.43	N/A	0.16	Amber	↓	10 number serious violent crimes in the first quarter. Target is set at 27 for the year. Individual incidents with no emerging pattern.	Q	Executive Board	Yes
NI 16 (new)	Serious Acquisitive Crime	Chief Executive	Policy Support	Low	14.13	14.62	N/A	3.47	Amber	↓	This grouping of crimes includes domestic burglary, robbery and vehicle crimes.	Q	Executive Board	Yes
NI 20 (new)	Assault with Injury Crime Rate	Chief Executive	Policy Support	Low	3.75	3.75	N/A	1.03	Amber	↓	No target set but baseline of 2009/10 level used. Small increase compared to 2009/10. 64 total assaults so far.	Q	Executive Board	Yes
NI 32 (new)	Repeat incidents of domestic violence	Chief Executive	Policy Support	Low	Awaiting targets from Warwickshire Police	13%	N/A	0%	Green	↑	Indicative figure only at this stage. High risk cases are monitored through a Multi Agency Risk Assessment Case Conference (MARAC). Housing are represented on North Warwickshire cases.	Q	Executive Board	Yes
NI 47 (new)	People killed or seriously injured in road traffic accidents	Chief Executive	Policy Support	Low	Awaiting targets from Warwickshire Police	-	N/A	0	N/A	N/A	Figures not yet available. Significant reductions achieved in 2009/10.	Q	Executive Board	Yes
New	% of services that report equality profile of their service outcomes as part of their service delivery plans	Chief Executive	Policy Support	High	100%	New	N/A	89%	Amber	↑	Information being collated from board report implications. Sample assessment shows 89% based upon 8 completed out of 9 reports.	Q	Executive Board	Yes



## Agenda Item No 10

### Executive Board

14 September 2010

#### Report of the Chief Executive

#### Policing in the 21<sup>st</sup> Century: Reconnecting Police and the People

### 1 Summary

- 1.1 This report informs Members of a national consultation by the Coalition Government on plans for policing reform.

#### Recommendation to Council

- a That Members note the report; and
- b That following consultation with the Chair and the Portfolio Holder for Safer Communities, the Chief Executive be authorised to prepare a response to the Policing in the 21<sup>st</sup> Century: Reconnecting Police and the People consultation.

### 2 Consultation

#### 2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 The Portfolio Holder and Shadow for Safer Communities have been consulted on the report and their comments are shown below.

### 3 Introduction

- 3.1 The Coalition Government have recently announced the intention to implement plans to reform policing to transfer power back to people and increase democratic accountability. The plans include the establishment of Police and Crime Commissioners, Police and Crime Panels, potential new arrangements for Community Safety Partnerships, a new role for the Association of Chief Police Officers (ACPO) and the setting up of a National Crime Agency.

- ... 3.2 Attached at Appendix A are the specific questions on the proposals which are also available from the website link below. The consultation period ends on the 20 September 2010. Set out below is a link to the consultation document "Policing in the 21<sup>st</sup> Century: Reconnecting police and the people:

<http://www.homeoffice.gov.uk/police/policing-21st-century/>

## 4 **Summary Of Key Changes**

4.1 The plans include significant changes and are based upon the following new approach:

- Introducing directly elected Police and Crime Commissioners who will give the public a voice and strengthen the bond between the public and the police through greater accountability and transparency so that people have more confidence in the police to fight crime and ASB;
- empower the police: removing bureaucratic accountability, returning professional responsibility and freeing up officers' time to get on with their jobs, out and about in local communities and not tied up in paperwork or meetings;
- shift the focus of national Government: ensuring the police are effective in dealing with serious crimes and threats that cross force boundaries or national borders, but in the end impact on local communities, make the police at force, regional and national levels more efficient so that frontline local policing can be sustained; and
- empower the Big Society; reforming our wider approach to cutting crime, making sure everyone plays their full part in cutting crime in a Big Society – wider criminal justice and community safety partners, voluntary and community sector and individuals themselves.

## 5 **Increasing Democratic Accountability**

5.1 The intention is to increase local accountability and give the public a direct say on how streets are policed. This will be achieved by:

- The abolition of Police Authorities and their replacement by directly elected Police and Crime Commissioners – ensuring the police respond to local priorities and are directly accountable to the public for delivering safer communities and cutting crime and ASB; (This includes an intention that the public will be able to directly vote for an individual to represent their community's policing needs for the first time in May 2012).
- Providing information to help the public know what is happening in their area and hold the police to account with accurate and timely information about crime, ASB and value for money in their neighbourhood;
- A more independent Her Majesty's Inspectorate of Constabulary (HMIC) that will shine a light on local performance and help communities hold their Police and Crime Commissioners and police forces to account.

5.2 The role of the Commissioners will have some key responsibilities including holding the Chief Constable to account to make sure that policing is available and responsive to communities and to ensure that the police force delivers

value for money for the public. Consideration is also being given to creating enabling powers to bring Community Safety Partnerships at the force level to deal with force wide community safety issues and giving Commissioners a role in commissioning community safety work.

5.3 There will also be the establishment of a new Police and Crime Panel to have a robust overview role at force level and that decisions of the Police and Crime Commissioners are tested on behalf of the public at a regular basis. The panels will be drawn from locally elected Councillors from constituent wards and independent and lay Members.

5.4 There will be a requirement for police forces to hold regular beat meetings so that residents can hold them to account. These will be encouraged to be held at times and in places that are widely advertised to ensure neighbourhood level engagement is inclusive and representative of the whole community. Innovative approaches will be encouraged by the use of a wide range of opportunities including supermarkets, old people's homes, schools or online using virtual beat meetings, Facebook or Twitter.

5.5 The Police Forces will also have a requirement to ensure crime data is published at a level that allows the public to see what is happening on their streets and neighbourhoods.

5.6 Other changes will include removing bureaucratic accountability by moving responsibility for policing more to Chief Constables, their staff and the communities they serve rather than from Whitehall. A national framework for efficient local policing will be set to ensure budgets are used to deliver the best possible outcomes and to protect local communities from criminals who may operate across force or national boundaries.

5.7 Changes will also be introduced to improve the whole criminal justice system to work together effectively to reduce crime. This will also include a role for public cooperation to increase public confidence in policing to get more people involved. Some of the regulations for Community Safety Partnerships will be repealed whilst retaining the core statutory duty on key partners to work together. Attached at Appendix B is a table from the consultation document which sets out new roles for key individuals and organisations.

...

## 6 **Some Points To Consider**

6.1 The consultation document sets out some potential key changes to policing and also could lead to changes in how partnership working within Community Safety Partnerships is carried out.

6.2 The proposed new role of a Police and Crime Commissioner will bring substantial new dynamics in how local policing priorities are set and how the Chief Constable will be held to account. The role of Police and Crime Panels will provide a role for locally elected members to provide some level of overview and testing although this will be different to the existing role of Police Authority members.

- 6.3 There is the potential for Community Safety Partnerships being organised at a force level to deal with force wide priorities. Members may wish to consider the implications of this especially in a future scenario with less resources being available to help reduce crime and disorder in Warwickshire and within North Warwickshire specifically. A high level of co-ordination of partnership working already exists within the current Warwickshire arrangements however the majority of direct intervention work is organised at a local district level. There are potential risks that North Warwickshire will become even less of a priority from a force or county level in the future beyond the existing position. Members may wish to consider if there is a need to bring together Community Safety Partnerships at the force level with potential enabling powers which at this stage have not been specified.
- 6.4 Set out below is a link to a briefing paper prepared by the IDeA on the implications for Community Safety Partnerships from an overall perspective. The briefing does highlight some useful points and is supportive of the role the partnerships have carried out.

<http://www.idea.gov.uk/idk/aio/21392018>

## **7 Conclusion**

- 7.1 Members are requested to consider the consultation document and the proposals for changes to policing and the roles of Community Safety Partnerships. Any key issues identified by Members can be included in a formal response to the consultation which can be prepared by the Chief Executive in conjunction with the Chair and the Safer Communities Portfolio Holder.

## **8 Report Implications**

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

- 8.1.1 None arising from the report although there is a clear intention set out in the consultation document for ensuring value for money from police forces for the public. It is unclear if the potential role of commissioning community safety work may include the allocation of associated resources to Community Safety Partnerships.

### **8.2 Safer Communities Implications**

- 8.2.1 These are set out in the report and the potential changes will have a significant impact on how the Council works in partnership with the Police and other agencies to reduce crime and anti social behaviour.

### 8.3 Legal and Human Rights Implications

8.3.1 Some of the changes planned will require the introduction of legislation which maybe introduced in the autumn. In addition some of the regulations for Community Safety Partnerships maybe repealed which will require legislative changes also to be put in place.

### 8.4 Environment and Sustainability Implications

8.4.1 Any measures to improve how reductions in crime and disorder are achieved will contribute towards environment and sustainability objectives.

### 8.5 Risk Management Implications

8.5.1 Any proposed changes will have some element of risk associated with their successful implementation. At this stage a key risk will be the loss of influence the Council may have if Community Safety Partnerships are aligned at a force level. The election of a Police and Crime Commissioner may result in an individual from outside of North Warwickshire being elected as a Warwickshire Commissioner.

### 8.6 Equalities Implications

8.6.1 Any legislative provisions arising from the consultation will be subject to impact assessment by the Coalition Government to measure the impact on the public, private and third sectors. Some of the proposals include the encouragement for inclusive approaches to reflect representation of the whole community for example the requirements for neighbourhood police beat meetings.

### 8.7 Links to Council's Priorities

8.7.1 The consultation relates directly to the priority of working with our partners to address crime, the fear of crime and anti social behaviour.

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

## Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

**Chapter 2: Increasing Democratic Accountability**

**Consultation Questions:**

1. Will the proposed checks and balances set out in this Chapter provide effective but un-bureaucratic safeguards for the work of Commissioners, and are there further safeguards that should be considered?
2. What could be done to ensure that candidates for Commissioner come from a wide range of backgrounds, including from party political and independent standpoints?
3. How should Commissioners best work with the wider criminal justice and community safety partners who deliver the broad range of services that keep communities safe?
4. How might Commissioners best engage with their communities – individuals, businesses and voluntary organisations - at the neighbourhood level?
5. How can the Commissioner and the greater transparency of local information drive improvements in the most deprived and least safe neighbourhoods in their areas?
6. What information would help the public make judgements about their force and Commissioner, including the level of detail and comparability with other areas?

**Chapter 3: Removing Bureaucratic Accountability**

**Consultation questions:**

7. Locally, what are examples of unnecessary bureaucracy within police forces and how can the service get rid of this?
8. How should forces ensure that information that local people feel is important is made available without creating a burdensome data recording process?
9. What information should HMIC use to support a more proportionate approach to their 'public facing performance role', while reducing burdens and avoiding de-facto targets?
10. How can ACPO change the culture of the police service to move away from compliance with detailed guidance to the use of professional judgement within a clear framework based around outcomes?
11. How can we share knowledge about policing techniques that cut crime without creating endless guidance?

#### **4. A National Framework for Efficient Local Policing**

##### **Consultation questions:**

12. What policing functions should be delivered between forces acting collaboratively?
13. What are the principal obstacles to collaboration between forces or with other partners and how they can they be addressed?
14. Are there functions which need greater national co-ordination or which would make sense to organise and run nationally (while still being delivered locally)?
15. How can the police service take advantage of private sector expertise to improve value for money, for example in operational support, or back office functions shared between several forces, or with other public sector providers?
16. Alongside its focus on organised crime and border security, what functions might a new National Crime Agency deliver on behalf of police forces, and how should it be held to account?
17. What arrangements should be in place in future to ensure that there is a sufficient pool of chief officers available, in particular for the most challenging leadership roles in the police service? Is there a role for other providers to provide training?
18. How can we rapidly increase the capability within the police service to become more business-like, with police leaders taking on a more prominent role to help drive necessary cultural change in delivering sustainable business process improvement?

#### **Chapter 5. Tackling crime together**

##### **Consultations questions:**

19. What more can the Government do to support the public to take a more active role in keeping neighbourhoods safe?
20. How can the Government encourage more people to volunteer (including as special constables) and provide necessary incentives to encourage them to stay?
21. What more can central Government do to make the criminal justice system more efficient?
22. What prescriptions from Government get in the way of effective local partnership working?
23. What else needs to be done to simplify and improve community safety and criminal justice work locally?

## APPENDIX B

**Table 1: New roles for key individuals and organisations**

<p><b>Police and Crime Commissioners</b></p>	<p>Will be powerful representatives of the public in policing with a clear mandate. They will represent and engage with the public, set local policing priorities, agree a local strategic plan, hold the Chief Constable to account set the force budget and precept, appoint the Chief Constable and where necessary dismiss the Chief Constable.</p>
<p><b>Police and Crime Panels</b></p>	<p>Will, ensure there is a robust overview role at force level and that decisions of the Police and Crime Commissioners are tested on behalf of the public on a regular basis. They will be made up of locally elected councillors from constituent wards and independent and lay members who will bring additional skills, experience and diversity to the discussions They will hold confirmation hearings for the post of Chief Constable and be able to hold confirmation hearings for other appointments made by the Commissioner to his staff, but without having the power of veto. However, they will have a power to trigger a referendum on the policing precept recommended by the Commissioner.</p>
<p><b>Community Safety Partnerships (CSPs)</b></p>	<p>These partnerships bring together the various agencies with responsibility for community safety. By repealing some of the regulations for CSPs, and leaving the helpful core statutory duty on those key partners to work together, CSPs will have the flexibility to decide how best to deliver for their communities. We are considering creating enabling powers to bring together CSPs at the force level to deal with force wide community safety issues and giving Commissioners a role in commissioning community safety work. In Wales, we will work with the Welsh Assembly Government to agree what changes are needed.</p>
<p><b>Association of Chief Police Officers (ACPO)</b></p>	<p>Will become the national organisation responsible for providing the professional leadership for the police service, by taking the lead role on setting standards and sharing best practice across the range of police activities. It will also play a leading role in ensuring that Chief Constables drive value for money. It will be expected to show strong leadership in promoting and supporting the greater use of professional judgement by police officers and staff. It will have a governance structure which will include a key role for Police and Crime Commissioners.</p>
<p><b>National Crime Agency</b></p>	<p>Will lead the fight against organised crime and the protection of our borders. It will harness and exploit the intelligence, analytical and enforcement capabilities of the existing Serious Organised Crime Agency (SOCA), but better connect these capabilities to those within the police service, HM Revenue and Customs, the UK Border Agency and a range of other criminal justice partners.</p>



	<p>The Agency will be led by a senior Chief Constable and encompass a number of 'commands', including:</p> <ul style="list-style-type: none"> <li>• Organised crime - responsible for improving what we know about the threat from organised crime; providing effective national tasking and coordination; and ensuring more law enforcement activity takes place against more organised criminals at reduced cost</li> <li>• Border Policing – responsible for coordinating and tasking border enforcement operational staff, working to a national strategy, including an assessment of risks and priorities</li> </ul> <p>The Agency may also take responsibility for other national policing functions, including some of those presently carried out by the National Policing Improvement Agency, which will be phased out.</p> <p>The Agency will be subject to robust governance arrangements, which will link to the role played by Police and Crime Commissioners.</p>
<p><b>Her Majesty's Inspectorate of Constabulary (HMIC)</b></p>	<p>Will be a strong independent Inspectorate, which through light touch inspection regimes will provide the public with objective and robust information on policing outcomes and value for money locally to help them make informed judgements on how well Police and Crime Commissioners and their forces are performing. They will advise the Home Secretary where it is in the national interest to direct forces to collaborate.</p>
<p><b>Independent Police Complaints Commission (IPCC)</b></p>	<p>Will investigate complaints about the misconduct of Commissioners and be able to trigger recall. Will support the police to learn lessons and deliver a better service to the public.</p>

**Agenda Item No 11**

**Executive Board**

**14 September 2010**

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

**Interim Planning Policy Statement**

**1 Summary**

- 1.1 This report outlines the recent changes to the Planning system and sets out the Borough Council's planning policy stance in order to give clarity to residents, landowners, developers and other stakeholders on how the Council will consider development proposals. A Draft Interim Planning Policy Statement has been prepared and will be taken into account as a relevant material consideration in determining planning applications.

