

**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, on 01827 719222 or via e-mail - [davidharris@northwarks.gov.uk](mailto:davidharris@northwarks.gov.uk).**

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

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

## **EXECUTIVE BOARD AGENDA**

**7 FEBRUARY 2011**

The Executive Board will meet in the Council Chamber at The Council House, South Street, Atherstone, Warwickshire on Monday 7 February 2011 at 6.30pm.

### **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 Fox, Hayfield, 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 **Minutes of the Meeting of the Board held on 29 November 2010** - copy herewith to be agreed as a correct record and signed by the Chairman.
- 5 **Requests for discussion of En Bloc items.**

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

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

### **Summary**

The Corporate Plan is updated on an annual basis. The purpose of this report is to recommend that the Council adopts the Corporate Plan and to agree the 2011-12 Forward Work Plan for the Assistant Chief Executive & Solicitor to the Council.

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

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

### **Summary**

This report updates the Capital Strategy approved by the Council in February 2010.

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

- 8 **The Proposed 3 Year Capital Programme** – Report of the Management Team.

### **Summary**

This report puts forward proposals for the Three Year Capital Programme and outlines the availability of capital resources.

The Contact Officer for this report is Jon Illingworth (719489).

- 9 **General Fund Fees and Charges 2011/12** – Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

The report covers the fees and charges for 2010/11 and the proposed fees and charges for 2011/12.

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

- 10 **General Fund Revenue Estimates 2011/12** – Report of the Deputy Chief Executive.

**Summary**

This report covers the revised budget for 2010/11 and an estimate of expenditure for 2011/12, together with forward commitments for 2012/13, 2013/14 and 2014/15.

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

- 11 **General Fund Revenue Estimates 2011/12 and Setting the Council Tax 2011/12** - Report of the Deputy Chief Executive.

**Summary**

This report sets out the proposed General Fund Revenue Estimate for 2011/12, and the options available when setting the 2011/12 Council Tax for the Borough in the context of the Authority's Revenue Support Grant settlement, and the effect on General Fund balances.

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

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

- 12 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2010 – December 2010** – Report of the Chief Executive and the Deputy Chief Executive (to follow).

**Summary**

This report informs Members of the actual performance and achievement against the Corporate Plan and Performance Indicator targets relevant to the Executive Board for the third quarter of 2010/11 from April to December 2010.

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

- 13 **West Midlands Councils – Constitution and Pension Liabilities -**  
Report of the Chief Executive.

### **Summary**

The purpose of this report is to update Members on changes to the Constitution of West Midlands Councils (formerly West Midlands LGA), to recommend the endorsement of the Constitution and to seek authority for the Deputy Chief Executive, in consultation with the Leader of the Council, to settle past pension liabilities.

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

- 14 **The Future of Planning Policy -** Report of the Assistant Chief Executive and Solicitor to the Council

### **Summary**

This report outlines the proposed changes to the planning regime and gives a suggested work programme.

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

- 15 **Local Investment Plan – To Deliver Affordable Housing –** Report of the Assistant Director (Housing)

### **Summary**

This report sets out a Local Investment Plan to deliver affordable housing for Members' consideration.

The Contact Officer for this report is Angela Coates (719369).

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE EXECUTIVE BOARD

29 November 2010

Present: Councillor Hayfield in the Chair

Councillors Bowden, Lewis, May, Moore, Morson, B Moss, Phillips, Smith, Swann, Sweet and Zgraja.

Apologies for absence were received from Councillors Fox and Simpson.

Councillor Lea was also in attendance and with the consent of the Chairman spoke on the business recorded at Minute No 37 (High Speed 2).

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

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

#### 34 **2009/10 Annual Audit Letter and 2010/11 Audit Plan**

The Deputy Chief Executive presented the 2009/10 Annual Audit Letter received from the Council's external auditors, PricewaterhouseCoopers LLP, together with their audit plan for 2011/12.

Alison Breadon from PricewaterhouseCoopers was in attendance at the meeting and presented their reports on which Members asked a number of questions.

**Resolved:**

**That the reports presented as Appendices A and B to the report of the Deputy Chief Executive be noted.**

#### 35 **Comprehensive Spending Review**

The Deputy Chief Executive highlighted the main issues arising from the Comprehensive Spending Review and commented on the potential implications for the Council.

**Resolved:**

**That the implications of the Comprehensive Service Review for the Council be noted.**

36 **New Homes Bonus**

The Deputy Chief Executive reported that the Government had issued a consultation paper on the New Homes Bonus. The Board was informed of the main issues in the consultation paper and the Deputy Chief Executive sought authority to formulate a response in consultation with the Leader of the Council and the Leader of the Opposition.

**Recommended:**

- a **That the consultation paper on the New Homes Bonus be noted; and**
- b **The Deputy Chief Executive be authorised to provide a response following consultation with the Leader of the Council and the Leader of the Opposition.**

37 **High Speed 2 – HS2**

The Assistant Chief Executive and Solicitor to the Council outlined the current situation in relation to the proposed construction of a high speed railway line called HS2 and Members were asked to agree a suggested course of action.

The Chief Executive circulated at the meeting a letter received from Ian Waddell, Chair of the Middleton HS2 Action Group. Members also received a copy of the response from the Chief Executive of HS2 indicating that a presentation would be made to the Council in December. A provisional date of Tuesday 14 December 2010 had been agreed.

**Recommended:**

- a **That the Department of Transport and HS2 Ltd be notified of the Council's interim response of a holding objection;**
- b **That a further report be brought back to Board once the formal consultation period has begun;**
- c **That proposals for liaising with our local communities affected by the route be explored with the County Council and other affected Councils and reported back to Board;**
- d **That the action of the Chief Executive in pursuing a presentation by HS2 to Members be endorsed; and**
- e **That HS2 Ltd be requested to postpone the formal consultation process until such time as the full**

**economic and environmental impact of the proposals are available.**

**38 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April to September 2010**

The Chief Executive and the Deputy Chief Executive reported on the actual performance and achievement against the Corporate Plan and Performance Indicator targets relevant to Executive Board for April to September.

**Resolved:**

**That the report be noted.**

**39 Meetings Timetable**

The Board was invited to approve the timetable of meetings for 2011/12.

**Recommended:**

**That the calendar of meetings for 2011/12 as submitted at Appendix A to the Chief Executive's report be approved.**

**40 Officer/Member Protocol**

The Board was invited to consider a draft Officer/Member Protocol.

**Recommended:**

**That the Officer/Member Protocol attached as an Appendix to the report of the Assistant Chief Executive and Solicitor to the Council be approved.**

**41 Petitions Scheme**

The Assistant Chief Executive and Solicitor to the Council reported on the need for the Council to adopt a Petitions Scheme and sought approval for a draft scheme.

**Recommended:**

**That the draft Petitions Scheme attached to the report of the Assistant Chief Executive and Solicitor to the Council be approved.**

**42 Extension to Sick Pay**

The Assistant Director (Finance and Human Resources) reported on a recommendation from the Special Sub-Group to discontinue the Extension to

Sick Pay Scheme and the Board was asked to agree a suggested course of action. The consultation response from Unison was reported to the Board.

**Recommended:**

**That the Extension to Sick Pay Scheme be discontinued.**

43 **Policy for Relocation Expenses**

The Assistant Director (Finance and Human Resources) submitted a revised relocation expenses policy and Members were asked to agree a suggested course of action.

**Recommended:**

**That the revised Policy for Relocation Expenses attached as an Appendix to the report of the Assistant Director (Finance and Human Resources) be adopted.**

44 **Review of Polling Districts and Polling Places**

The Board was invited to approve the polling districts and polling places scheme for North Warwickshire.

**Recommended:**

**That the existing scheme of polling districts and polling places for North Warwickshire be approved without amendment.**

45 **Budgetary Control Report 2010/11 – Period Ended 31 October 2010**

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2010 to 31 October 2010. The 2010/2011 budget and the actual position for the period, compared with the estimate at that date, were given, together with an estimate of the out-turn position for services reporting to the Board.

**Resolved:**

**That the report be noted.**

46 **Equality Act Update**

The Assistant Chief Executive and Solicitor to the Council reported on the main elements of the Equality Act 2010 and updated Members on the Council's overall approach to improving equality and diversity.

**Resolved:**

**That the changes arising from the Equality Act 2010 be noted.**



47 **Section 106 Agreements - Variations**

The Assistant Chief Executive and Solicitor to the Council and the Head of Development Control reported on a draft paper, outlining the options that the Council could consider to increase flexibility in Section 106 Agreements as a consequence of the current economic conditions. The draft paper was recently considered and approved by the Planning and Development Board.

**Recommended:**

**That the draft paper be approved for the purposes of consultation with a view to adding it to the Council's Supplementary Planning Document on Affordable Housing following consideration of any responses from that consultation period.**

48 **Local Growth – White Paper from the Department for Business Innovation and Skills**

The Assistant Chief Executive and Solicitor to the Council reported on the implications of the White Paper for North Warwickshire.

**Recommended:**

**That the report be noted.**

49 **Corporate Plan Targets – Planning and Development Board**

The Assistant Chief Executive and Solicitor to the Council reported on proposed changes to Corporate Plan Targets recommended by the Planning and Development Board and Members were asked to agree a suggested course of action.

**Recommended:**

**That the changes to the Corporate Plan Targets detailed in the report of the Assistant Chief Executive and Solicitor to the Council be agreed.**

50 **Exclusion of the Public and Press**

**Resolved:**

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

51 **Minutes of the meetings of the Special Sub-Group held on 1 November and 22 November 2010**

The minutes of the meetings of the Special Sub-Group held on 1 November and 22 November 2010 were received and noted.

52 **Shared Legal Services**

The Assistant Chief Executive and Solicitor to the Council reported on a proposal for a shared arrangement for the delivery of legal services.

**Recommended:**

**That the Assistant Chief Executive and Solicitor to the Council be authorised to enter into the Shared Service Agreement.**

C Hayfield  
Chairman

## **Agenda Item No 6**

### **Executive Board**

**7 February 2011**

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

#### **Corporate Plan 2011-12**

### **1 Summary**

- 1.1 The Corporate Plan is updated on an annual basis. The purpose of this report is to recommend that the Council adopts the Corporate Plan Targets and to agree the 2011–12 Forward Work Plan for the Assistant Chief Executive & Solicitor to the Council.

#### **Recommendation to the Council**

- a** That the Corporate Plan Targets, as set out in Appendix A to the report, be agreed, subject to:-
- (i)** Any amendments recommended by other Boards or Portfolio Groups; and
  - (ii)** Any further amendments which may be needed as a result of the adoption of the 2011-12 budget;
- b** That the Chief Executive be given delegated authority to finalise the format of the Plan; and
- c** That the Service Plan for the Assistant Chief Executive & Solicitor to the Council, as set out in Appendix B to the report, be agreed.

### **2 Consultation**

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

- 2.1.1 Discussions relating to issues contained within the Appendices have take place at Portfolio Groups in appropriate cases.