**Recommendation to Council**

- a That the Draft Interim Planning Policy Statement be approved for consultation;**
- b That representations be brought back to Board;**
- c That the Interim Planning Policy Statement be considered as a material planning consideration; and**
- d That the Statement be kept under review as further changes are announced.**

**2 Consultation**

**2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members**

- 2.1.1 The LDF Advisory Panel have been consulted as part of developing the Planning Policy Statement. A verbal update will be given at the meeting.

**3 Report**

- 3.1 This report outlines the recent changes to the Planning system and sets out the Borough Council's planning policy stance in order to give clarity to residents, landowners, developers and other stakeholders on how the Council will consider development proposals. The Government has announced that consultation will take place on further changes and so the Council's stance will need to be kept under review.

### 3.2 *The Development Plan*

3.2.1 The Government announced on the 6 July that Regional Strategies have been revoked. As a consequence the 2008 Regional Spatial Strategy (“RSS”) is no longer part of the Development Plan. The Development Plan now consists of the saved policies from the Warwickshire Structure Plan 1996-2011 (“Structure Plan”) and the North Warwickshire Local Plan 2006 (“Local Plan”). In addition there are saved policies from the Minerals and Waste Local Plans. Appendix A of the Interim Statement gives the complete list of saved policies from the above plans.

3.2.2 Central Government has confirmed that although the RSS has been revoked, “evidence that informed the preparation of the revoked Regional Strategies may also be a material consideration, depending on the facts of the case”. Therefore each situation will depend on the Development Plan, the evidence but not the RSS directly, the development proposal itself and any other material considerations.

3.2.3 The LDF process allows for other documents to be prepared and these include Development Plan Documents (which will include the Core Strategy), Area Action Plans, and Supplementary Planning Documents. Draft design briefs have been prepared for the current allocated housing & employment sites from the Local Plan. There are also Supplementary Planning Guidance’s and these are listed in the Interim Planning Policy Statement. All of these will be material consideration in the determination of planning applications.

### 3.3 *Plan Period*

3.3.1 The RSS plan period covered 2006 to 2026. Now that it has been revoked it is necessary to be clear on the Plan period that the Council will use. Initially, it is recommended that 2026 remains as much of the evidence aligns with this date. However, once it is clear when the likely adoption date of the Core Strategy will be, it will be important that this is reviewed to ensure a 15 year post adoption period.

### 3.4 *Issues*

3.4.1 The Borough Council when developing its planning policies needs to consider the wider implications of these policies on the local area. Within the Interim Planning Policy Statement it is proposed to include a section detailing the key issues that the Council considers are important for the locality. For example: the issues contained in the Sustainable Community Strategy of access to services and facilities and skills. These are detailed in Section 5.

### 3.5 *Targets*

3.5.1 The RSS set out what the Borough should provide in terms of housing numbers and the amount of employment land. The Borough Council now

needs to decide what figures it is going to use. The following sections consider the available figures and the proposed approach.

### 3.6 *Housing*

- 3.6.1 The Preferred Option of the RSS gave a housing target of 3,000 new homes (up to 2026). This figure came about due to collaborative work with other authorities from the Coventry, Solihull Warwickshire sub-region. The thrust of the strategy was for the regeneration of Coventry, allowing for growth in a north / south corridor (Nuneaton to Warwick) and to protect the rural north and south of the County with more limited growth. Joint working is continuing with partners from the sub-region and the Council would wish to continue to give its support for a sub-regional strategy that accepts the need to protect and improve the rural nature of the Borough, whilst continuing with an approach of catering for local needs and that major growth is delivered elsewhere in the sub-region. It was recommended in the RSS Panel report, following the Examination in Public that the Borough's housing figures should remain at 3000 to 2026.
- 3.6.2 With the abolition of the RSS the Borough Council can decide to continue with the RSS figures or agree an alternative. The only determining factor is that there must be evidence, which is up to date, to support the figures. There are other sources of household projections/ information:
- In September / October time the national household projections should be published with more detailed information being made available in spring 2011. These will update the 2004 and 2006 Household projection figures.
  - The 2011 Census will also provide some information but this will not be available until later in 2011.
  - The Housing Market Assessment (2008) which looked at both the affordable and market housing areas. For North Warwickshire the Housing Market Assessment indicated a figure of 4,000 by 2029. The annual requirement would thus be 174 per annum. To bring this end date in line with the RSS (2026) the amount of housing required would be just below 3500.
- 3.6.3 The Council is required to maintain a five-year housing supply as required in *PPS3-Housing*. The guidance prepared to say how this is to be worked out is now no longer available on either the Inspectorate or CLG websites. Advice from GOWM is that we should still provide a five year supply and it is up to us to demonstrate the evidence to say that we have a five year supply.
- 3.6.4 The following table using 3000 as the requirement shows the annual housing requirement, which over the Plan period equals to 150 units per annum. However taking in to account what has already been completed up to March 2010 this requirement increases to 155.75 units per annum.

		Dwellings Net	Average Dwellings per annum
a)	Housing requirement 2006-2026 (3000 ÷ 20 yrs=)	3000	150
b)	Net additions to stock 2006-2010 (4 years)	508	
c)	Residential net requirement for 20010-2026 (16 yrs)	2492	155.75
d)	Requirement for 5 years 2011- 2016	778.75	(155.75 x 5)

Table 1: Five years Housing Requirement based on the requirement of 3000 between 2006 - 2026 (Net)

3.6.5 Looking at now at what can be delivered the following table details the various categories of sites.

<b>Existing Housing Supply</b>	
Sites	No of Potential Units
With Planning Consent (Outline & Full) not started	457
With Planning Consent Under Construction	116
Allocated Local Plan Sites	206
<b>Total 5 yr housing supply</b>	<b>779</b>

Table 2: Showing the Existing Supply of housing

3.6.6 There is therefore a five year housing supply from the existing supply. (The total five year supply equates to (d) in Table 1)

<b>Additional Potential Housing Supply</b>	
Local Authority Owned sites within the development boundaries under discussion	160
Private Sites within development boundary under discussion	30
Outstanding Applications subject to signing of S106 Agreement	37
Green Belt exceptions site	11
<b>OVERALL POTENTIAL TOTAL</b>	<b>238</b>

Table 3: Showing the Additional Potential Supply of Housing

3.6.7 Non-delivery of sites may be highlighted as an issue. Having looked at other potential sites that are currently being discussed, and are likely to come forward within the next five years, there is a further potential of at least 238 units (Table 3). Therefore there is confidence that a five year housing supply is being and can be maintained.

3.6.8 It is recommended that the housing figure to be adopted is 3000 dwellings up to 2026 as proposed by the RSS review. The RSS evidence was based on a sub-regional strategy that is still progressing as sub-regional partners are continuing to work together.

3.6.9 The Government has announced that they intend to introduce an incentive scheme to encourage Council's to bring forward additional housing land. This may take the form of being able to retaining up to 6 years of Council tax. A further report will be brought before members when more information becomes available.

### 3.7 *Employment*

3.7.1 The West Midlands Regional Assembly prepared a paper called "*Employment Land Provision, Background Paper, revised version March 2009*", explaining where and how the employment figures for the region were devised. The Regional Assembly used mainly the past trends methodology to arrive at this figure. This essentially looked at the amount of development that had taken place in the past and projects this forward into the future. However in the case of North Warwickshire this was skewed by the large amount of development that had taken place so taking this in to consideration and following discussions with the Council the Preferred Option of the RSS gave the Borough an employment target of 33 hectares of new employment land (up to 2021), with a rolling five year requirement of 11 hectares.

3.7.2 This was based on a calculation whereby the amount of housing numbers and employment land were linked. The housing requirement of 3,000 dwellings was divided in to five yearly segments to give a 5 year requirement of 750 dwellings for which a supporting employment need of 11 hectares of employment land were equated. Therefore up to 2021 (three 5 year periods) the requirement was 33 hectares. It was recommended in the Panel report, following the Examination in Public, that the Borough's new employment land would be increased to 44 hectares so that the plan period would be the same for both housing and employment (i.e. 4 x five year periods = 2026). There is no further update information that could be used to evidence a higher or lower figure at the present time.

3.7.3 The Borough Council wants to reflect the key priorities from the Sustainable Community Strategy in considering future development. Therefore in terms of the type of employment land an emphasis will be placed on B1 / B2 including highly skilled businesses, catering for local needs to assist in the delivery of jobs for the current and aspirational skill levels of the locality.

3.7.4 The Borough's employment land requirement will remain as 44 hectares for the period up to 2026. The Council will prioritise the delivery of employment land that delivers a full range of skills.

### 3.8 *Other issues*

3.8.1 At the present time there are other issues that it would be useful for the Council to indicate what its stance would be. Initially these relate to the issues of RLS (regional logistics sites) and Gypsy and Traveller accommodation.

### 3.9 *Regional Logistics Sites (RLS)*

- 3.9.1 Although the abolition of the RSS means that there are now technically no “regional” logistic sites, the evidence that underpinned the RLS policy, PA9, and its proposed revision, including the Panel Report and the Regional Logistic Sites Studies, point to a large requirement for the West Midlands region. The Council, in its evidence to the RSS Inquiry, stated its opposition to the level and need of further RLS provision. However the Panel Report stated that 40 hectares at Birch Coppice and 20 hectares at Hams Hall should be considered as part of the baseline figure for the West Midlands and no further requirement was placed on North Warwickshire to provide any further sites.
- 3.9.2 In relation to Birch Coppice the planning was approved for a 40 hectare expansion on 16 August 2010.
- 3.9.3 In relation to Hams Hall the situation is different in that the site lies within the Green Belt. Given the abolition of the RSS and the Government policy of returning control over planning matters to District/Borough Council, the Council considers that it has now made adequate RLS provision within the Borough and that no further provision is necessary, particularly given the policy detailed below on the importance of Green Belt land.

### 3.10 *Green Belt*

- 3.10.1 The Green Belt covers over half of the Borough and is very important to maintaining the rural character of the Borough as well as stemming urban sprawl. In the Interim Planning Policy Statement it is recommended to restate the Council’s commitment to the Green Belt in pursuit of these aims and that it attaches the highest importance to the prevention of inappropriate development in the Green Belt unless very special circumstances exist. This approach is fully supported by Central Government.

### 3.11 *Gypsy and Travellers*

- 3.11.1 The needs of the Gypsy and Traveller community were to be considered in Phase Three of the RSS review. Although a paper was prepared by the West Midlands Regional Assembly before it was abolished in April 2010 there was no public consultation taken on it. The Borough Council have carried out, with other authorities along the A5 corridor, a Gypsy and Traveller Accommodation Assessment (GTAA) which identified the need for an additional 27 residential pitches and for 5 transit pitches for Gypsies and Travellers up to 2026. Therefore, the Council will use the evidence from the GTAA and take this forward in developing its Development Plan Documents to ensure there is a supply of sites.

### 3.12 *Transport Issues*

- 3.12.1 Reference is made in this section to the draft proposal for the high speed link from London to Birmingham and beyond. Once the route has been formally announced a report will be brought back to members and the route will be safeguarded. In the meantime the Council will continue to work with other

affected authorities to ensure that information is given and available to local communities.

### 3.13 *Outside Issues and influences*

3.13.1 Discussions are on going on a number of issues and in particular around housing and the economy and these are being reported to the Executive Board. Clearly, the Council will need to consider issues that don't, wholly or partially, arise from needs of the Borough. These have traditionally been dealt with at a regional or a county level. However until national policy on this becomes clearer the Council will give less weight to proposals the need for which originate outside of the Borough and that this will be particularly so if those proposals conflict with the Council's view on the Green Belt, distribution of development, housing and employment provision.

3.13.2 Examples of cross-border / regional issues are the provision of logistics sites, consideration of the needs of Tamworth, waste facilities for the County, provision of a site for travelling show people, minerals.

### 3.14 *Future Work Programme*

3.14.1 The Local Development Scheme outlines the documents that the Borough Council will be preparing over the next three years. It is proposed that this is discussed with the LDF Advisory Panel and developed in to a revised Local Development Scheme taking in to account changes at both regional and national level. A report will be brought back to Board.

## 4 **Report Implications**

### 4.1 **Environment and Sustainability Implications**

4.1.1 A key role of the Interim Planning Policy Statement is to ensure that development is sustainable and that the rural nature of the Borough is maintained.

### 4.2 **Human Resources Implications**

4.2.1 The Forward Planning Team and the Development Control Team will work to prepare the design briefs for the allocation sites.

### 4.3 **Links to Council's Priorities**

4.3.1 This report is linked to all the Council priorities.

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

### **Background Papers**

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

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



# Interim Planning Policy Statement

## September 2010

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### 1 ***Introduction***

- 1.1 This Statement sets out the Borough Council's policy stance in order to give clarity to residents, landowners, developers and other stakeholders on how the Council will consider development proposals. The Government has announced that consultation will take place on further changes and so this Interim Statement will need to be kept under review.

### 2 ***The Development Plan***

- 2.1 The Development Plan for North Warwickshire consists of:
- saved policies from the Warwickshire Structure Plan 1996-2011 ("Structure Plan")
  - saved policies from the North Warwickshire Local Plan 2006 ("Local Plan")
  - saved policies from the Minerals Local Plan; and,
  - saved policies from the Waste Local Plan.
- Appendix A has the full list of saved policies.

### 3 ***Other Material Considerations***

- 3.1 In addition to the Development Plan there are other documents that the Council will take account of as material considerations when considering proposals for development. These include national planning statements / guidance, as well as documents the Borough Council has prepared. This includes the following:

*Adopted Supplementary Planning Guidance:*

- A Guide for the Design of Householder Developments (2003)
- A Guide for Shop front Design (2003)
- A Guide for the Design of Lighting Schemes (2003)
- Supplementary Planning Guidance for Water Orton (2003)
- Father Hudson's Development Brief (2005)

*Adopted Supplementary Planning Documents:*

- Affordable Housing SPD (2008)
- Creation of the Affordable Housing SPD

*Draft Supplementary Planning Documents:*

- Draft Green Space Strategy (in progress)
- Design Briefs for Local Plan Allocated sites (in progress)
  - Site at Father Hudson's Society, Coleshill
  - Site at Britannia Mill, Atherstone
  - Site at Birch Coppice, Dordon
  - Site at Holly Lane, Atherstone

- 3.2 In addition although the Regional Spatial Strategy has been revoked, "evidence that informed the preparation of the revoked Regional Strategies may also be a material consideration, depending on the facts of the case". (Source: *letter from Eric Pickles*)

# Interim Planning Policy Statement

## September 2010

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### 4 ***Plan Period***

- 4.1 The Borough Council will use the plan period 2006 to 2026. Targets and evidence will be aligned to these dates wherever possible. This will be reviewed once the potential adoption of the Core Strategy is known to ensure at least a 15 year plan-period.

### 5 ***Key Local Issues***

- 5.1 There are some key local issues that the Council considers are priorities that in the absence of an adopted Core Strategy should be highlighted:
- 5.2 Affordable Housing: The provision of locally affordable housing continues to be a key issue that will be pursued through the relevant saved local plan policies as well as the Local Investment Plan.
- 5.3 Rural Services: The Council sees the viability and vitality of its settlements as key to maintaining thriving communities in this rural Borough and will be pursued through the relevant saved local plan policies
- 5.4 Local Employment: Low education attainment and low aspirations are issues that are reflected in the key priorities from the Sustainable Community Plan. Improving the skills and aspirations of the local area will be a key driver.
- 5.5 Quality of Development: The saved policies from the Local Plan do require quality developments but developers have often found this hard to express and then deliver. The Council places emphasis on developments contributing to the local distinctiveness of this rural area and ensuring that developments are built to the highest quality in terms of its design; are of an appropriate scale for a rural area; creating soft urban edges and providing high quality landscaping. Ensuring materials used in schemes are sustainable is also important and is linked to the next key issue.
- 5.6 Climate Change: The previous issue and this one are inter-linked. Looking after the resources we have and ensuring their long-term sustainability is very important. Developments should be of the highest energy saving and lowest energy consumption possible looking to use BREAM standards, the Code for Sustainable Homes, renewable sources of energy, energy efficient materials in all developments.
- 5.7 Targets: It is now up to the Borough Council to decide what figures it is going to use. The amount of housing numbers and employment land that the Borough should provide in terms of targets are discussed below. The only determining factor is that there must be evidence, which is up to date, to support the figures.

## Interim Planning Policy Statement September 2010

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5.8 The Distribution of Development: Development within the Borough will continue to be distributed based on the saved Core Policy CP2.

### 6 ***Housing***

6.1 There are sources of household projections/ information. These range from the Housing Market Assessment as well as household projections. Around September / October national household projections should be published with more detailed information being made available in spring 2011. These will update the 2004 and 2006 Household projection figures. The 2011 Census will also provide some information but this will not be available until later in 2011. The Housing Market Assessment (2008) looked at both the affordable and market housing areas. For North Warwickshire the Housing Market Assessment indicated a figure of 4,000 by 2029. The annual requirement would thus be 174 per annum. To bring the date in line with the RSS (2026) the amount of housing required would be just below 3500.

6.2 The Preferred Option of the RSS gave a housing target of 3,000 new homes (up to 2026). This figure came about due to collaborative work with other authorities from the Coventry, Solihull Warwickshire sub-region. The thrust of the strategy was for the regeneration of Coventry, allowing for growth in a north / south corridor (Nuneaton to Warwick) and to protect the rural north and south of the County with more limited growth. Joint working is continuing with partners from the sub-region and the Council would wish to continue to give its support for a sub-regional strategy that accepts the need to protect and improve the rural nature of the Borough, balanced with an approach of catering for local needs.

6.3 The Borough Council will continue to work with sub-regional partners so the Borough's housing requirement will remain as 3000 for the period up to 2026.

### 7 ***Employment***

7.1 The Preferred Option of the RSS gave the Borough an employment target of 33 hectares of new employment land (up to 2021), with a rolling five year requirement of 11 hectares. This was based on a calculation whereby the amount of housing numbers and employment land were linked. The housing requirement of 3,000 dwellings was divided in to five yearly segments to give a 5 year requirement of 750 dwellings for which a supporting employment need of 11 hectares of employment land were equated. Therefore up to 2021 (three 5 year periods) the requirement was 33 hectares. It was recommended in the Panel report, following the Examination in Public, that the Borough's new employment land would be increased to 44 hectares so that the plan period would be the same for both housing and employment (i.e. 4 x five year periods = 2026). There is no further update information that could be used to evidence a higher or lower figure at the present time.

## Interim Planning Policy Statement September 2010

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- 7.2 The Borough Council wants to reflect the key priorities from the Sustainable Community Strategy in considering future development. Therefore in terms of the type of employment land an emphasis will be placed on B1 / B2 including highly skilled businesses, catering for local needs to assist in the delivery of jobs for the current and aspirational skill levels of the locality.
- 7.3 The Borough's employment land requirement will remain as 44 hectares for the period up to 2026. The Council will prioritise the delivery of employment land that delivers a full range of skills.

### 8 ***Other issues***

#### 8.1 *Regional Logistics Sites (RLS)*

8.1.1 Although the abolition of the RSS means that there are now technically no "regional" logistic sites, the evidence that underpinned the RLS policy, PA9, and its proposed revision, including the Panel Report and the Regional Logistic Sites Studies, point to a large requirement for the West Midlands region.

8.1.2 The Council, in its evidence to the RSS Inquiry, stated its opposition to the level and need of further RLS provision. However the Panel Report stated that 40 hectares at Birch Coppice and 20 hectares at Hams Hall should be considered as part of the baseline figure for the West Midlands and no further requirement was placed on North Warwickshire to provide any further sites.

8.1.3 This need for further RLS provision was a material consideration when considering the planning application for the further development of Birch Coppice. On 16<sup>th</sup> August 2010 the Council decided to approve the planning application for a 40 hectare expansion at Birch Coppice.

8.1.4 Given the abolition of the RSS and the Government policy of returning control over planning matters to District/Borough Council, the Council considers that it has now made adequate RLS provision within the Borough and that no further provision is necessary, particularly given the policy detailed below on the importance of Green Belt land. In addition, to encourage local job opportunities and improve local skills the Council would consider changes from B8 to B1/ B2 uses, where appropriate.

#### 8.2 *Green Belt*

8.2.1 As the Local Plan states, sustainable development is the primary planning policy in North Warwickshire. Development restraint will help protect and enhance the Borough as an area of pleasant countryside with Market Towns and local service centres by preventing the incursion of nearby urban areas. This will benefit those who currently live in, work in and visit the Borough and

## **Interim Planning Policy Statement September 2010**

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future generations and ensure that development more appropriate to urban areas goes there.

8.2.2 The Council in this interim planning statement wishes to restate its commitment to the Green Belt in pursuit of these aims and attaches the upmost importance to the prevention of inappropriate development in the Green Belt unless very special circumstances exist. It supports the five objectives of the Green Belt, but, in particular, sees the prevention of urban sprawl as important.

### **8.3 Gypsy and Travellers**

8.3.1 The needs of the Gypsy & Traveller community were to be considered in Phase Three of the RSS review. Although a paper was prepared by the West Midlands Regional Assembly before it was abolished in April 2010 there was no public consultation undertaken. In addition, the Council is awaiting an appeal decision and this will inform future needs and policy. The Council will use its evidence when considering any applications.

### **8.4 Transport Issues**

8.4.1 The Government has announced a potential route of a High Speed Railway line (HS2) linking London to Birmingham and beyond. The Borough Council will work with other affected authorities to ensure that information is given and available to local communities. A report will be considered by the Council once the formal route has been announced for consultation. Once the route has formally been announced the route will be safeguarded.

### **8.5 Cross Border Issues**

8.5.1 Cross border issues will arise and the Council will expect evidence of the need for the development and a demonstration that the development can not be delivered elsewhere. Until national policy on this becomes clearer the Council will give less weight to proposals, the need for which originates outside of the Borough, and that this will be particularly so if those proposals conflict with its view on the Green Belt, housing and employment provision.

## **9 *Future Work Programme***

9.1 In view of the changes currently taking place a new work programme through the Local Development Scheme will be brought forward.

# Interim Planning Policy Statement September 2010

Appendix A

## Saved Policies

### Policies saved from Local Plan (adopted July 2006)

<b>2</b>	<b>LOCAL PLAN STRATEGY</b>
<i>CP1</i>	Social & Economic Regeneration
<i>CP2</i>	Development Distribution
<i>CP3</i>	Natural & Historic Environment
<i>CP5</i>	Development in Towns and Villages
<i>CP6</i>	Local Services & Facilities
<i>CP8</i>	Affordable Housing
<i>CP10</i>	Agriculture & the Rural Economy
<i>CP11</i>	Quality of Development
<i>CP12</i>	Implementation
<b>3</b>	<b>NATURAL &amp; BUILT ENVIRONMENT POLICIES</b>
<i>ENV1</i>	Protection & Enhancement of Natural Landscape
<i>ENV3</i>	Nature Conservation
<i>ENV4</i>	Trees and Hedgerows
<i>ENV5</i>	Open Space
<i>ENV6</i>	Land Resources
<i>ENV7</i>	Development of Existing Employment Land outside Defined Development Boundaries
<i>ENV8</i>	Water Resources
<i>ENV9</i>	Air Quality
<i>ENV10</i>	Energy Generation & Energy Conservation
<i>ENV11</i>	Neighbour Amenities
<i>ENV12</i>	Urban Design
<i>ENV13</i>	Building Design
<i>ENV14</i>	Access Design
<i>ENV15</i>	Heritage Conservation, Enhancement and Interpretation
<i>ENV16</i>	Listed Buildings, non Listed Buildings of Local Historic Value and Sites of Archaeological Importance (including Scheduled Ancient Monuments)
<i>ENV17</i>	Telecommunications
<b>4</b>	<b>HOUSING POLICIES</b>
<i>HSG1</i>	Housing Land Allocations & Proposals
<i>HSG2</i>	Affordable Housing
<i>HSG3</i>	Housing Outside Development Boundaries
<i>HSG4</i>	Densities
<i>HSG5</i>	Special Needs Accommodation
<b>5</b>	<b>ECONOMY POLICIES</b>
<i>ECON1</i>	Industrial Sites
<i>ECON2</i>	Employment Land
<i>ECON3</i>	Protection of Existing Employment Sites & Buildings within Development Boundaries

## Interim Planning Policy Statement September 2010

<i>ECON4</i>	Managed Workspace / Starter Units
<i>ECON5</i>	Facilities relating to the Settlement Hierarchy
<i>ECON6</i>	Site at Station Street including Former Hat Factory, Atherstone
<i>ECON7</i>	Agricultural and Forestry Buildings & Structures
<i>ECON8</i>	Farm Diversification
<i>ECON9</i>	Re-Use of Rural Buildings
<i>ECON10</i>	Tourism & Heritage Sites & Canal Corridors
<i>ECON11</i>	Hotels & Guest Houses
<i>ECON12</i>	Services & Facilities in Category 3 & 4 Settlements
<b>6</b>	<b>COMMUNITY FACILITIES POLICIES</b>
<i>COM1</i>	New Community Facilities
<i>COM2</i>	Protection of Land & Buildings used for Existing Community Facilities in the Main Towns & Market Town
<i>COM3</i>	Safeguarding Educational Establishments
<b>7</b>	<b>TRANSPORT POLICIES</b>
<i>TPT1</i>	Transport Considerations in New Development
<i>TPT2</i>	Traffic Management & Travel Safety
<i>TPT3</i>	Access and Sustainable Travel and Transport
<i>TPT4</i>	Public Transport Improvements & New Facilities
<i>TPT5</i>	Promoting Sustainable Freight Movement & Safeguarding Future Freight Opportunities
<i>TPT6</i>	Vehicle Parking
<i>TPT7</i>	Airport Parking

### **Policies saved from Minerals Local Plan for Warwickshire (adopted February 1995)**

M1	Areas of Search and Preferred Areas.
M4	Sand and Gravel Extraction in the context of Landbanks
M5	Sterilisation of Mineral Reserves
M6	Considerations and Constraints affecting Minerals Extraction
M7	Mitigation and Planning Conditions/Agreements
M9	Restoration of Mineral Workings
M10	Monitoring of Mineral Sites

### **Policies saved from Waste Local Plan for Warwickshire (adopted August 1999)**

1	General Land Use
3	Landfilling
5	Incinerators
6	Materials Recycling Facilities
9	Large Scale Composting
13	Proposed Facilities

## Interim Planning Policy Statement September 2010

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### Policies saved from Warwickshire Structure Plan (adopted August 2001)

<i>GD7</i>	Previously developed sites
<i>I2</i>	Industrial Land provision
<i>T10</i>	Developer contributions
<i>TC2</i>	Hierarchy of Town Centres
<i>T7</i>	Public Transport



**Agenda Item No 12**

**Executive Board**

**14 September 2010**

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

**Review of Area Forum Working**

**1 Summary**

- 1.1 This report informs Members of a review of Locality/Area Forum working conducted by Warwickshire County Council. The County Council has asked for comments and this report suggests a draft response.

**Recommendation to the Council**

- a That Members endorse the draft response; and**
- b Advise of any further comments or other amendments.**

**2 Report**

- 2.1 As Members will be aware, Area Forums have operated in the Borough for many years. Over the last 12 months, these Forums have been replicated elsewhere in the County and the County Council have undertaken a review to assess the effectiveness of the Forums.

... 2.2 Their draft report is attached as Appendix 1, together with a number of suggested comments in track changes. Two main issues arise and are commented on below.

- 2.3 Firstly, from officers' perspective, the Forums are extremely useful for engaging with Town/Parish Councillors and other people who are likely to attend public meetings of this sort. It is also acknowledged that some limited work is probably worthwhile in trying to make the meetings more welcoming, less formal and better publicised.

- 2.4 There are concerns however that in terms of the population as a whole the Forums are significantly unrepresentative. The report states that the average attendance at each Forum is 37 and it is presumed that this figure includes Borough and County Councillors, Officers from those Councils and the Police. However even taking this figure at face value suggests that across the 30 Forums only 1110 out of Warwickshire's population of 535,000 (or 0.2%) are engaged with the Forums. Officers are unable therefore to support the

statements in the report that the Forums “are now well attended” and are the “main route to community engagement” (page 20).

- 2.5 Whilst it would seem sensible to undertake some measures to improve the Forums it is not at all certain that doing all the things mentioned in the report (or anything else) would raise this level of attendance to a level that was representative of the Borough as a whole. It is generally accepted that the public have a limited interest in traditional, formal meetings and that better practice involves engaging people where they are rather than expecting them to come to us. Given the reduced level of officer resource available to the Council it would not be sensible to commit to work that has little chance of producing the aims set out in the report. To be clear, it is not being suggested that the current support to the Forums is stopped and the Assistant Chief Executive and Solicitor to the Council and the Policy Support Manager have been working with the County Council Area Office on ways to improve the Forum. It is suggested therefore that we inform the County Council that our commitment at this stage will be limited to this.
- 2.6 The other main issue is the suggestion that each Forum area will have a “Locality Plan” detailing the priorities for the area and how services can be delivered differently in each of the Areas. The report suggests that this might assist partners to deliver outcomes in a time of financial constraint.
- 2.7 The concerns are twofold. Firstly, no examples of services are given that might benefit from this approach. Whilst some may exist, in our Borough tailoring services to meet differential need is something that has been happening for some considerable time. For example, most of the work of our Community Development section is based on responding to areas of greatest need – Cook and Taste, Activities 4U, Call for Sport and Play Scheme work is all targeted to priority areas. However the important point is that it is not prioritised on a geographical basis but using data on issues like health and anti-social behaviour problems to target action to particular villages and towns. This is thought preferable to starting with the geographical area particular when it is not a “natural” or general accepted area.
- 2.8 Secondly, we already have a lot plans at different levels between partners. It is not clear how this would add to Parish/Town Plans, the North Warwickshire Sustainable Community Strategy (SCS), individual organisations’ Corporate Plans, the Countywide SCS and sub-regional work.
- 2.9 In both cases there is a real threat that another level of bureaucracy will be set up to try to achieve outcomes that are unlikely or that are already being achieved. Rather than assisting with reducing officer resource this may aggravate the problem.

### **3 Conclusions**

- 3.1 This Council’s commitment to Area Forums is well established and should continue. Various steps can be taken to increase the appeal and efficacy of these meetings, so that as many of the type of people likely to come to a

formal meeting do so. However efforts to more meaningfully engage with the public need even more than ever to be properly targeted.

- 3.2 Members are asked to indicate whether they support the approach detailed in the report and whether any amendments or additions should be added to the response to the County Council.

#### **4 Report Implications**

##### **4.1 Safer Communities**

- 4.1.1 Implications arising directly from the consideration of this report are as detailed and as part of the attached Warwickshire County Council Localities Review document.

##### **4.2 Environment and Sustainability Implications**

- 4.2.1 Implications arising directly from the consideration of this report are as detailed and as part of the attached Warwickshire County Council Localities Review document.

##### **4.3 Equalities**

- 4.3.1 Implications arising directly from the consideration of this report are as detailed and as part of the attached Warwickshire County Council Localities Review document.

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

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**Warwickshire County Council**  
**Localities Review**  
**July 2010**

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## Part One – Background and Overview

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Locality working is, in its simplest form, about community empowerment, community leadership and localised service delivery. The aim is to give a better understanding of place and priorities and to encourage service providers to work better together to improve life for residents.

Integral to the success of locality working is effective partnership working whereby a joined-up approach brings together solutions to issues of local significance. To make locality working successful, a wide range of organisations and agencies need to play their part, together with individuals and groups within the communities themselves.

The following report gives detail about how the Council and partners have worked to meet these aims over the past 12-18 months, identifying strengths, weaknesses and suggesting improvements which could be made.