### **3 Report**

- 3.1 The Corporate Plan Targets and Divisional Service Plans are normally agreed in the January/February cycle of meetings and adopted by Full Council in February at the same time as the Budget.
- 3.2 In 2006 the Council produced a new style of Corporate Plan more closely aligned to the North Warwickshire Sustainable Community Strategy and incorporating a long term Vision.

- 3.3 Members will be aware that the Sustainable Community Strategy has recently been reviewed and now has three key themes. Public Agencies in the County have also agreed a Warwickshire Sustainable Communities Strategy. Consequently, a number of revisions were made to the format to the 2010-11 Corporate Plan.
- 3.4 Appendix A sets out the proposed Corporate Plan Targets for 2011/12. Members are requested to recommend to the Council that Appendix A is agreed, subject to the provisos set out in the recommendation.
- ...
- 3.5 A report will be presented to the Boards after the end of the financial year to show the year end out-turn on the 2010-11 targets. The targets for 2011-12 are being recommended in advance of the Election in May and may well need to be reviewed post-election. For this reason a fully formatted Plan is not being recommended at this stage, with the 2011-12 Plan being finalised following discussion with Members post-election.
- 3.6 It is also important, however, that Members are aware of and agree the significant amount of work carried out within the Divisions to provide services to local people. This information appears in a single document for each Division, the Divisional Service Plan, which is the key management tool for ensuring that services deliver their annual work programme.
- ...
- 3.7 The Service Plan for the Assistant Chief Executive & Solicitor to the Council comprises Appendix B to this report, as most of the programme relates to work carried out for this Board.
- 3.8 Where there are any budget implications for another Board arising out of work programmes, those implications have been drawn to the attention of the relevant Board in the Budget report going to this cycle of meetings. Similarly, any budgetary implications for this Board from Divisional Plans being reported to other Boards are dealt with in the Budget Report also on this agenda.
- 3.9 Once the Corporate Plan Targets and Divisional Service Plans have been agreed, they will be subject to the usual reporting procedures for monitoring performance, ie:-
- Monthly reports are considered by Management Team;
  - A traffic light warning indicator is used:-
    - Red – target not likely to be achieved.
    - Amber – target currently behind schedule and requires remedial action in order to be achieved.
    - Green – target currently on schedule to be achieved;
  - Progress reports to each Board meeting, and
  - Overview and Scrutiny Boards to monitor the performance of indicators and targets where the traffic light is amber or red.

## 4 Report Implications

### 4.1 Finance and Value for Implications

4.1.1 Where possible, targets and indicators for 2011-12 will be achieved from within existing Board resources. Details of any additional funding are included in the right hand column of the table in Schedule A and in the Budget report and will be in appropriate cases, the subject of reports to the Board.

### 4.2 Human Resources Implications

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

### 4.3 Risk Management Implications

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

### 4.4 Links to Council's Priorities

... 4.4.1 These are set out in the Appendices.

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

#### **Background Papers**

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

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

**CORPORATE PLAN TARGETS – 2011/12**

**EXECUTIVE BOARD**

<b>Corporate Plan Theme</b>	<b>Target</b>	<b>Board/Portfolio Holder/ Lead Officer</b>	<b>Additional Training/ Financial Implications</b>
Community Life	To ensure that we assess the impact of our services on, and actively engage with, all sections of our communities and to report on ways of doing this by September 2011.	Executive Board/Community Life Portfolio/ACE&StC/ACE (CS)	To be met within existing budgets.
Community Life	To continue to work with partners in the Coventry & Warwickshire Local Enterprise Partnership and with Hinckley and Nuneaton to maximise opportunities to develop the economy of the Borough and to report on progress by October in each year.	Executive Board/ACE&StC	To be met within existing budgets.
Community Life	To report annually in March on the work of the local Financial Inclusion Partnership including for 2011/12 the BOB bus, CAB and Warwickshire Welfare Rights Activity.	Executive Board/Community Life Portfolio/ACE (CS)	Any financial implications will be identified if reports are needed and will be reported to Members for decision.
Housing/Countryside & Heritage	To publish a draft Core Strategy for consultation with the public by October 2011 that reflects the Council's priorities.	Executive Board/Planning Board/LDF Advisory Panel/Housing Portfolio/Countryside & Heritage Portfolio/ACE&StC	To be met within existing budgets.

Corporate Plan Theme	Target	Board/Portfolio Holder/ Lead Officer	Additional Training/ Financial Implications
Countryside & Heritage	To continue to oppose the HS2 proposal, in partnership with other affected Councils and community action groups, initially by responding to the statutory consultation in accordance with the published timetable.	Executive Board/Countryside & Heritage Portfolio/ACE&StC	Should any additional funding be required, this will be subject to further report.
Safer Communities	<p>To contribute towards the achievement of the partnership plan 2011 – 2012 actions and targets for the 2010/11 strategic priorities of:-</p> <ul style="list-style-type: none"> <li>▪ Reducing violent crime, including domestic abuse, alcohol related violence and young people as both offenders and victims of crime.</li> <li>▪ Reducing anti-social behaviour, including youth and alcohol related anti-social behaviour, small deliberate nuisance fires and the public perception of anti-social behaviour.</li> </ul> <p>Continued./....</p>	Executive Board/Safer Communities Portfolio/CE, AD (L&CD)	The Council may have to make additional contributions directly to sustain some existing interventions if the County-wide Area Based Grant allocations are reduced significantly for 2011/12.

Corporate Plan Theme	Target	Board/Portfolio Holder/ Lead Officer	Additional Training/ Financial Implications
	<ul style="list-style-type: none"> <li>▪ Reducing serious acquisitive crime, including domestic burglary and theft from vehicles.</li> <li>▪ Improving public perceptions and public confidence.</li> </ul> <p>Contribute towards the Warwickshire Reducing Re-offending Strategy.</p>		
Safer Communities	To work with partner agencies to ensure the delivery of relevant actions arising through the safer neighbourhood processes and reporting progress to each Area Fora meeting.	Executive Board/Safer Communities Portfolio/CE, AD (L&CD)	External funding is often required to undertake appropriate actions.
Resources	To ensure that the Council is prepared for emergencies and has suitable emergency and business continuity plans, as required by the Civil Contingencies Act, and to review both the emergency and business continuity plans annually in March.	Executive Board/CE	To be met within existing budgets.
Resources	To achieve the savings required by the budget strategy and to update the strategy to reflect future developments by October 2011.	Executive Board/Resources Portfolio/DCE, AD (F&HR)	To be met within existing budgets.



<b>Corporate Plan Theme</b>	<b>Target</b>	<b>Board/Portfolio Holder/ Lead Officer</b>	<b>Additional Training/ Financial Implications</b>
Resources	To carry out reviews of systems in line with the Council's review plan and explore any opportunities for shared working that may arise.	Executive Board/Resources Portfolio/Management Team	To be met within existing budgets.
Resources	To research and develop options for extending the Council's consultation with stakeholders on financial savings options and report by July 2011.	Resources Board/Resources Portfolio/DCE	To be met from the existing budget and any additional financial implications will be assessed during the development of the options.

## FORWARD WORK PLAN 2011/12 – DEMOCRATIC SERVICES

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/ Training Implications
Service Boards/Committees as required including Scrutiny and Area Forums.	Democratic/ Community Engagement	D Harris	May 2011	April 2012	High	All agendas published within the statutory timetable and draft minutes available within 2 working days of the meeting.	Staff time
Borough and Parish Elections to be held on 5 May 2011 [In addition this may be combined with a national referendum on AV]	Democratic	D Harris	Jan 2011	June 2011	High	All activities concluded in accordance with timetable of events	Staff time
Commence preparatory work for Police Commissioner Elections if to be held in May 2012	Democratic	D Harris	Dec 2011	May 2012	High	All activities concluded in accordance with timetable of events	Staff time

**APPENDIX B**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/ Training Implications</b>
Carry out annual register of electors canvass	Democratic/ Community Engagement	D Harris	July 2011	December 2011	High	Publication of Register	Staff time
Administer monthly rolling registration in connection with register of electors	Democratic/ Community Engagement	D Harris	April 2011 Dec20110	Aug 2011 Mar 2012	High	Monthly publication of rolling registration applications	Staff time
Carry out Absent Vote refresh for personal identifiers – signatures/dates of birth	Democratic	D Harris	Jan 2012	Feb 2012	High	All Absent Voters written to for information	Staff time
Oversee Member induction following May 2011 Borough elections	Democratic	S Maxey/D Harris	May 2011	Dec 2011	High	Induction carried out in accordance with agreed plan	Staff time
Arrange annual meeting between Borough and Town/Parish Councils.	Democratic/ Community Engagement	D Harris	October 2011	December 2011	Medium	Meeting held	Staff time
Assist with production of the Corporate Plan	Corporate	D Harris	Nov 2011	Feb 2012	High	Publication of Plan	Staff time

**APPENDIX B**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/ Training Implications</b>
To reassess all Display Screen Equipment Self-assessments, risk assessments and fire safety audits.	Health and Safety	D Harris	January 2012	February 2012	Medium	Assessments completed	Dependent on the outcome of assessments.
Continue to review processes and procedures within the Section in order to ensure compliance with all appropriate corporate policies and protocols including Health and Safety, Equalities and data quality requirements	Health and Safety High Quality Service Provision	D Harris	May 2011	April 2012	High	Processes and procedures that continue to comply with all internal policy requirements	Staff Time

# Divisional Plan – Forward Planning Team 2010/11

## 1 A Review of Last Year (since last Plan of November 2009)

- ◆ What went well – what did the Team achieve in relation to its previous year's plan
  - Monthly LDF Advisory Panel Meetings worked well until June 2010
  - Evidence base increasing:
    - Completion of Landscape Character Assessment for Borough, Water Cycle Study for Warwickshire, Renewable Energy and Low Carbon sub-regional feasibility study & Strategic Land Availability Assessment
    - Meetings have continued to take place to ensure delivery and that there are no show stoppers for Core Strategy with stakeholders
  - Working in partnership has continued to achieve economies of scale reducing the pressure on the budget.
  - Negotiating of S106 especially for affordable housing and open space provision
  - Annual Monitoring Report (summary version) was completed on time for 209 and work is on target for the 2010 full AMR version.
  - New Planning Information Officer in post. National and regional figures completed on time.
  - Part of the HPDG award based on LDF performance (This has subsequently been abolished)
  - Successful implementation of Partnership Scheme for Atherstone with 12 schemes despite long term absence of key member of staff and threat of funding withdrawal from AWM. Signed off by auditors.
  - Continued input into the sub-regional strategy and regional spatial strategy
  - Team have been successfully migrated over to TRIM
  - Drafting of the Interim Planning Policy Statement for consultation
  - Submission of the Cross-Border Partnership
  - Initial work on the HS2 project
- ◆ What has not gone quite so well
  - Staff capacity due to volume of work in both the LDF, monitoring and Heritage areas as well increasingly HS2 and economic development work
  - Assistance from Development Control although slow to come to fruition lead to work on Climate Change and Settlement Appraisal work.
  - Long term absence had an impact on the remainder of the team at a time when the team lost a member of staff due to retirement
  - Lack of staff resource has lead to the Coleshill Conservation Area Appraisal not being progressed
  - Lack of take up of grants for the Partnership Scheme in Atherstone was disappointing but turned around
  - Abolition of PDG
  - Expected abolition of RSS and other uncertainties over future of LDF work
  - Review of LDS on hold yet again due to vacuum of policy guidance on way forward following expected abolition of the RSS
  - Review of current Supplementary Planning Guidance not undertaken
- ◆ Staffing issues – leavers, joiners, exam successes
  - Planning Policy Assistant successfully passed her Advanced Diploma Planning Course.
  - Planning Information Officer appointed in January 2010 and has settled in to team

## 2 Service Plan for the following Year

### 2.1 External Influences

◆ Is there any legislation that will impact on the Division?