### 1.1 Community Empowerment

Community empowerment is an outcome of effective community engagement and communication. It involves "shifting power, influence and responsibility away from existing centres of power and into the hands of communities and individual citizens" (*Communities in Control: Real People, Real Power*, *Communities and Local Government*, 2008). It encourages citizens to influence decisions about the communities in which they live and encourages people to take responsibility for tackling local issues.

The Local Government & Public Involvement in Health Act 2007 requires local government to involve local people in deciding local priorities which are then fed into wider plans encouraging a 'bottom up' approach to service delivery as opposed to the more traditional 'top down'.

This general direction of travel was further developed in the Department for Communities and Local Government publication *'Unlocking the Talent in our Communities'* (March 2008). This paper focuses on supporting the active involvement of citizens in:

- improving deprived areas through regeneration and promoting work and enterprise
- encouraging active citizenship, and reviving civic society and local democracy
- improving local public services by involving local users and consumers
- strengthening local accountability.

[*Communities in Control: Real People, Real Power* (July 2008), aimed to pass power into the hands of local communities, in order to generate vibrant local democracy, and to give control over local decisions and services to a wider pool of active citizens]

In December 2008, the government White Paper, 'Communities in Control: Real People, Real Power', was introduced into Parliament as the Local Democracy, Economic Development and Construction Act 2008. The Act "seeks to create greater opportunities for community and individual involvement in local decision-making". It details a further shift away from individuals as passive users of services to active participants in shaping their communities.

Subsequently the Coalition Government 'Programme for Government' (May 2010) shows a strong focus on decentralisation and localism together with the establishment of the 'Big Society' concept:

'The Government believes that it is time for a fundamental shift of power from Westminster to people. We will promote decentralisation and democratic engagement, and we will end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals'.

and

'We want to give citizens, communities and local government the power and information they need to come together, solve the problems they face and build the Britain they want. We want society – the families, networks, neighbourhoods and communities that form the fabric of so much of our everyday lives – to be bigger and stronger than ever before. Only when people and communities are given more power and take more responsibility can we achieve fairness and opportunity for all'.

## **1.2 Community Leadership**

Community leadership is the value that councils can bring to communities by performing a more visible role. This role brings together partner agencies, aims to join up local services, exercise influence, engage with citizens and create a shared vision for communities.

Effective community leadership involves more than the services and functions delivered by the council - it also includes securing a wide range of public services delivered locally by the private, voluntary and community sectors.

As far as Councillors are concerned, the full achievement of their community leadership role can and should be enhanced through locality working arrangements.

## **1.3 Localised Service Delivery**

Localised service delivery means tailoring services to meet local needs where needs are differentiated between one community and another and where adopting this approach delivers more effective and efficient services than traditional means. It is about moving away from centralised services, devolving decision making about services and in some instances the delivery of services.

Localisation is not however appropriate for all services. It is important for us to differentiate between those services where there are benefits accruing from localisation and those which should remain delivered at a different level. Also if we are to devolve decision making about services, we need to be clear to whom we are devolving decisions.

There are two distinct elements of the localisation agenda, firstly the localisation of the planning and design of services and secondly the localisation of the delivery of those services. Generally the local design and planning of services is central to localisation, whilst we do not always then need to organise these services on a local basis.

## **1.4 Locality Working in Warwickshire**

### **1.4.1 WCC Approach to Locality Working**

In May 2008, Warwickshire County Council agreed the establishment of 23 Localities and 26 Community Forums, adding to the 4 Area Forums that had already been established in the North Warwickshire area, with the intention of developing arrangements to support locally differentiated service planning and delivery within the twenty three Localities.

Specifics of the arrangements are as follows:

- 4 Localities with 4 Area Forums in North Warwickshire.
- 7 Localities with 7 Community Forums in Nuneaton and Bedworth
- 4 Localities with 6 Community Forums in Rugby
- 3 Localities with 6 Community Forums in Stratford
- 5 Localities with 7 Community Forums in Warwick

Each Locality is supported by a number of key officers from the various agencies working in that Locality (typically the Police, District / Borough Council and County Council).

#### **a) Warwickshire County Council**

Each Locality is supported by WCC Officers through the following arrangements:

One Head of Service (WCC) is allocated to each of the Localities. The work of these Heads of Service is co-ordinated through a Strategic Director, one of whom is allocated to each District or Borough. The Head of Service role within the Locality is to:

- Ensure full support for elected members and key partners in the Locality
- Ensure the establishment and delivery of a Locality Plan
- Champion the process of community engagement through the Community Forums
- Act as a senior contact for partners in the locality (likely to be exceptional circumstances)
- Assist in securing the coordination and coherence of the Council's Officer team allocated to the Locality
- To act as an 'unblocker' when dealing with matters arising from Community Forums

The County Council's Localities and Communities Area Teams:

- Implement the agreed corporate framework for locality working
- Co-ordinate localised service planning and delivery
- Co-ordinate community engagement through the Community Forums alongside the District / Borough Council, Police and health providers.
- Support elected members in their community leadership role
- Provide appropriate guidance and support for the Strategic Director and Heads of Service

- Co-ordinate and support locally differentiated service planning and delivery - including shared responsibility for the District/Borough LSP

#### **b) District/Borough Councils**

Arrangements vary from area to area. However, each District/Borough Council is now playing a full and active role in the locality arrangements for Warwickshire or have continued this role where they were already in existence. Many District and Borough Councils have allocated a senior member of staff to each Community Forum to deal with issues arising from the Forums (through response or delegated action). Many of the Community Forums have been chaired by District / Borough Councillors. In three of the five areas of the county (North Warwickshire, Nuneaton and Bedworth and Warwick, the administrative support for the forums is shared between the District /Borough and County Councils.

#### **c) Town and Parish Councils (TPCs)**

There is now a good engagement of and participation from Town and Parish Councils. Again, practice varies from forum to forum, but there is a growing number of TPCs which support locality working both through the attendance of representatives at meetings and in providing additional support to the administration of the forum.

In Warwick District, representatives of the Town Councils chair three of the seven Forums.

#### **d) Warwickshire Police and Warwickshire Police Authority**

The Police and Police Authority support a collaborative approach to locality working and have ensured that the 'Police And Communities Together (PACT)' process has merged with the Community Forums in all former PACT areas (with the exception of the town centre PACTs in Rugby and Leamington Spa).

Safer Neighbourhood areas are now mainly coterminous with the Locality boundaries and the Community Forum meetings are supported by the following officers:

- Police Inspector or Chief Inspector who provides strategic detail on local policing
- Safer Neighbourhoods Team Sergeants or Police Constables who provide information and crime statistics and help to identify local priorities for the Safer Neighbourhoods Team to work towards in the coming three months.

The Police Authority allocates one of its members to each of the forums and uses the intelligence arising from the forums.

#### **e) NHS Warwickshire**

There has been slow progress in bringing about the involvement of NHS Warwickshire in the locality arrangements.

NHS Warwickshire has now agreed to allocate an individual manager to each of the Community Forums. This is being taken forward over three phases, with the first ten managers identified, inducted and allocated in July 2010. Dates have been agreed for the second and third phases and it is anticipated that an individual manager will have been allocated to each of the Community Forums by the end of September 2010.



Finally, it has been agreed that the Director of Public Health will present his annual report to representatives of the Community Forums and other local stakeholders at 6 events to take place during September and October 2010. This series of events will give local people the opportunity to comment on the report and put forward their views about local health issues.

**f) Voluntary and Community Sector**

The engagement of the VCS with locality working and the Forums has been limited to date with perhaps the best example being the involvement of Warwickshire Community and Voluntary Action (WCAVA) with Community Forums in Warwick area and North Warwickshire where the organisation worked with the Localities and Communities team to provide funding advice surgeries to local groups prior to Forum meetings.

.Some respondents to the questionnaire pointed out the desirability of forging closer worker links with WCAVA and other umbrella bodies to encourage the engagement of local Community and residents Associations in Forum meetings and/or ensuring that their views on local priorities are fed into the development of locality pledges and plans.

In both Rugby and Warwick areas the delivery of community champions programmes to local people have assisted the development of the Forums.

## **Part Two - Aims and Methodology**

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### **2.1 Aims of the Review**

The aims of this review are to evaluate the effectiveness of locality working, including the Community Forums over the last full 12 months of their operation. The outcomes of the review should include:

- Evaluation of the success of Community Forums in improving communications with the communities of Warwickshire, including excluded / hard to reach groups.
- Evaluation of the effectiveness of the support arrangements for each Community Forum.
- Evaluation of the effectiveness of directorate and partner involvement in and commitment to locality working.
- Evaluation of the effectiveness of Community Forum Chairs.
- Evaluation of the effectiveness of the partnership approach, in particular with District and Borough Councils, Warwickshire Police, Warwickshire Police Authority, the voluntary and community sector and Town and Parish Councils.
- Assessment of the effectiveness of our shared work in developing Locality Plans
- Investigation of broader methods of engagement including social media.
- Investigation into the appetite for delegation of funding / other powers to the forums
- Assessment of resources required to service the infrastructure

### **2.2 Research Methodology**

The following methods were used to achieve the aims outlined above:

a) Factual analysis of the following:

- Public attendance levels of each forum since September 2008
- Listing and analysing the range of issues raised by the public.
- The effectiveness of responses / resolution of issues raised by forum attendees

b) Through meetings and discussions with the following:

- WCC Area Teams
- Forum Chairs and County Councillors
- District/Borough Council Officers
- Representatives of Town and Parish Councils
- Police
- Police Authority
- NHS Warwickshire

c) By questionnaires to the following:

- Community Forum participants
- Borough/ District Council Lead Officers
- County Council Strategic Directors and Heads of Service
- District/Borough and Parish/Town Councillors

## Part Three - Findings

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Most respondents to the questionnaires and those interviewed have had an overall positive experience of the Community Forums. Most felt that actions from the meeting have a positive difference and appreciated the opportunity to meet with their Councillor, officers and other representatives. Respondents strongly felt that agenda items were of interest and they are better informed about local issues as a result of attending their Community Forum.

### 3.1 Community Engagement

#### 3.1.1 Attendance

Statistics show that attendance at Community Forums is mixed, with an average attendance of 37. Some of the Forums regularly attract 60 members of the public, whereas some attract an average of 10. Forums in the rural areas generally have lower attendance. It was felt that this may be due to them covering larger areas and being less densely populated than the urban areas. Members of the public are less likely to travel greater distance to attend a public meeting and don't always associate themselves with issues in a village some miles away.

#### 3.1.2 Representation

Responses showed that many felt that more effort was needed to engage young people, communities of interest groups, older residents, ethnic minority groups and those who are not otherwise involved in community life. 65% of respondents felt that the people who attend the forums are not representative of the local community and that this could be improved by improved publicity, targeting key groups or relevant topics on the agenda, holding the meetings at the right time and place, addressing barriers to attendance (e.g. child care, transport issues) and through improved engagement of the third sector and Local Councils.

On the issue of the link between forums and other local engagement opportunities 47% of respondents were either fairly dissatisfied or very dissatisfied. They felt that better use could be made of other events (including Councillors' surgeries, resident group / community group / Neighbourhood Watch meetings, road shows and travelling surgeries), community groups and Local Councils.

Local (i.e. Town and Parish) Councils are generally well represented at Community Forums in the parished areas of the county. This gives the opportunity for local councillors to advocate the views of their parish / town and ensure linkages with matters like the parish planning process. In general terms, public attendance at the more rural community forums is lower than elsewhere and further efforts need to be made, in partnership with Town and Parish Councils to address this.

A consistent view is that efforts should be made to engage with those who are unable to attend Community Forums or those who choose not to. This includes older residents, those with mobility issues, those with poor access to transport and those with caring responsibilities.

#### 3.1.3 Methods of engagement

Alternative methods of engagement have been explored, including the use of social media. A pilot project using the 'Ning' platform in Rugby gave mixed results. Where a specific item was being consulted on, engagement and feedback was good, with lively debate being generated. Where no specific issues were being discussed, engagement was not as good, with few posting comments and suggestions. It was

felt that further exploratory work should be done around the more common social media platforms such as Facebook and Twitter in addition to utilising the WCC 'Wombat' software to provide information regarding local service delivery.

In addition to e-communications, there is a need to diversify and improve existing communications and engagement initiatives to ensure that attendees of the Forums reflect the diverse nature of our communities. Practice differs across the County but communication initiatives include the production of posters, fliers and information booklets, newspaper and radio press releases detailing current work around the Forums and utilising the existing networks of community based workers such as Community Development Workers, Police Community Support Officers, Extended Schools Cluster Co-ordinators and Housing Support Workers.

Some respondents suggested that targeted events should be held for specific groups in the community, for example holding a forum for older people in a local day centre / luncheon club. In relation to young people, there is support for the idea of representatives from the Community Forums attending locally delivered Youth Forum events to make links between the two bodies.

### **3.1.4 Publicity and promotion**

It is widely recognised that publicity of the forums needs to be improved. To ensure that all residents are aware of the forums and able to contribute, respondents and those interviewed suggested that this should be a key area for development.

54% of respondents felt that current publicity and methods of promotion around Community Forums was either 'not very effective' or 'not effective at all'. Of the methods used there was a strong feeling that word of mouth, local press coverage, posters/fliers and use of public notice boards were the most effective.

Numerous suggestions were made regarding how communications could be improved. These included:

- Improved and innovative use of E Communications such as Facebook, Twitter, e-mails and more predominant features on websites,
- Better utilisation of the media including local radio, press releases, regular features in newspapers, more newsletters (Borough/District/Town/Parish), and a greater prominence in Warwickshire View.
- Improved traditional paper methods including ensuring a leaflet drop to households, distribution through libraries, community venues such as GP surgeries and schools and distributing information with the council tax notifications.
- Via other organisations, e.g. WCAVA, residents and community associations and WREP
- Improved co-operation between partners' communications teams.

## **3.2 Approach**

There is no one size fits all approach to Locality Working, with distinctly different approaches being taken in rural areas, deprived urban areas and the more affluent urban areas. In addition to this, areas where there are specific 'communities of interest' may benefit from an altogether different approach. This is seen as strength of Locality Working in that the responses from the agencies can and should be tailored depending on the local demographic and local issues.

### **3.2.1 Partnership Working**

The Warwickshire Peer Review (March 2010) was supportive of the approach to locality working and made recommendations that partnership working in Warwickshire should 'build on the established local Community Forums to improve public confidence in public services', whilst seeking to 'improve linkages between forums, Local Strategic Partnerships and the Public Service Board'.

70% of respondents to questionnaires were either fairly or very satisfied with current partnership arrangements with three key recommendations being:

- Greater involvement of 3<sup>rd</sup> sector organisations.
- Ensure that all relevant agencies (particularly health providers) are on board
- Community representation needs to be improved

### **3.2.2 Format of Community Forums**

Most Community Forums follow a consistent format in that each is now preceded by a 'drop in' session where the Police Safer Neighbourhoods Team and others are available for half an hour to deal with individual community concerns or sensitive issues. This drop in session has been utilised by partners for issues such as consultation on planning 'Core Strategies', consultation on highways issues, exhibitions of local youth initiatives and information regarding new developments.

In general these are issues which arise from general 'top-down' consultation exercises being undertaken by service providers that may not be suitable for the Community Forum itself as the exercises do not relate to issues that the community itself has identified.

The meetings are chaired by elected representatives and always include an allotted time for community safety. For some forums this is purely a police presentation followed by a question/answer session, whereas others have tried to fully incorporate their local CDRP/ Community Safety Partnership. Where this is the case, a more thorough and engaging approach and response is provided.

Respondents to the questionnaire particularly valued the opportunity to 'have their say' and providing a level of accountability through feedback or a 'you said, we did' report. Without this, the forums would be viewed as a one way, top down form of communication and would add very little value.

### **3.2.3 Agenda Management and Meeting Style / Format**

Agenda management was viewed as a key factor in ensuring that the Community Forums run smoothly and citizens do not become disengaged, with emphasis on the importance of attendees being given adequate opportunity to have their say on agenda items and make a meaningful contribution on issues of concern or interest to them

There was much support for a maximum of 2 substantive items on the agenda along with the community safety standing agenda item. Respondents said that items should be of genuine local concern and not about top down consultation. Members of the public attending the Forums should have sufficient time to raise the issues which are important to them.

Several issues which have been taken through the forums by the agencies have been seen as merely a 'box ticking exercise'. It was widely acknowledged that consultation is only welcomed if it is meaningful and appropriate feedback is given.

Individual agenda items should be given sufficient time for meaningful debate but timing should be well managed. There have been instances where meetings have lasted well in excess of 2 hours. This was viewed as poor practice and could make attendees reluctant to attend future meetings.

Respondents to questionnaires felt that expectations of those we engage need to be carefully managed and the limitations of our work need to be clearly set out. Failing to deliver on expectations will lead to disillusionment and disengagement.

Over 70% were either very satisfied or fairly satisfied that presentations, visual aids and handouts are useful. Again, it was highlighted that well chaired meetings with a punctual start and finishing on time were more engaging and likely to encourage participation.

Across the 30 Forums a wide range of meeting styles and formats have been used ranging from a traditional 'top table' approach for the Forum Chair, Councillors and lead officers where the agenda is delivered through a formal approach to 'a café style' format where small table discussion groups are asked to work and engage together and the Chair takes on the role of a facilitator of a series of informal discussions. In general terms, the latter style has proved to be more successful and appealing to local residents.

In some Forums, the production of more formal notes and minutes has been replaced with newsletter style format which is distributed widely and presents local issues and the successes of the Forum in a more accessible and a more user friendly format

### **3.3 Issues resolved through Community Forums**

A broad range of issues are raised or resolved through the Community Forums, with the most frequently raised being: highways and footpaths, parking, youth issues and youth provision, housing issues, environmental concerns and anti-social behaviour.

Some felt that particular Community Forums had become bogged down in issues which relate to a small minority of the community or even to individual households, though this has been largely overcome through the implementation of 'drop in' sessions prior to each forum.

Respondents to the questionnaire felt that:

The forums provide a very good opportunity to discuss:

- Highways issues
- Policing issues
- Cleanliness/ environmental issues

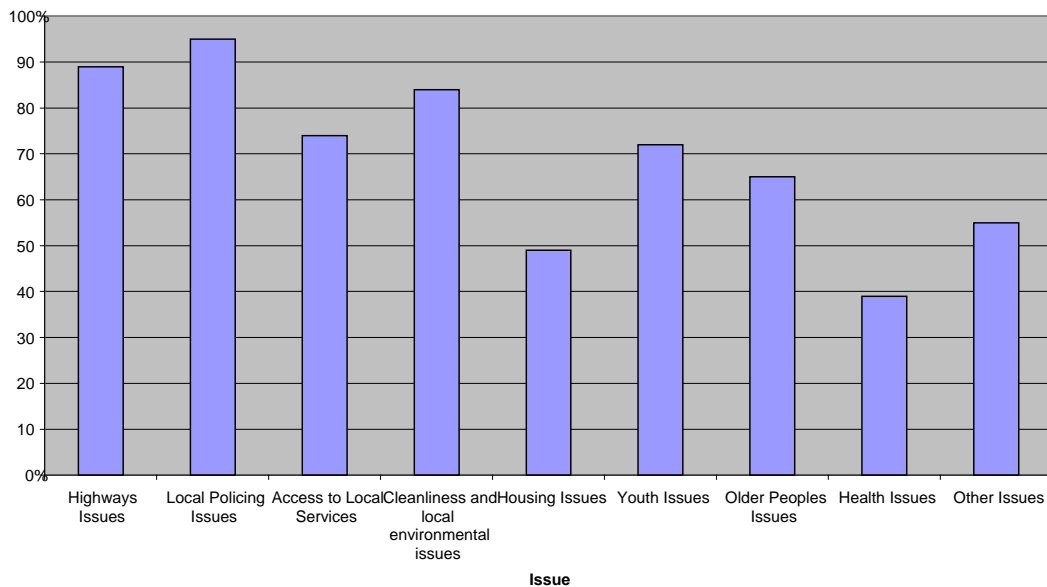
The forums present an opportunity to discuss:

- Access to services
- Youth issues
- Older people's issues

The forums do not currently present a good opportunity to discuss:

- Housing issues
- Health issues

Figure 1 - % of respondents that thought community forums provided a good opportunity to discuss various issues



### 3.4 Outcomes

Many issues have been resolved through the Community Forums, in particular a number of policing and community safety issues with the setting of neighbourhood priorities being seen as one of the main attractions of the forums.

Some WCC services have been able to respond to concerns resulting from Community Forums (e.g. improved road crossing facilities following concerns raised at the Rugby Town West Community Forum) but in other instances have been unable to respond to concerns as a result of insufficient resources or conflicts with service plans.

District and Borough Councils have also resolved many issues including changes to refuse collections, issues relating to environmental improvements and issues relating to the housing stock.

Several new projects have been funded to meet needs identified through the Community Forums including a number of smaller projects in Warwick District and larger scale projects such as the 'Youth Consortium' project in Rugby and the establishment of new facilities for young people in Alcester

### 3.5 Developments

#### 3.5.1 Locality planning

Some progress has been made towards agreeing local priorities through the development of Locality Pledges and Plans.

A 'Locality Pledge' is a promise made by one or more agencies to address over a defined period of time a key issue or series of issues raised by the local community. A 'Locality Plan' is a short, clearly phrased document that summarises a number of key issues to be addressed over a twelve month period. Examples of Locality Pledges have been developed through the North Warwickshire Forums, and a

successful Locality Plan has been produced in the Rugby Hillmorton and Eastlands Community Forum.

Both provide an opportunity to respond to longer term, more strategic issues in the localities as opposed to the reactive/short term nature of issues raised and resolved through Community Forums. Where longer term planning has taken place, it has been seen as a positive step and of benefit to the attendees of the forums.

### **3.5.2 Community Forum Grants**

In Warwick District, Warwick District Council and Warwickshire County Council have jointly operated a Community Forum Grants Fund. The fund, now in its second year, is operated via simple criteria and a process which has been agreed and adopted by both councils. The fund is managed by the joint Community Partnership Team with the distribution of funds undertaken by WDC (WCC's contribution being paid to WDC). Grant fund applications are screened by Forum sub-groups and only those meeting the fund criteria will go forward for consideration by the forum. Forums discuss and agree an allocation of funding for each (eligible) application although, to fulfil legal requirements, ultimate decision-making rests with Warwickshire County Council's Strategic Director for Customers, Workforce and Governance and Warwick District Council's Assistant Chief Executive.

87% of questionnaire respondents felt that a Community Grants fund ought to be allocated to each of the forums in Warwickshire, demonstrating a desire to give the forums an element of financial responsibility and the opportunity for the Forum to effectively allocate resources in response to key local priorities.

### **3.5.3 Locality key groups**

In some Localities, 'key groups' (otherwise known as 'planning groups') have formed which meet either virtually or in person ahead of (and in some cases after) the Community Forum meetings. These groups typically consist of Councillors and Officers from both councils together with Police representatives. The purpose of these groups includes planning the Community Forum, ensuring that issues raised have been dealt with and co-ordinating any locality specific work.

The groups could be used as the vehicle through which to drive the establishment of Locality Pledges and Plans.

### **3.5.4 Future developments**

A number of suggestions were made regarding ways in which the Forums might develop and adapt their role.

Questionnaires and discussions suggested the following areas where the Community Forums and locality working might evolve in the future:

- Local Scrutiny – with community members being involved in a close and searching look at the delivery of a service or services at locality level
- Participatory budgeting exercises- including the identification of spending priorities by community members, and with them making decisions on the allocation of a particular and defined budget
- Community chairing of meetings – introducing the flexibility of Forum meetings being facilitated and chaired by community members



- Driving forward a more proactive approach to locality planning and ensuring closer alignment of locality priorities to Local Strategic Partnerships/Sustainable Community Strategies
- Developing neighbourhood management approaches – especially for those living in areas of need, quality of life can be severely limited by 'postcode poverty'. Neighbourhood management aims to improve the quality of life for those living in the most disadvantaged areas by public agencies tackling in partnership with the community key issues such as unemployment. High crime, educational under-achievement, poor health and housing problems.
- Developing social capital through supporting social cooperation and cohesion in local communities and in particular supporting the development and delivery of community champions programmes.

### **3.6 The Role of Councillors**

Councillors from all three tiers of local government are engaged in Locality Working, primarily through participation in the Community Forums. Each of the forums is chaired by a Councillor with some preferring to 'rotate' the chairing arrangements between all of the Councillors within the locality.

Community Forums are seen as 'different' to the more formal decision making bodies and need to be chaired in a suitable way. Some respondents were critical of their current forum Chair and felt that training opportunities ought to be made available to Councillors to enable them to fulfil the role of Chairperson more effectively. Some thought that the skills and confidence required in a Forum setting differed markedly from those required for more formal 'committee-style' meetings and that appropriate training and development opportunities should be made available.

The non-chairing Councillors who attend have a responsibility to act as a part of the 'solution' to issues raised by communities. This has not always been the case and several non-chairing Councillors have appeared to be in conflict with the chair. It has been requested on numerous occasions that a clear process is established for the election of the chair.

### **3.7 Governance**

Many partners have expressed a desire to see the abandonment of what they have described as an unhelpful and confusing distinction between 'Locality' and 'Community Forum'. Of concern are the areas where one Locality is served by several forums; it is not widely understood why this is the case rather than just allowing several smaller Localities.

Many felt that the geographic spread covered by some of the Localities is too large. Certain communities are banded together under one Locality, whilst each has their own distinctively different composition and issues. It is however recognised that it is not possible to service numerous additional Community Forums and, whilst not ideal, the present number of 30 Community Forums is generally accepted as being appropriate.

Community Forums provide the platform for improved engagement with communities (not sure if I agree with this – I think Forums can be used as part of engaging with the type of people locally who will come to regular public meetings but I wouldn't

describe it as a platform on which to base all other, more representative, forms of engagement) and their working should be joined-up with that of other organisations. Relevant matters brought up by the Forums should be presented to the appropriate decision making bodies, scrutiny panels or Local Strategic Partnerships. Lines of accountability and relationships to these other bodies should be clarified through terms of reference.

Some felt that the County Council's Area Committees have a significantly diminished role, and several partners feel that there is a strong case to discontinue them and delegate community grant funding to the Forums. Others considered that the Forums and Area Committees should co-exist and that the linkage between the two should be further defined.

Many responses demonstrated a lack of understanding / lack of clarity concerning WCC Localities Heads of Service and Strategic Director roles and their fit with other initiatives, such as the Local Strategic Partnerships.

## Part Four - Recommendations and Conclusions

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### 4.1 Recommendations

#### **1. A toolkit is produced for the effective delivery of Community Forum and locality working, leading to:**

- **Improved tracking of outcomes and performance management**

In order to assess the value, both in terms of outcomes and financial efficiencies, of locality working it is essential that adequate performance management measures are put in place. This should include the tracking of issues resolved outside of Community Forums as part of Officers' and Councillors' day to day business, outcomes of Community Forum priorities and actions and delivery against Locality Plans.

As long as this is not resource intensive – a simple score at the meeting of the percentage of issues that have been resolved and that have been dealt with would be enough
- **Increased representation at Community Forums**
  - a) There is a clear need to develop different approaches for under-represented groups, with particular efforts to ensure that those who are unable to attend, or chose not to attend the Community Forums can still contribute. Examples of such groups include BME groups, older people's groups, individuals with disabilities and children and young people.
  - b) Steps are taken to establish and improve linkages between other locally based forums such as locality youth panels, BME Forums and local forums for older people
- **Increased engagement of the Voluntary and Community Sector**

This should include a strategic input from the umbrella organisations (such as Warwickshire CAVA and WREP), hosting and engagement arrangements with local Community and Residents Associations and agreeing a joint responsibility for developing community capacity and community champions programmes through locality working.
- **Improved and standardised agenda management and Meeting Style / Format**
  - a) The agenda of Community Forum meetings should be set by local stakeholders and be based around local priorities. Whilst allowing for some local flexibility, agendas should aim to include a community drop in, a maximum of two substantive items in addition to the community safety element and Community Forums should last no more than 2 hours. Why does the agenda have to be standardised? Doesn't that contradict the whole idea of Area/Community working? Happy that this relate to the sharing of best practice.
  - b) Care should be taken to ensure that consultation exercises undertaken by agencies only feature in the Forum agenda where the issues correspond with those raised by local people as being of relevance to their Forum. This could be too restrictive as often items are taken to raise awareness of an issue, consultation etc

- c) Forums should carefully consider the style and format of their meetings (including the approach of the Forum chair) and ensure that this actively encourages the full participation and engagement of community members whilst ensuring the effective running of the meeting
- d) Forums should consider the replacement of formal minutes / notes of meetings with a more user friendly newsletter style format highlighting the key priorities, issues and successes of the Forum
- **Improved communications and publicity**  
In achieving this, the following key streams of work ought to be considered and where appropriate implemented:
  - i. Improved and innovative use of E Communications such as Facebook, Twitter, e-mails and more predominant features on websites
  - ii. Better utilisation of the media including local radio, press releases, regular features in newspapers, more newsletters (Borough/District/Town/Parish), and a greater prominence in Warwickshire View
  - iii. Improved traditional paper methods including ensuring a leaflet drop to households, distribution through libraries, community venues such as GP surgeries and schools, with the council tax notification
  - iv. Better use of other organisations and their networks, e.g. WCAVA, WREP, residents and community associations.
  - v. Alignment to LSP communications strategies.

Whilst trying to make the Forums more representative would be a good outcome I'm surprised there is no assessment about whether this is likely or whether efforts/resources might better be directed to other more representative methods of communication/involvement/engagement.

Based on the figures in this report for an average round of these meetings we are engaging with 0.2% of our population (37 per Forum x 30 / 535,000) – is that a figure that can realistically be improved upon to the extent that it reaches representative levels or should we recognise that the Forums are very useful in engaging with those active in the area and who will turn up to public meetings but are unlikely to become truly representative. The fact that this report makes the point several times that the Forums are not suitable for detailed consultations confirms this point. This is a fundamental point from which most other actions should be addressed. For example, devolving powers from Councils to the Forums is only a good thing if the Forums are more representative than Forums.

The report is based on an assumption that the former can be done and I think before more effort and resources are committed to this area this assumption at least needs to be acknowledged.

## ***2. Governance arrangements for locality working are clarified and agreed, including***

- **The number of Localities and Community Forums**  
The number of Localities and Community Forums should be reviewed, with strong support being for an equal number of each. There is also considerable support for splitting some of the Localities further, particularly Camp Hill & Galley Common

- **The role and function of a Community Forum**  
We should review the current terms of reference of the Forums. It should be clearer whether the Community Forum is a public forum at which everyone has an equal say or a forum of Councillors (and other key stakeholders) that meets in public. The terms of reference suggest the latter, but current practice seems to be more geared around the former. This seems fundamental to ensure there is a consensus about what the Forums are for.
- **The relationship between Community Forums and decision making bodies.**
  - a) Community Forums would benefit from having a grant making function, the responsibility for which currently lies with Area Committees and District/Borough Cabinets. Full consideration should be given to the role which Community Forums can play in the allocation of grants. Any progress in this matter should fully take into account work taken forward in Warwick District.
  - b) Further investigation into whether and if so which of the Area Committees or District/ Borough Cabinets/Committee functions could be delegated to Community Forums, would provide a clearer long term vision for the role which Community Forums will play where this can be shown to improve the provision of services
  - c) Clearer links should be established between the Forums, Local Strategic Partnerships and the service planning arrangements of public agencies operating in the locality where it can be shown that this would be more effective than other engagement/involvement methods
- **The resourcing of Community Forums and Locality Working**  
The resource implications for fully effective locality working should be more closely defined, with the contributions made by key public sector partners reassessed. Within this work, the role of the County / District /Borough Head of Service needs to be reviewed / re-defined giving greater clarity and more standardised practice. Again I don't see what standardisation brings to a localisation concept. Happy if this amounts to sharing best practice.