Following the change in Central Government a number of changes to the planning system and expected / awaited:

- Decentralisation & Localism Act expected – impact on how service is delivered
- Abolition and then reinstatement of the RSS
- New Planning Policy Statements are awaited
  
- Delivery of a Core Strategy with an Infrastructure Delivery Plan still expected. Unclear what is going to happen if / and when the Community Infrastructure Levy is introduced.
- Changes following the Sub-national review and the way AWM / County will work in the future. Influence and linkages to sub-regional working is on-going – LEP, SRIS
- LEP proposals and Regional Growth Fund

◆ Any professional codes of practice or best practice statements to be implemented?

- The Planning Advisory Service continually updates their Best Practice Guidance which will need to be reviewed on a continual basis. Awaiting to hear if PAS going in the review.

◆ Are there any resource implications?

- A lot of changes expected over a relatively short time
- Finalisation of the Atherstone Regeneration Project
- Involvement in Land Disposals
- Division has an interest in all Portfolio Groups but the work of the Countryside & Heritage Portfolio Group relies on the work of the LDF Panel. Should this not be part of the LDF Panel?
- LDF is cross cutting
- It takes time to get to grips with the implications of the new guidance / legislation which has implications on how quickly targets can be achieved

### 2.2 External Assessment

- Internal audit timetabled a review of the Forward Planning Team in late summer 2009, but this has yet to take place. The time they have allowed is 20 days which includes preparation / research / interviews / preparing notes / carrying out testing to prove processes work / report preparation, post audit discussion etc.

**Action**  
1 Audit

**By When**  
?

**By Whom**  
Internal Audit

### 2.3 Value for Money/Efficiency

#### *Corporate Working*

- Continued Participation in Atherstone Regeneration Project
- Involvement in Land Disposals
- Division has an interest in all Portfolio Groups
- LDF is cross cutting

## Value for Money/Efficiency

### Efficiencies identified

- Further electronic efficiencies as move towards increased submission on line, and electronic consultations

### Resource Implications

- Uncertainty of Planning Fee increase at present – possible link to LEP proposal
- Although awarded £86k HPDG award this has now been abolished and this last payment not received
- Abolition of RSS and the regional structures has implications on the need to provide more in-house monitoring resources.
- If planning application rise again as we come out of recession then there will once again be pressure on our Heritage resource

## 2.4 Performance Indicators

- Systems in place for all BVPI's; Government annual and quarterly returns together with local PI's. (Written procedures with internal checks)
- All Risk Assessments moderated annually
- Policy development must be accompanied by monitoring and this can be expanded and explored.

### ◆ National Indicators that apply to the Service

154	Net additional homes provided	Existing – unchanged indicator or uses existing data return with no recalculation	NWBC report to Housing Flows Return	Steve Maxey	Dorothy Barratt
155	Number of affordable homes delivered (gross)	Existing – unchanged indicator or uses existing data return with no recalculation	NWBC returns to DCLG (S106 and P2)	Steve Maxey / Chris Brewer	Dorothy Barratt / Paul Roberts
159	Supply of ready to develop housing sites	Existing – unchanged indicator or uses existing data return with no recalculation	Local Planning Authority	Steve Maxey	Dorothy Barratt
470	<del>No longer required - Previously developed land that has been vacant or derelict for more than 5 years</del>				
197	Improved local biodiversity – active management of local sites	New indicator	Local Sites Partnership	Steve Maxey (information supplied by WCC)	Dorothy Barratt

188	Adapting to climate	New indicator	Local authority	Steve Maxey	
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	change		will measure against a scale of 0-4		
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**Table 2: NWBC will be monitored on but reported elsewhere**

189	Flood and coastal erosion risk management	New indicator	Environment Agency
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- ◆ LAA or LSP targets apply to the Service



◆ Local Targets

X	Planning and Development	Forward Planning	Executive Board	BVPI 200	a 0506	Did the local planning authority submit the Local Development Scheme (LDS) by 28th March 2005 and thereafter maintain a 3-year rolling programme? :	Yes	Yes	Green		Yes/No	
X	Planning and Development	Forward Planning	Executive Board	BVPI 200	b 0506	Has the local planning authority met the milestones which the current Local Development Scheme (LDS) sets out? :	Yes	Yes	Green		Yes/No	
X	Planning and Development	Forward Planning	Executive Board	BVPI 219	b 0506	Percentage of conservation areas in the local authority area with an up-to-date character appraisal. :	20%	On target	Green	Atherstone complete and work on Coleshill started	Yes/No	
X	Planning and Development	Forward Planning	Executive Board	BVPI 106	- 0203	Percentage of new homes built on previously developed land. :	85%	87%	Green		Yes/No	



## 2.5 Use of Technology

- The Local Plan is interactive on-line but could be improved and hosted on Council's own servers – issue that GIS is no longer updated and cost of bringing back Local Plan in a printable version.
- New web pages have been finalised and web links extended
- Document Management System now in use –scanning of old files to make space in offices is being pursued in the New Year as and when staff time available in Central Services
- Where finances allow introduction of web based consultation and preparation of reports – quotes have been obtained and this would be in the region of £20 to 40k depending on the complexities and versatility of the system.