**3. Partnership arrangements regarding locality working are clarified and agreed, ensuring that:**

- **All appropriate public service providers are fully engaged in Locality Working**  
In order to ensure joined up solutions to local problems, it is essential that all appropriate public service delivery organisations are fully engaged. Work to this end should include a focus on further engaging the health sector.
- **Clear links exist between Community Forums and other partnership bodies.**  
The relationship between Community Forums and other strategic bodies such as Local Strategic Partnerships and the Public Service Board should be clearly defined. A single, partnership based engagement strategy that attempts to integrate the various engagement mechanisms/ exercises used by local public services to engage with stakeholders ought to be agreed.

- **There is a clear protocol for working with Town and Parish Councils in delivering the localities agenda.**

Through the third sector strategy, work should progress to help Town and Parish Councils to lead Community Forums within their localities, with an increased involvement in agenda setting and a link to issues of concern raised at Town and Parish Council meetings and the parish planning process

#### **4. Work should progress towards the delivery of locally differentiated services, including:**

- **Developing with partners a consistent approach to “light touch” Locality Plans including a clear link to existing service planning mechanisms**

Locality Plans should be developed to give locality working a more long term and strategic purpose. In order to achieve this, it will be necessary for service planning to take into account issues raised through the locality planning process.

Concern about the resources this would take and where this fits in a landscape that already has Parish/Town Plans, District/Borough Corporate Plans, LSPs, County Council Corporate Plans, County wide LAA/LSP, etc etc. Have we yet identified any service areas which would be better delivered on a Area/Locality basis? Would we be better looking at this service area by service area rather than top-down by producing a plan?

- **Locality ‘Key Groups’ should be formed to support and drive the Localities Agenda, including the development of Locality Pledges and Plans.**

Locality based Key Groups should include WCC Heads of Service, District/Borough Council representatives, NHS Warwickshire, locality based community officers, Councillors and safer neighbourhoods teams.

Resources issue again

- **Neighbourhood management models should be further investigated with the aim of implementation in priority neighbourhoods**

Neighbourhood management and co-ordination initiatives have been operated in many parts of the country with considerable success. There are a number of models in place, varying from fairly loose models of area co-ordination to integrated area teams operating under an area management model. The aim of this approach would be to bring services together in priority geographic areas to address complex, cross cutting issues.

In priority neighbourhoods locality management initiatives could be used effectively to underpin the Narrowing the Gaps agenda – possible initial locations could be:

Nuneaton and Bedworth:	Abbey and Wembrook Arbury and Stockingford Galley Common and Camp Hill
Rugby:	Brownsover, Benn and Newbold
Warwick:	South Leamington / Brunswick

## 4.2 Conclusions

Locality Working has progressed well since its recent expansion, with all Community Forums now being delivered with a standard process and to a consistent level, whilst allowing for some individuality in response to local circumstance. There is a good level of buy-in from senior officers and Councillors are now fully engaged.

There is commitment from partner agencies, with officers from various service delivery organisations now viewing the Community Forums as their main route to community engagement – I don't think we would regard this as our main route. The majority of the Forums are now well attended – I don't think that 0.2% of the population represents well attended. The forums are recognised and accepted by the public that attend the Forums as being a way in which they can influence the services being delivered in their local area. The forums add another element to the strong partnerships that exist between the various agencies operating within localities.

Locality Working has the potential to help the Council and partners to deliver outcomes in a time of financial constraint What is the basis for this?. Council strategies such as Transformation 2013 place emphasis on active communities, sustainable places and increased public confidence.

There is clear evidence that, through Locality Working, partners have already made steps in these areas and the recommendations of this report suggest realistic ways in which this work can be progressed. See main comments above re recommendation 1

If Locality Working is to be progressed from purely being a 'listening process' to being one where differential services are delivered according to local need, then significant steps must be taken as outlined in the recommendations. This will help to deliver more efficient services whilst addressing key priorities for the Council and its partners such as Narrowing the Gaps. See main comments above re recommendation 1

**Agenda Item No 13**

**Executive Board**

**14 September 2010**

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

**Local Enterprise Partnerships**

**1 Summary**

- 1.1 This report seeks to inform the Executive Board of the abolition of Regional Development Agencies (RDA) and proposals for their replacement.

**Recommendation to Council**

**That the report be noted and the approach of officers be endorsed.**

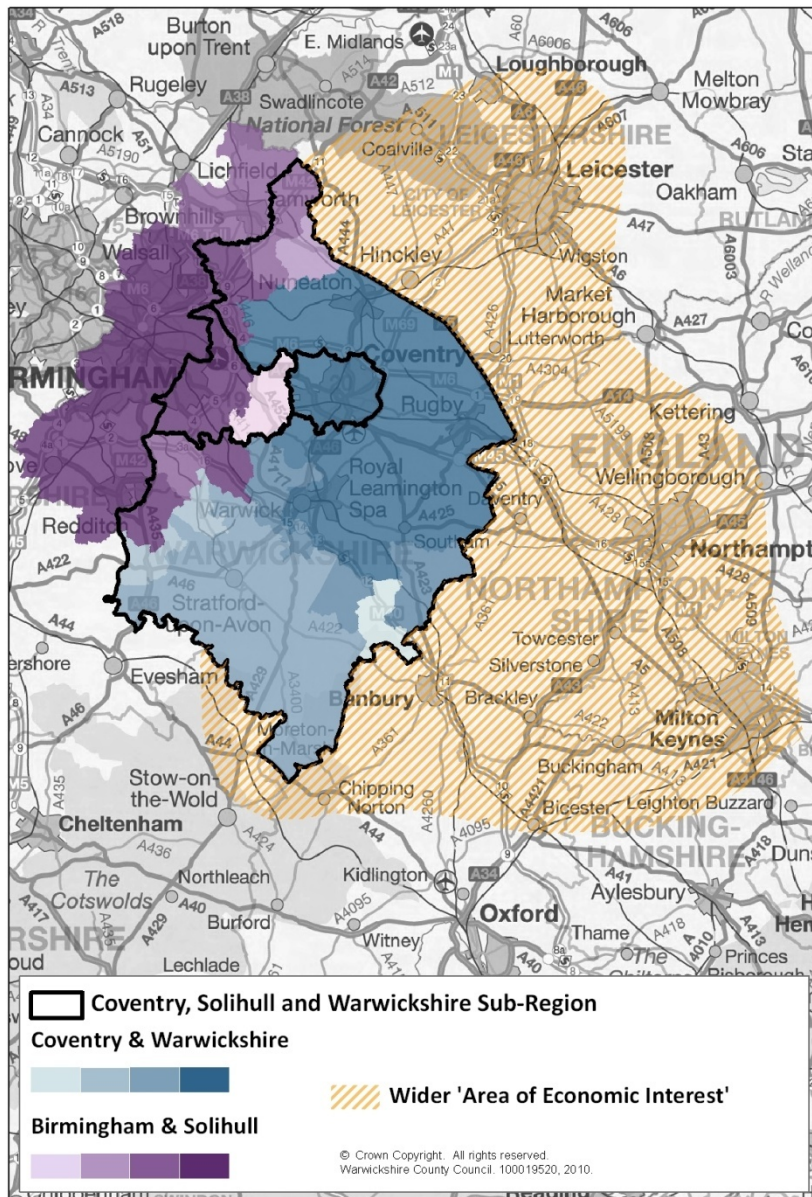
**2 Report**

- 2.1 Members will be aware of the Coalition Government's proposal to abolish RDAs (Advantage West Midlands) in our area.
- 2.2 In July the Business and Local Government Secretaries of State wrote to local authorities asking for expressions of interest from groups of authorities and businesses to form the replacements for RDAs, Local Enterprise Partnerships (LEP).
- 2.3 Local authorities and businesses in Coventry and Warwickshire (CW) are in the process of developing such an expression of interest. The most recent draft of the proposal is not included here given its length but can be supplied on request. It highlights a number of points in support of the proposal:
- The area forms a strong functional economic area, with a high degree of self-containment and close, common and complementary economic similarities across its geography. It covers almost a million people.
  - The core area is made up of the southern part of North Warwickshire Borough, Nuneaton & Bedworth Borough, Rugby Borough, Coventry City, Warwick District and the northern part of Stratford District. This core area has strong commuting links (in that 85% of people who live also work in the area), strong retailing, leisure and housing market links. The wider area brings in the northern part of North Warwickshire, the southern part of Stratford District and neighbouring Solihull. While these areas share many similar economic characteristics of the core sub-regional area, these areas



have as much connectivity outside the sub-regional area as they do inside.

Figure 1: Map of the Coventry & Warwickshire showing the overlapping areas of influence



2.4 The proposal, if accepted, would build on the existing partnership work and structure of the Coventry, Solihull and Warwickshire Partnership.

2.5 In order to address the final point made above, that part of the North Warwickshire area has as many links with other areas and with the CW area, it is proposed that we become involved in a proposal for joint working with neighbouring authorities. This involves at present the Hinckley, Nuneaton and North Warwickshire areas, with a proviso that it could be expanded to include other adjoining Leicestershire and Warwickshire areas including Rugby and Tamworth.

2.6 This bid for joint working makes it clear that it will compliment the CW and Leicestershire proposals and reflects Government thinking that genuine economic areas do not always follow administrative boundaries. (Attached as Appendix A)

2.7 It is hoped that either or both proposals, if successful, will inherit assets from the RDAs and be able to bid for funds from the new Regional Growth Fund.

### **3 Observations**

3.1 This Council's only major reservations are firstly being able to commit the Member and Officer time that may be required, particular if both proposals are successful. Secondly there will be concerns if the LEPs adopt some of the functions of the former Regional Spatial Strategy and attempt to require Boroughs and Districts to adopt housing and employment targets based on the requirements of these areas.

3.2 Further reports will be brought on this issue when the Government's decision on the proposals is known.

### **4 Other Sub-Regional Work**

4.1 There are other areas where work is continuing at a sub-regional level. In particular Housing Officers are developing a Local Investment Plan (LIP) for the CSW sub-region for the delivery of affordable housing and discussed elsewhere on this agenda. The Homes & Communities Agency will use these LIP's to direct their funding from April 2011.

4.2 Prior to May the Government were looking to integrate the Regional Spatial Strategy with the Regional Economic Strategy and the Regional Housing Strategy to become one Integrated Strategy. Although Regional Strategies have been abolished work is continuing to look at how an integrated strategy could be developed for the sub-region. Again the advantage of working collaboratively would be to attract funding. A further report will be brought to Members once more detailed information is available.

4.3 A consultation is being undertaken on the new Regional Growth Fund, which will distribute up to £1bn. A response has been prepared and submitted before the 6 September deadline, on behalf of the Coventry & Warwickshire sub-region with the assistance of the CSW Partnerships. The response is attached as Appendix B.

### **5 Report Implications**

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

5.1.1 A further report will be brought back to Board once the financial implications are clear.

## 5.2 Human Resources Implications

5.2.1 As mentioned above it is unclear at the present time what resources implications there are but a further report will be brought back to Members.

## 5.3 Risk Management Implications

5.3.1 It is considered important that the Council maintains its involvement in the work at the sub-regional level to ensure no funding opportunities are missed but will review engagement when proposals are confirmed.

The contact officer for this report is Steve Maxey (719438)

### 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

**West Leicestershire and Northern Warwickshire Market Towns  
Cross-Border Delivery Local Enterprise Partnership**

**Proposal by Hinckley & Bosworth Borough Council, Nuneaton &  
Bedworth Borough Council and North Warwickshire Borough Council**

This proposal by the West Leicestershire and Northern Warwickshire Market Towns Cross-Border Delivery Local Enterprise Partnership (to be known as the Cross-Border Delivery Partnership) is a business endorsed Local Enterprise Partnership submission to Government.

(Please also refer to attached letter accompanying this submission)

This proposal is a stand-alone Local Enterprise Partnership (LEP), which comprises a cross-border working arrangement. It will deliver tangible and workable projects, which will enhance our natural economic and geographical relationship along the A5 corridor and complement the work of the other LEPs of which we are also members.

**1) Geographic Area**

The geographic area of this partnership comprises:

Hinckley and Bosworth Borough Council

Nuneaton & Bedworth Borough Council

North Warwickshire Borough Council

This is not an exclusive cross border partnership and other authorities may wish to become involved on certain initiatives e.g. Blaby District Council / North West Leicestershire District Council /Rugby Borough Council /Tamworth Borough Council

**2) Role of the Partnership**

The Cross-Border Delivery Partnership, whilst stand-alone, will work within the framework of the wider Local Enterprise Partnerships (LEPs) for their areas i.e. Leicester & Leicestershire LEP (LLLEP) and Coventry & Warwickshire LEP (CWLEP). The Cross-Border Delivery Partnership will work together on certain initiatives where, because of their close physical juxtaposition and economic similarities, it makes commercial sense to do so. It is important to note that as partners we recognise that the private sector does not recognise 'administrative boundaries'. Therefore the cross-border partnership will operate flexibly, co-operatively and collaboratively on issues and strategies that are relevant. Indeed both the LLLEP and CWLEP in their submissions to Government have expressed the need for collaboration on initiatives across boundaries that will deliver mutual economic benefits. Our proposal is to add 'meat to the bones' of this collaborative proposal in order to be ready to promote initiatives that will meet the criteria for bids through the Regional Growth Fund, indeed ready to submit bid(s) by December 2010.

### 3) The Parties

#### (1) Local authorities:

- Hinckley and Bosworth Borough Council
- Nuneaton and Bedworth Borough Council
- North Warwickshire Borough Council

In collaboration with:

- Leicester & Leicestershire LEP
- Coventry & Warwickshire LEP

#### (2) Private sector:

Businesses from each of the local authority areas including but not exclusively:

- Hinckley & Bosworth companies - Triumph/Caterpillar/ MIRA/ Mallory Park/HJ Hall/ Twycross Zoo
- Nuneaton and Bedworth companies – Triton Showers/ Holland & Barrett/ Brose/ Renault Trucks/ Unipart / RS components / Dairy Crest
- North Warwickshire companies - TNT, Aldi, 3M, , BMW, IM Properties, The Belfry, Forest of Arden Hotel, retailers from the 3 market towns
- Lester, Dixon, Jeffcoate solicitors, which has offices in Hinckley, Nuneaton & Bedworth/Cooperative Society with representation in all areas
- Chambers of Trade
- Federation of Small Businesses (Leicestershire and Coventry & Warwickshire branches)

#### (3) Other:

The Cross-Border Delivery Partnership will work with:

- Business Link
- Universities of Leicester, De Montfort, Coventry and Warwick
- North Warwickshire & Hinckley College which has sites in Nuneaton, Bedworth, Hinckley and Atherstone
- Learning partnerships such as Leicestershire and Leicester City Learning Partnership, North Warwickshire Consortium
- Highways Agency
- British Waterways
- Voluntary organisations
- Town & Parish Councils

### 4) A Cohesive Area

The Partnership comprises a natural cohesive economic area for the following reasons:

- Within the A5 transport corridor
- Linked travel to work area

- A number of market towns of varying size
- Important manufacturing area particularly related to motor industry
- Tourism offer e.g. the National Forest/ Forest of Arden/ Twycross Zoo/ Mallory Park/ Bosworth Battlefield /Kingsbury Water Park/ Hartshill Hayes Country Park/ George Eliot associations/Arbury Hall, Golf & hospitality industry, heritage sites and attractions
- Canal links i.e. Coventry Canal, Birmingham & Fazeley Canal (part of the Warwickshire Ring) and Ashby Canal
- North Warwickshire & Hinckley College with sites in Nuneaton, Bedworth, Hinckley and Atherstone
- Rural economy (N.B: some farms have land that crosses into two districts)
- Active Business Associations/forums such as Hinckley Town Centre Partnership, Hinckley Business Association, Earl Shilton Business Forum, Barwell Business Association, Northern Warwickshire Chamber (local group from The Coventry and Warwickshire Chamber of Commerce), Northern Warwickshire Tourism Association, Hinckley & Bosworth Tourism Partnership (both with cross boundary membership), Business Network Int'l George Eliot, Coventry & Warwickshire First, Nuneaton Town Management Partnership, Bedworth Town Management Partnership, Market Traders Federation local liaison groups
- Linked industrial heritage in hosiery, boot and shoe, hatting, coal mining

### **5) Development & Implementation Board of the Cross-Border Delivery Local Enterprise Partnership**

- Chair to be from a prominent local business (elected annually, ideally with business interest in at least two of the partnership areas)
- A Council Member as Vice Chair (elected annually)
- 2 representatives from private industry from each Council area
- 1 representative of North Warwickshire & Hinckley College
- 1 Member from each Council
- 1 senior officer from each Council
- 1 representative (Member/Officer) of the LLLEP
- 1 representative (Member/Officer) of the CWLEP

### **6) Purpose and Role of New Partnership**

- To exploit the advantageous position of each party, using the A5 corridor as the arterial route and main communication and commuting link
- To focus on the continuing development of the market towns/ market town attractions in West Leicestershire and Northern Warwickshire.
- To seek to unlock key infrastructure projects to enable the regeneration of the market towns

- To link the market towns with their rural hinterlands
- To market the area as a cohesive single product i.e. a Unique Selling Point
- To link with existing business associations/forums/town centre partnerships/Business Improvement Districts
- To create links with universities, colleges, academies, learning partnerships
- To complement initiatives proposed through the LLLEP and the CWLEP.
- To help to obtain funding for regeneration projects, both revenue and capital, particularly to act as a conduit for funding from Central Government
- To look at opportunities from European Structural funds
- To link with housing provision, including affordable

### 7) Key Aims and Outcomes

- Regeneration and economic development
- Tourism development
- Capitalise on the synergy of the partners e.g. travel to work/shopping and leisure provisions/linked industrial heritage
- To assist in the delivery of the aims and objectives of existing economic strategies, Area Action Plans and Sustainable Urban Extensions
- Transport infrastructure: developments and improvements, particularly with regard to the A5
- Capitalise on the A5's accessibility to the M69, M1, M6, M42 and M40
- Work within a framework of reduced bureaucracy

### 8) Current Business Related Initiatives

The following information is provided to demonstrate that the area has a track-record of working in partnership in order to deliver economic regeneration initiatives:

#### ***Hinckley & Bosworth***

- Hinckley & Bosworth Borough Council is in a good position to show that it already recognises the importance of the private sector in the economic strength of the area by its existing work with the Hinckley Town Centre Business Improvement District, the Hinckley Town Centre Partnership, the Hinckley Business Association (in particular a successful business awards ceremony at the height of the recession), the Earl Shilton Business Forum and is in the process, with the county council, of setting up a Barwell Business Forum. The council also brings together businesses by organising individual and joint business events.
- The Hinckley Town Centre Regeneration Support Project is working to bring forward the regeneration of key town centre masterplan sites.

- Through its work on the Atkins Creative Innovation Centre and Greenfield project it is nurturing and supporting small businesses particularly those from the creative industries sector. In respect of the Atkins project close links are operating between North Warwickshire & Hinckley College, which is developing the adjacent site for a new facility offering courses in creative and art based subjects.
- HBBC has up-to-date strategies and Action Plans: Economic Regeneration Strategy 2009 - 2014, adopted Core Strategy, Employment Land & Premises Study Review 2010, Town Centre Area Action Plan (due to be submitted to the Secretary of State in September 2010) and, together with its strong partnerships with the private sector, can play an important role in developing cross-border initiatives.

### ***Nuneaton & Bedworth***

- The Nuneaton & Bedworth Town Centres Master Plan, supported by the recent Town Centres Capacity Study and Employment Land Review, will help develop the Core Strategy
- Nuneaton & Bedworth Borough Council are looking to develop the Vicarage Street / Church Street site for offices, hotel, library and ancillary retail, bars and restaurants. It is anticipated that the site will be brought to the market in November 2010.
- NBBC is working with Tesco in Bedworth which will lead to a major redevelopment for the town centre. This will present an opportunity during the construction stage to promote, support and preserve existing businesses in the town centre
- NBBC works with Pride in Camphill, an award winning community led area based regeneration project bringing in multi-million pound private and public investment of over £200m.
- NBBC has provided free land and in partnership with the Registered Social Landlord (Housing Associations), the Homes and Communities Agency has given £25m (between 2008 – 2011) of social housing grant to the HA. This will have provided 465 affordable units (apartments and houses) by March 2011. U-Choose, currently our sub-regional letting scheme partnership could work with HBBC to encourage joining, enhancing the offer of living closer to employment opportunities as and when they arise.
- By securing TJ Hughes as an anchor store within the Ropewalk retail centre, NBBC will work to enhance the retail offer in Nuneaton Town Centre and create local jobs.
- NBBC is currently facilitating a new Business Networking Forum in the Borough, whose role will be to influence and support the core strategy, present a clear marketing offer for potential investors and act as a consultative panel. It will work towards enhancing and supporting economic prosperity and growth for the Borough.

### ***North Warwickshire***

- North Warwickshire is finalising the successful implementation of the Advantage West Midlands and English Heritage Partnership Scheme



for the Market Town of Atherstone. There is scope for this to be expanded to other properties in the town to further aid regeneration of the historic centre and for lessons learnt to be transferred to other areas.

- The Borough Council, as accountable body, is also part way through delivery of the European funded LEADER programme. Just over £1 million has been awarded to the borough to improve access to services for both local people and businesses, and to develop a more inclusive and sustainable community transportation and communications network. The programme, which is being managed in partnership with Warwickshire CAVA, aims to involve local people in identifying needs and making decisions on how the money is spent.

### 9) Project Delivery

- The Cross-Border Delivery Local Enterprise Partnership will prepare bids in respect of cross-border projects for support through the Government's Regional Growth Fund.
- The Cross-Border Delivery Local Enterprise Partnership will also seek to obtain funding from other appropriate sources as and when the possibility arises.
- Initiatives proposed by the Cross-Border Delivery Local Enterprise Partnership will seek to complement projects proposed by the LLEP and the CWLEP and will work together to draw on EU Structural Funds where appropriate.

It should be noted that:

- Funding for initiatives ought to comprise both revenue and capital monies. Business support is essential but also funds need to be available for physical regeneration so that new sites for employment can be kick-started.

### 10) Projects for Consideration

#### High Priority

- Developing, supporting and marketing the economic possibilities of the strong linked tourism offer e.g. canal initiatives
- Specific market town projects to assist in their regeneration and in particular street market developments, encouraging start-ups and supporting and assisting them in growing and developing
- Based on an area with a similar skills base, a skills and training programme that seeks to meet the needs of local businesses and one that will capitalise on the possibilities that the further education college, which operates cross-border, can offer.

#### Other Important Initiatives

- Initiatives that drive enterprise from larger companies through to micro businesses and sole market traders
- Schemes to provide small good quality, energy efficient industrial units

- Incubator facilities and 'grow on/move on' space
- Manufacturing support programme
- Farm collaboration/diversification projects
- A graduate placement programme to ensure that graduates are work-ready and have the skills required by local companies
- Cross-sectoral and supply chain networks

Signed by:

Steve Atkinson, Chief Executive, Hinckley & Bosworth Borough Council

Christine Kerr, Chief Executive, Nuneaton & Bedworth Borough Council

Jerry Hutchinson, Chief Executive, North Warwickshire Borough Council

30<sup>th</sup> August 2010

## **Consultation on the Regional Growth Fund**

**This is a joint submission prepared by Coventry & Warwickshire Chamber Commerce and Coventry, Warwickshire & Solihull Partnership made on behalf of partners in Coventry & Warwickshire.**

**This mirrors the process adopted for the recent submission of the proposal for a Coventry & Warwickshire Local Enterprise Partnership.**

**Local authorities will be submitting their own responses which are in alignment with this paper.**

### **Introduction**

Partners in Coventry & Warwickshire welcome the opportunity to respond to the consultation paper on the proposed Regional Growth Fund published by HM Government in July 2010. Our responses to the questions in the paper are set out below.

### **Allocation of funding**

#### ***1. Are there benefits to be had from allocating different elements of the fund in different ways?***

We recommend that the allocation process for the fund should be a simple one, such a grant based formula (please see below for additional comment on this). We would not agree that there are particular advantages to be had from allocating different elements of the fund in different ways. A multiplicity of funding mechanisms invariably means more bureaucracy at the local level and we would wish to avoid this. Indeed, we would advise caution against any funding mechanism that means the introduction of additional bureaucracy at the local level; the way funds are allocated needs to support greater local flexibility rather than impose burdens in respect of additional processes, procedures and form-filling.

Of course the composition of the fund is likely to be drawn from a number of sources at national level. However, the allocation of these resources best made into a 'single pot' at the local level that has one set of administrative requirements.

Put simply, we believe that the Local Enterprise Partnership (LEP) should be given the responsibility and flexibility to configure the Fund to respond quickly and directly to focus upon identified local priorities and opportunities.

For example, if a LEP indicates its intention to prioritise support for enterprise or skills development, it would allocate the Fund in a different way to one which intends to focus upon capital investment. The way that the Fund is configured nationally need not influence the formulation of these local priorities.

Furthermore, we suggest that existing infrastructure – which will be reflected in the composition of the LEP – will be well suited to handling funds that are to be used for different purposes. For example, a local authority is likely to have the necessary systems to operate a capital investment fund whilst a Chamber of Commerce would have the financial robustness to manage and cash flow revenue activities. In other words, the capacity and competency exists locally to manage funds. In this way, Regional Growth Fund can act as a catalyst for drawing together public and private funds for maximum impact in stimulating local economies.

Returning to the point about a grant based formula, we suggest that this is based upon simple factors such as the resident or business population with the addition of one or two relevant inputs such as the comparative scale of public sector employment. We would argue against the inclusion of deprivation data in any allocation formula as this is unlikely be a significant influence in stimulating the growth of the private sector economy.

## Type of activity

### ***2. What type of activities, that promote the objectives outlined above, should the fund support and how should the fund be best designed to facilitate this?***

Two objectives are stated in the consultation paper:

- To encourage private sector enterprise by providing support for projects with significant potential for economic growth and create additional sustainable private sector employment
- To support in particular those areas and communities that are currently dependent on the public sector make the transition to sustainable private sector led growth and prosperity

As we have said elsewhere in this paper, we consider that flexibility and local responsiveness is the key to addressing local priorities and truly engaging the private sector to work alongside local authorities in maximising local opportunities. On this basis, we suggest that the Fund is used to support a package of activities, with indicative outcomes, that are drawn up and approved by the LEP. Examples of indicative outcomes would include:

- Growth in new jobs in the private sector
- New business formation
- Increase in economic output (GVA)
- Increase in sales
- Increased levels of export activity

Of course, it is helpful to state the type activities that will generate these outcomes. These are likely to include:

- Pre start and start up assistance for individuals considering starting their own business, including social enterprises and responding to outsourcing of public sector activities
- Support for new businesses in their first three years of trading, especially those with growth potential
- Investment readiness and raising finance
- SME growth, development and diversification

- Support for priority sector development, including capital investment
- Providing risk capital to stimulate the formation of private sector investment funds
- Measures that increase the adoption of information technology by SMEs, including access to high speed broadband
- As match funding to support additional investment (from European Union sources in particular)
- Measures that attract and retain significant private sector employment opportunities
- Support for individuals currently employed in the public sector to start their own business
- Incentives for SMEs to employ more staff
- Measures that increase the employability of individuals that are unemployed or economically inactive
- 'Emergency' packages of support to avoid, or minimise the local impact of, large scale redundancies

We strongly urge that all outcomes and associated activities are linked to the development of the private sector economy, especially jobs growth. We would caution against the Fund being used to address difficulties associated with a lack of economic growth.

In respect of how the Fund might be best designed to facilitate these outcomes and activities, we have suggested that a package is approved by the LEP. However, we would caution against the creation of additional infrastructure associated with the LEP; rather, we suggest that existing private and public bodies should be utilised for the management of the Fund.

### **Bid system**

### ***3. Do you think that these are the right criteria for assessing bids to the Region Growth Fund?***

We have the following comments to make on the suggested criteria:

- *Create additional sustainable private sector growth...* We agree with this criterion

- *Demonstrate that the proposal fits...*We agree and suggest that the LEP is sole route for 'signing off' proposals
- *Demonstrate the they have financial backing...*We agree but suggest that the nature of financial backing is not unduly prescriptive (for example a minimum percentage intervention rate)
- *Contribute to green economic growth...*We agree but consider that a this term needs a more precise definition
- *We would expect bids to be for amounts of £1million or more...*We agree but contend that transformational activity requires a package of activity rather than single large project. It is also worth pointing out that evidence of transformation may not be apparent for some time after the initial intended life span of the Fund.
- *Be clear on risks...*We agree
- *State aid compliant...*We agree but would value clear guidance on this matter before proposals are developed.
- *Address a clear market failure...*We agree but suggest that a flexible definition is adopted so that new opportunities can exploited and pump-priming activities fall with scope of the Fund.

In addition, we would contend that the application of the Treasury Green Book should be done in a 'light touch' manner as, in the past, this has led to a surfeit of bureaucracy with delays in activity as an inevitable consequence.

In addition we suggest that the following should be taken into consideration:

- Track record in the successful management of public funds
- Financial good standing, including the ability to cash flow activities
- Existence of processes, policies and systems that will satisfy public audit requirements

#### **4. Do you think we should operate a two-stage bidding process?**

We suggest there is just a one stage bidding process for the following reasons:

- Timescale – with the deadline for the first round of bids expected to be the end of December 2010, there simply is not time for a two stage process.
- If the package approach to proposals is adopted, with the associated power of competence vested in the LEP, then less time would be required in respect of appraisal.
- If round one bids are unsuccessful, then feedback can inform bids for the second round. In other words, there will still be an opportunity for unsuccessful bids to be revised and taken forward if there is one stage process.

### **Longer term potential**

#### ***5. Should a Regional Growth Fund become a long-term means of funding activity that promotes growth?***

The key consideration here is confidence in the availability of long term funding. In principle, however, we are supportive of the principles of Regional Growth Fund supporting enterprise, as it appears to be a Fund that is flexible and able to meet local priorities. It could even lead to a single, local repository for multiple funding streams which are combined at the local level to ensure maximum impact and flexibility; through the private/public collaboration which LEPs signify. And, if nothing else, this would negate the urge to create administrative infrastructure each time an additional public funding stream or initiative is announced by government.

However, at the outset it would be useful to know what the success criteria of the Fund are expected to be and how these will be measured. With this mind, we would wish to see an open and transparent sharing of what, why and how activities have or have not worked – and that this should be clearly embedded as a requirement of funding from the outset. We suggest, therefore, that the fund states its potential as a vehicle for investment in the long term and that a review timetable is put in place once the workings of the fund have been formally approved.

For further information please contact:

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or Howard Andersen [howarda@cw-chamber.co.uk](mailto:howarda@cw-chamber.co.uk) 024 7665 4203



## **Agenda Item No 14**

### **Executive Board**

**14 September 2010**

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

#### **Reviews of Polling Districts, Polling Places and Polling Stations**

### **1 Summary**

- 1.1 To agree a process for the review of polling districts, polling places and polling stations in accordance with the Electoral Administration Act 2006 (EAA).

#### **Recommendation to Council**

**That the Chief Executive be authorised to carry out a review of polling districts, polling places and polling stations in consultation with relevant Ward Councillors and other stakeholders and a report be submitted to Full Council following completion of the review.**

### **2 Consultation**

- 2.1 As part of the review process all Members will be consulted on the arrangements for their Wards.