## 2.6 Risk Management

- Annual Moderation of Risks
- Bespoke Loan Worker Policy for the former Planning & Development Division needs to be updated for the FP team

## 2.7 Customer Surveys/Consultation

Consultations will be carried out in relation to the development of the Core Strategy but not directly about the service that Forward Planning provides. These will be both formal consultation periods as well informal meetings with key stakeholders. There are resource implications in terms of staff time that it takes to organise and then run events. The LDF Budget covers the financial costs.

## 2.8 Community Plan/Corporate Plan

### ***Community Plan (2010)***

- Three key themes are interlinked to the work of the team as well as the provision of quality housing and improvements / maintenance of the environment

### ***Corporate Plan (2010)***

- Community Life (Community Engagement)
- Community Life (Community Engagement)
- Community Life (Community Engagement)
- Community Life (Affordable Housing)
- The Local Economy (Market Towns)
- The Local Economy (Rural Framework)
- The Local Economy (Tourism Action Plan)
- The Environment (North Arden Heritage Trail)
- The Environment (Conservation Area Appraisals)
- The Environment (Civic Awards)
- Health and Well Being
- Education and Lifelong Learning
- Safer Communities

## 2.9 Vision

- The teams work is cross cutting but mainly it is through the Development Plan policies and delivery of outcomes, community links, implementing National and Regional Policy, joint working with other Agencies and Authorities.
- Forward Planning cuts across practically all of the Council's current seven priorities if objectives are to be delivered.

## 2.10 Strategies

- The service is grounded in long term strategic planning most of which shapes Council activity
- It heeds and takes up internal Corporate Strategies
- Its focus is external strategic working and linkages
- The service links with all Portfolio groups and with Corporate Priorities

## 2.11 Staff Issues

- Sickness level have levelled off having seen one long term absence whilst in team and new team member bringing a long term absence. Short term illness has improved
- The Planning Information Officer retired in September 2009 and new officer appointed and started in January 2010
- Nothing arising from Appraisals
- Team under pressure to achieve timescales.
- Morale of team has improved generally although the general state of local government is a concern and the lack of guidance on future of Planning Policy work.

### Action

1 To keep a check on the effect of the pressure of work on the team to ensure any problems picked up early.

### By When

Continually review

### By Whom

Dorothy Barratt

## 2.12 Process and Policy

- LDF process and Rural Strategy in place
- LDS updated programme needs to be finally agreed
- Electronic service delivery programme in place but could be improved
- Identified gap in respect of climate change issues being addressed

## 2.13 Health and Safety

- Risk Assessments undertaken
- Lone Worker Policy needs review
- Audits need to be undertaken

## 2.14 Equalities

The team needs to continue using the EIA when developing policy.

## 2.15 **Communication**

The FP Team have the Statement of Community Involvement (adopted January 2007), which it uses when consulting the public, stakeholders and other organisations.

## 2.16 **Climate Change**

The team will continue to have contact with the Development Plans Forum sub-group called the Climate Change Sub-group. The Planning Policy Assistant now attends this meeting. A Renewable Energy and Low Carbon Development Feasibility Study has been completed and this should help to inform the next step in this process.

A Renewable Energy Toolkit is being introduced in early 2011. Training is being carried out by Encraft for officers and then it is intended that Members will also be shown the system.

## 2.17 **LAA/LSP**

The work of the Forward Planning Team is so wide-ranging and cross cutting that there are many areas where the type of planning policy can have an influence on the other targets.

## 2.18 **Previous Years**

As the work of the team is long ranging most actions from the previous year need to be carried forward.

## 3.0 **Resources**

The team is still busy even though there is a delay in the Core Strategy. Work is escalating in the Cross-border partnership and with it economic development work, as well as HS2 proposals.



### SUMMARY ACTION PLAN

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
1. Review and keep LDS up to date	Community Plan: All themes	Forward Planning Manager	September 2009	February 2011	1	GOWM raising no objections and it becoming effective	Keeping up to date with changing requirements both nationally and regionally
2. Implementing the LDS work programme including gathering the evidence base	Community Plan: All themes	Forward Planning Manager	March 2005	ongoing	1	Delivery of projects as part of the LDS on time and with a high expectation of being found to be sound	Keeping up to date with changing requirements both nationally and regionally
3. Prepare & Submit Annual Monitoring Report	Community Plan: All themes	Forward Planning Manager	September 2009	Every year by 31 <sup>st</sup> December	1	Meeting the statutory requirement to submit an AMR each year by 31 <sup>st</sup> December	Keeping up to date with changing monitoring requirements both nationally and regionally
4. Prepare and keep under review the five year housing supply	Community Plan: All themes	Forward Planning Manager	September 2009	Every year by 31 <sup>st</sup> December	1	Maintaining information on our five year supply	Staff time; attracting outside sources of funding to maintain a supply

5. Cross-Border Partnership	Community Plan: All themes	Forward Planning Manager	September 2010	ongoing	1	Delivery of projects that deliver results hitting the SCS targets	Staff resource and possible future budget issues
6. Maintain advice on planning control matters including policy advice and specialist heritage advice.	Community Plan: All themes	Forward Planning Manager		ongoing	1		
7. Involvement in specialist projects such as HS2, Tame Valley Partnership.	Community Plan: All themes	Forward Planning Manager		ongoing	1		
8. Annual Moderation of Risk Management	Risk Management	Forward Planning Manager		Annually			
9. Internal Audit inspection	Corporate: Best use of resources	Principal Audit Officer	Late 2009	?		Inspection showing good service	
10. Equalities - Continuing to prepare EIA's for new policy areas	Equalities	Forward Planning Manager		Before policy presented to Board		All new policy areas accompanied by EIA	
11. Health & Safety Audits	Health & Safety	Forward Planning Manager		Annually		All required audits completed and remedial action taken where necessary	



12. Investigate and where possible improve and develop "e" links	LDF	Forward Planning Manager	Late 2008	ongoing	1	Making the LDF more accessible	Cost implication of purchasing & on-going maintenance of any system.
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## **Workforce Implications of the Corporate & Divisional Plans**

### **Risk of Staff leaving and effect**

**Forward Planning Manager:** medium risk – high impact. Post holder has been with Council for 18 years. The likelihood of event happening is increasing with potential retirements in nearby authorities. However salaries need to continue to be competitive with adjoining authorities to ensure that the risk becomes low. Due to recession difficulty in recruitment may not be as severe but question over whether we would be able to recruit someone with experience

**Senior Planning Officer:** low risk – high impact. Post holder been with Council for five years. Due to recession difficulty in recruitment may not be as severe but question over whether we would be able to recruit someone with experience. The likelihood of event happening is low. However salaries need to continue to be competitive with adjoining authorities to ensure that the risk remains low.

**Planning Information Officer:** low risk – high impact. Former post holder has now retired and new post holder in place. .

**Planning Policy Assistant:** low risk – high impact. When the post holder left the effect, on the team, was dramatic. In a small team the loss of one person is keenly felt. This post has now been filled with a permanent member of staff who has worked for the Council for 26 years.

**Heritage & Conservation Officer:** medium risk – high impact. This post is a specialist post and is a partnership post with NBBC (75% NWBC : 25% NBBC). It was difficult to recruit to the post but current post holder now been in post for five years. If for any reason the post did become vacant NBBC have indicated they would wish to continue with the joint post for the foreseeable future.

<b>Workforce Areas</b>	<b>Long Term Objective</b>	<b>Objective 2009/10</b>	<b>Action by</b>	<b>Performance Measures</b>	<b>Milestone Dates</b>
<b>Skills</b>	Obtaining and maintaining Professional qualifications required.	Advanced Diploma for Planning Policy Assistant post	All	Passing of Diploma	Summer 2010
	CPD required in all jobs			Continuation of CPD	Annual Appraisals
<b>Jobs &amp; Job Roles</b>	To keep up to date with legislative changes	Continue to support CPD	All	CPD opportunities	Annual Appraisals
<b>Equalities</b>	Ensure equality of service	Training on equalities for remaining staff	FPM	One staff remaining to be trained	Annual Appraisals
<b>Recruitment &amp; Retention</b>	Recruitment to Planning Information Officer	Appoint a permanent post holder	FPM	Appointment to post	By March 2010
	Working with DC to provide cover for frozen Senior Post  Remuneration needs to be kept under review		FPM / HPC	Delivery of policy work for Core Strategy	By March 2010
<b>Learning &amp; Development</b>	Training key part of work	Continue to access free CPD events  Continue professional qualifications	ACE	CPD opportunities	Annual Appraisals

<b>Workforce Areas</b>	<b>Long Term Objective</b>	<b>Objective 2009/10</b>	<b>Action by</b>	<b>Performance Measures</b>	<b>Milestone Dates</b>
<b>Succession &amp; Career Planning</b>	Investigate use of career graded posts if recruitment is difficult	Recruitment to Planning Information Officer post	FPM	Successful appointment	March 2009
<b>Employee Relations</b>	Improve team interactions and understanding of others work	Introduction of bi-weekly team meetings	FPM	Meetings taking place	Autumn 2009
<b>Health &amp; Safety</b>	To comply with Council Health & Safety policy	Safety Audits to be carried out for each work station	ACE	Annual risk assessments	April 2010
<b>Pay &amp; Rewards</b>	To keep under review JD's at annual appraisals	Review of JD & evaluation for FPM	ACE	Completion of job evaluation for FPM post	Annual Appriasals
<b>Flexible Working</b>	More flexible ways of working	To review way of working and ensure no adverse issues  To investigate a more structured way of flexible home working	FPM	To trial flexible home working	Evaluate by end of 2009

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
<b>Equality</b>							
1. To assist in the Council meeting its duties as set out within the Equality Act.	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Specific schemes for race, disability, gender and other equality categories integrated within one single equality scheme. Council meeting its statutory responsibilities.	Training for staff on new changes
2. To support the Council's approach to knowing our customers and understanding their needs including the collection and analysis of customer profiles and developing further the use of MOSAIC.	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Examples of successful targeted service delivering based upon increased knowledge of our customers needs.	Training for staff
3. To arrange Equality and Diversity training including awareness and Impact needs assessment training for new employees and updates for existing staff.	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March12	High	Training arranged for new starters and updates for existing staff divisions	Training for staff on awareness and impact/ needs assessment

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
4. To monitor and ensure that equality impact needs assessments are undertaken and that the identified actions are implemented within service plans.	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	All new policies and practices or changes have been assessed. Equality objectives are included with service plans.	Training for staff on awareness and impact/ needs assessment.
5. To support the function of a North Warwickshire Disability Forum with the Council of Disabled People and other partners.	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	Apr 11	March 12	High	Disability Forum meeting. Effective arrangements for engagement with disabled people which influence our service delivery	Awareness training for staff on disability equality duty
6. To assist the North Warwickshire Community Partnership in achieving equality and community cohesion objectives associated with the Sustainable Community Strategy 2009 - 2026 .	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	Medium	Task and finish groups actively narrowing the gaps within the agreed priorities Effective community engagement with community groups and action being taken on community concerns.	Training for partners on awareness and impact/ needs assessment.
7. To assist in the achievement of the Stronger Communities related outcomes of the of the Safer and Stronger Communities Board delivery plan.	Healthier Communities Access to services  Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Delivery plan achieving progress with the outcomes	Area Based Grant partnership funds at risk pending the CSR.