### **3 Background**

- 3.1 The Council is required by the EAA to undertake and complete a review of all polling districts, polling places and polling stations once every four years. The first such review was completed in December 2007 and this means that by 31 December 2011 the Council must have completed its second review.
- 3.2 Members will be aware that polling districts and polling stations have been in place for many years and changes have been made as required following changes to Borough warding arrangements, County Electoral Divisions or when premises no longer become available or suitable. These changes have always been made in consultation with Ward Councillors and political parties.
- 3.3 The main recommendation from the 2007 review was the establishment of a polling district for the small number of electors in Dosthill.
- 3.4 With Borough and Parish elections and a possible referendum on 5 May 2011, the Electoral Commission is recommending that the next review takes place as soon as possible in order that any recommendations can be implemented in good time for the 2011 elections. It is therefore suggested that a review

commences as soon as possible rather than leaving to the second half of 2011.

#### 4 **Definitions**

**Polling District:** the area created by the division of a Ward into smaller parts, within which a polling place can be determined which is convenient to electors.

**Polling Place:** the building or area in which polling stations will be selected by the Returning Officer.

**Polling Station:** the room or building where the poll takes place.

#### 5 **The Process**

5.1 The Council must publish a notice of the holding of the review and provide background information such as:-

- Electorate figures broken down to street level
- Details of existing polling places
- Details of any potential alternative polling places
- Maps as required to assist in description of polling district boundaries
- Details of significant housing developments and a projection of electors

5.2 The review will have to have regard to equality of access and needs of all voters at polling stations. At the 2010 General Election, Polling Station Inspectors completed a questionnaire and visual inspection of all polling stations and that evidence will be fed into the review.

5.3 The Council is required to consult the Returning Officer for every constituency that is wholly or partly within its area.

5.4 At the conclusion of the review stage a report will be prepared for the Council to adopt. It is hoped to bring this report to the December meeting of the Council.

#### 6 **Challenge of a Review**

6.1 The Electoral Commission has no role in the review process itself but it must consider any representations or observations made that a relevant authority has not conducted a review so as to:

- Meet the reasonable requirements of electors
- Take sufficient account of accessibility arrangements

## 7 Register of Electors

- 7.1 The Register of Electors is to be published on 1 December 2010 following the annual canvass. If there are changes to polling districts following the review it may be necessary to re-publish the register early in 2011.

## 8 Non-Compliance

- 8.1 It should be noted that the outcome of an election cannot be questioned simply because the relevant authority, an Electoral Registration Officer, a Returning Officer or the Electoral Commission fails to comply with any or all aspects of the review process.

## 9 Report Implications

### 9.1 Legal and Human Rights Implications

- 9.1.1 The review must be completed by 31 December 2011 to comply with the EAA.

### 9.2 Equalities

- 9.2.1 The review will have regard for as practicable to equality of access and the needs of voters.

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
1	Electoral Commission	Circular EC19 (2101)	30.07.10

**Agenda Item No 15**

**Executive Board**

**14 September 2010**

**Report of the  
Deputy Chief Executive**

**Value For Money Efficiency  
Update**

**1 Summary**

- 1.1 The report details the Council's Value for Money (VFM) efficiency achievements to date in 2010/11.

**Recommendation to Council**

**That the progress made against the 2008-11 Value for Money and Efficiency target is noted.**

**2 Consultation**

**2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members**

- 2.1.1 Councillors Bowden and Butcher have been informally consulted and any response will be verbally updated at the meeting.

**3 Introduction**

- 3.1 Following on from the Government's initial 3-year Gershon Efficiency Agenda in 2004, a new VFM Efficiency Agenda was introduced covering the years 2008/09 to 2010/11. The new scheme is less prescriptive and less bureaucratic and allows the Council to set its own target, albeit that it expects the Local Government sector in total to achieve savings of 3% per annum and that all of the savings must be cash related.

- 3.2 Taking into account the position on the General Fund revenue budget, the capital budget and the overall need to find savings to balance the budget, the Council set itself a savings target of £460,000 per annum for the 3-year period.

- 3.3 However, as part of the aftermath of the economic crisis and the subsequent increase in central government spending, the Chancellors budget in 2009 increased the required savings to 4% in 2010/11. This has meant that the cumulative savings expected to have been achieved by March 2011 are now £1.575 million. This is indicated at Appendix A.

...

- 3.4 As with the previous scheme, the savings have been generated from all of the divisions and essentially relate to either working in more efficient ways, better procurement or improved asset management.
- 3.5 Although the reporting of these savings is not as detailed as previously, the overall total savings generated is now a national indicator (NI 179) and as such will be reported to the CLG as part of the National Indicator reporting process.

#### 4 2010/11 Efficiency Savings

- 4.1 Appendix A shows a detailed breakdown of the efficiencies achieved during 2008/09, 2009/10 and those likely to be gained in 2010/11. Efficiencies totalling £1.358m have been achieved in 2008/09 and 2009/10 against a target of £934k and overall the Council is expecting to have found efficiencies totalling £1.737 million efficiencies against a 3-year cumulative target of £1.575 million.
- 4.2 Each division played its role in the overall Council position and the table below breaks down the efficiencies by division:

<b>Division</b>	<b>Amount £</b>
Leisure & Community Development	61,850
Finance & HR	216,470
Housing	704,350
Information Services & Procurement	172,830
Planning	167,420
Environmental Health	100,130
Revenues and Benefits	135,260
Streetscape	178,400
<b>TOTAL</b>	<b>1,736,710</b>

- 4.3 There are also several distinct themes of the savings that have been generated, detailed in the table overleaf:

<b>Type of Saving</b>	<b>Amount</b>
Better Procurement	654,030
Improved Processes (changes in working practices or staff restructures)	1,062,210
Asset Management	20,470
<b>TOTAL</b>	<b>1,736,710</b>

4.4 Not only have these schemes met the Government's requirements, some will also have been part of the savings programme required at North Warwickshire to ensure we retain a balanced budget. As with the last few years, the officer Efficiency Working Party will continue to identify savings and monitor their progress, with regular reports being brought to this Board.

## 5 Report Implications

### 5.1 Value For Money and Financial Implications

5.1.1 The efficiencies expected to be generated from 2008/09 to 2010/11 are in the region of £1.737 million which is in excess of the Government's target. However, careful management by officers in 2010/11 to ensure that these efficiencies remain will be required. These efficiencies will also assist the Council in achieving its budgeted savings programme and also focus services on becoming more customer-facing as a way of improving satisfaction.

### 5.2 Environment and Sustainability Implications

5.2.1 The identification of efficiencies contributes towards sustainability by ensuring that appropriate resources are available to provide services which help improve the quality of life for the communities of North Warwickshire. The application of sustainability principles can help the Council be more efficient and effective.

### 5.3 Equality Implications

5.3.1 The value for money review process should consider any adverse impacts by carrying out impact needs assessments which will ensure any efficiencies or improvements are consistent with equality objectives and legislative requirements.

### 5.4 Human Resource Implications

5.4.1 The efficiency agenda has significant implications for staff, particularly in the way people work and the need to change current practices. It will be necessary to ensure managers have the necessary skills to deliver the efficiency agenda.

The Contact Officer for this report is Sara Haslam (719489).

## 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

CSR 07 Efficiencies		reported 2008-09	reported 2009-10	FINAL YEAR 2010-11
	% INFLATION INCREASE ASSUMED (as per CLG)	2.50%	2.00%	1.50%
Finance	Freezing of Trainee Accountant Post		36,790	37,342
Finance	Staff Advertising		50,000	50,750
Finance	Shared Payroll Service		8,000	20,000
Finance	Adverts for members surgeries		0	8,000
Finance	Frozen Audit post		900	11,600
Finance	Insurance Contract renegotiated	76,260	77,023	78,178
Finance	Reduction in Members Special Responsibility Allowance		6,530	6,628
Finance	Corporate Subscriptions		3,910	3,969
Housing	Interest from the sale of Rectory Cottages, Arley		0	4,350
Housing	Interest from the sale of Meadow Street Land			250
Housing	Transfer of Comm Centre to flat - St Benedicts, Atherstone	2,460	2,583	2,661
Housing	Transfer of Comm Centre to flat - Chancery Court		0	1,330
Housing	Transfer of Comm Centre to flat - Heather Court		0	1,330
Housing	Atherstone			2,790
Housing	Boro Care development with NBBC	19,550	19,847	20,544
Housing	Decommission old wired Boro Care system	4,790	24,082	24,443
Housing	Housing HDW restructure	126,000	131,334	133,304
Housing	Caretaker/Cleaning restructure	14,000	16,902	17,156
Housing	Repairs/contracts/HDW section staff changes	23,820	69,520	111,752
Housing	HDW materials			12,000
Housing	Savings on capital contract from Lovells	163,000	370,000	370,000
Housing	New window cleaning contract		2,400	2,436
Info Services	Administration Staffing Review		28,000	39,000
Info Services	Frozen Help Desk post		6,940	12,680
Info Services	Renegotiated stationery contract	2,000	2,040	0
Info Services	Renegotiated telephone contract	2,950	11,948	12,127
Info Services	Personal and health and safety equipment			3,000
Info Services	New blackberry contract			1,000
Info Services	New photocopying contract	11,865	18,583	18,862
Info Services	General software maintenance reductions			6,000
Info Services	Reduced Steria recharge		4,985	35,082
Info Services	Renegotiated mobile phones contract		0	2,000
Info Services	Computers purchased via WCC	500	1,000	1,015
Info Services	Central Services post deleted			19,020
Info Services	Reduction in Ascertus maintenance contract		3,940	3,999
Info Services	Postage changed to TNT			11,340
Info Services	Postage changed from TNT to Birmingham City Council			4,700
Info Services	Reduce printer consumables			3,000
Leis and Comm Dev			24,825	25,197
Leis and Comm Dev	Deletion of Director Post			35,000
Leis and Comm Dev	Improved telephone charges	1,600	1,632	1,656
Planning	Senior Management Restructure	0	92,327	88,563
Planning	Frozen Community Development posts		69,950	70,999
Planning	Scanning in house	2,830	2,858	2,915
Planning	Consultation documents postage	1,000	1,020	1,035
Planning	SX3 reduced maintenance costs	500	510	518
Planning	Reduced advertising of planning applications		0	3,390
Environmental	Senior Management Restructure		61,363	72,690
Environmental	Env Health Frozen Posts		22,800	27,440
Revs and Bens	Increased no of benefits claimants with same staff	127,000	133,266	135,265
Streetscape	Low inflation in kerb side collection service		1,670	0
Streetscape	Interest from the sale of Phoenix Yard	0	0	800
Streetscape	Intrest from the sale of Coleshill Car Park	250	250	250
Streetscape	Interst from the sale of Coleshill Car Park			2,750
Streetscape	Use of room for weddings and meetings	3,930	3,150	3,197
Streetscape	Interest from the sale of Arts Centre		760	760
Streetscape	Reduced costs of cleaning council offices	8,520	6,466	6,563
Streetscape	Refuse boxes and bags		1,150	1,167
Streetscape	Cleaning materials (GF buildings)		1,400	1,421
Streetscape	Agency Workers	10,140	10,241	15,000
Streetscape	Fire and security maint contracts combined			5,000
Streetscape	Lease costs of vans	19,080	19,080	19,080
Streetscape	Refuse DSO staff restructure		6,610	27,670
Streetscape	Shared Transport Manager			13,750
Streetscape	Transport, fleet mgt and fuel			10,000
Streetscape	Re-negotiation of dry recycling contract			36,000
Streetscape	Deletion of Director Post			35,000
	<b>TOTAL</b>	<b>622,045</b>	<b>1,358,584</b>	<b>1,736,714</b>
	<b>SAVINGS TARGET</b>	<b>459,643</b>	<b>934,607</b>	<b>1,575,502</b>
	<b>VARIANCE ABOVE TARGET</b>	<b>(162,402)</b>	<b>(423,977)</b>	<b>(161,212)</b>

## Agenda Item No 16

### Executive Board

14 September 2010

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

#### Budgetary Control Report 2010/11 Period Ended 31 August 2010

### 1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2010 to 31 August 2010. The 2010/2011 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

#### **Recommendation to Council**

**That the report be noted and that the Board requests any further information it feels would assist it in monitoring the budgets under the Board's control.**

### 2 Consultation

#### 2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Both Councillors' Bowden and Butcher have been consulted regarding this report. Any comments received will be reported verbally to the Board.

### 3 Report

#### 3.1 Introduction

- 3.1.1 Under the Best Value Accounting Code of Practice (BVACOP), services should be charged with the total cost of providing the service, which not only includes costs and income directly incurred, but also support costs relating to such areas as finance, office accommodation, telephone costs and IT services.

### 4 Overall Position

- 4.1 Net controllable expenditure for those services that report to the Executive Board as at 31 August 2010 is £209,966 compared with a profiled budgetary position of £219,693 an under spend of £9,727 for the period. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

...

- 4.2 Where possible, the budget to date figure has been calculated with some allowance for seasonal variations, in order to give a better comparison with actual figures. Reasons for the variations are given, where appropriate, in more detail below.



### **4.3 North Warwickshire Development Plan**

4.3.1 As previously reported, a grant of £8,418 has been received from the government to cover new burdens set out in 'The New Burdens (Habitats Regulations Assessments and Climate Change Planning Policy Statement). The award of this grant came after the budget had been set and will be used by the service during the year.

## **5 Risks to the Budget**

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

- Uncertainty surrounding the volume of work and available funding over the next five years for the North Warwickshire Local Development Framework.
- The current level of budget within Emergency Planning is sufficient to carry out the anticipated workload; however any major local emergency would require additional expenditure.

## **6 Estimated Out-turn**

6.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. It is anticipated that the outturn for this Board will be the same at the Approved Budget.

6.2 The figures provided above are based on information available at this time of the year and are the best available estimates for this board, and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

## **7 Report Implications**

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

7.1.1 The Council's budgeted contribution to General Fund balances for the 2010/11 financial year is £17,310. Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

### **7.2 Environment and Sustainability Implications**

7.2.1 The Council has to ensure that it adopts and implements robust and comprehensive budgetary monitoring and control, to ensure not only the availability of services within the current financial year, but in future years.

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

North Warwickshire Borough Council  
EXECUTIVE BOARD  
Budgetary Control Report 2010/2011 as at 31 August 2010

Code	Description	Original Budget 2010/2011	Profiled Budget to August 2010	Actual to end August 2010	Variance to Date	Comments
2000	Housing Strategic Service Review	34,140	13,792	13,792	0	
2001	Corporate Communications LEADER	25,380	0	0	0	
2002	Corporate Communications	78,730	41,674	41,031	(643)	
2003	Community Strategy	128,730	53,033	51,935	(1,098)	
2006	Communication Group	2,190	1,029	716	(313)	
2007	Emergency Planning	65,560	25,944	25,943	(0)	
2009	North Warks Local Development Framework	156,810	83,671	75,998	(7,673)	See paragraph 4.3
5050	Support to Parishes	11,930	550	550	0	
	<b>TOTALS</b>	<b>503,470</b>	<b>219,693</b>	<b>209,966</b>	<b>(9,727)</b>	

**Agenda Item No 17**

**Executive Board**

**14 September 2010**

**Report of the Chief Executive**

**Warwickshire County Council  
Overview and Scrutiny Board –  
Co-Opted Member**

**1 Summary**

- 1.1 To consider a replacement for Councillor Davis as the co-opted Member on the County Council's Overview and Scrutiny Board.

**Recommendation to the Council**

**That Councillor Bowden be appointed as this Council's representative on the County Council's Overview and Scrutiny Board.**

**2 Consultation**

**2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members**

- 2.1.1 As Chairman of our Scrutiny Board, Councillor Swann has been consulted on the proposal.

**3 Report**

- 3.1 In the latter part of 2009, Councillor Davis was appointed as this Council's co-opted representative on the County Council's Overview and Scrutiny Board. The Board co-ordinates the Overview and Scrutiny work of the County Council, seeks to establish what topics should be the subject to joint Scrutiny and takes an overview of high-level issues within the County.
- 3.2 Members will be aware that Councillor Davis is the Deputy Mayor of North Warwickshire and as such is no longer eligible for this role. The Board is therefore invited to nominate a replacement and it is suggested that Councillor Bowden be this Council's representative.
- 3.3 The Board is invited to endorse this appointment.  
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			