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
<b>Emergency Planning and Business Continuity</b>							
8. To maintain and revise the Emergency/Contingency Plan as necessary.	Healthier Communities Making the best use of Resources	Chief Executive	April 11	March 12	High	Plan updated at least every 6 months	County Council/NWBC provision Cabinet Office funds.
9. To ensure that the Emergency/Contingency Plan procedures are tested annually	Healthier Communities Making the best use of Resources	Chief Executive	To be agreed with WCC		High	Learning from test	County Council/NWBC provision Cabinet Office funds.
10. To review the corporate Business Continuity Management Plan.	Healthier Communities Making the best use of Resources	Chief Executive	April 11	March 12	High	Updated Corporate Business Continuity Plan	Corporate training on business continuity best practice.
11. To monitor and assist departments reviewing their service continuity plans annually.	Healthier Communities Making the best use of Resources	Chief Executive	April 11	March 12	High	Updated Development/Service Level Business Continuity Plans Programme of reports to Management Team completed	Corporate training on business continuity best practice.
12. To support the delivery of the Service level Agreement with the County Council / Sub Regional Emergency Planning Unit.	Healthier Communities Making the best use of Resources	Chief Executive	April 11	March 12	High	Meeting the requirements of the Civil Contingencies Act.	County Council/NWBC provision Cabinet Office funds

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
13. To support the Warwickshire Local Resilience Forum in delivering the 2011/12 Business Plan.	Healthier Communities Making the best use of Resources	Chief Executive	April 11	March 12	High	Meeting the requirements of the Civil Contingencies Act. The identification of risks and threats and control measures to either mitigate the effect of the risks or to ensure an effective emergency response.	County Council/NWBC provision Cabinet Office funds



**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
<b>Performance Management</b>							
14. To assist in the collation of the national data returns to be identified by the Coalition Government.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	Apr 11	March 12 subject to other specified deadlines	High	Returns subject to the requirements determined by the DCLG.	
15. To ensure that systems and procedures are in place to produce the information required for the 2012/13 national data returns. Subject to the requirements determined by the DCLG.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	Jan 12	March 12	High	Systems and procedures in place by April 12	
16. To collate the quarterly performance reports to Management Team.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Quarterly reports prepared	
17. To prepare the quarterly performance reports to Boards.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Quarterly reports prepared	
18. To prepare performance reports to Scrutiny Board as required.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Reports prepared and well informed scrutiny exercises carried out.	

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
19. To assist in the Council's Scrutiny exercises as required within the agreed work programme.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Reports prepared and well informed scrutiny exercises carried out	
20. To embed the use of the Performance Plus performance management system to support the Councils performance management process by March 2012.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	Med	Performance Plus system being used by all the Council's departments. Improved performance management framework.	Maintenance costs of IT system

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
<b>Crime &amp; Disorder</b>							
21. To monitor and co-ordinate the implementation of the actions of the North Warwickshire Community Safety Partnership Plan 2010 – 2013.	Healthier Communities Working with our partners to tackle crime, the fear of crime and anti social behaviour	Chief Executive	April 11	March 12	High	Reduction targets and actions being achieved. Perceptions of crime and disorder improved.	SSCF Area Based Grant and BCU partnership funds are at risk following CSR. Local funding provision maybe required.
22. To support the Safer Neighbourhoods Teams and to ensure that the Council' contributes effectively to this.	Healthier Communities Working with our partners to tackle crime, the fear of crime and anti social behaviour	Chief Executive	April 11	March 12	High	Addressing local community priorities Perceptions of crime and disorder improved	Revised partnership working arrangements
23. To support the sustainable provision of locally based support services for victims of domestic abuse.	Healthier Communities Working with our partners to tackle crime, the fear of crime and anti social behaviour	Chief Executive	April 11	March 12	High	Sustained provision of locally based support services for 11/12 Increase in victims making contact with support services.	Need for contribution from the Corporate Policy budget. Area Based Grant partnership funds are at risk following CSR proposals and outcomes of the Warwickshire strategic review of domestic abuse services 2009/10 to be confirmed.

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
24. To support the achievement of the Safer and Stronger Communities Partnership Board outcomes.	Healthier Communities Working with our partners to tackle crime, the fear of crime and anti social behaviour	Chief Executive	April 11	March12	High	Delivery plan progress	Area Based Grant and BCU funds are at risk following the CSR..
25. To support the work of Council's Crime and Disorder Overview and Scrutiny Board.	Healthier Communities Working with our partners to tackle crime, the fear of crime and anti social behaviour	Assistant Chief Executive and Solicitor to the Council	April 11	March12	High	reports prepared and well informed scrutiny exercises carried out	

### Policy Support Forward Work Plan 2011/12

Action	The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
<b>Compliments and Complaints</b>							
26. To report once a year to Scrutiny Board on the complaints and compliments received including monitoring trends for service improvements.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	report prepared and service improvements implemented	
27. To manage the Council's Compliments and Complaints Procedure to ensure that it is effectively implemented.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Appropriate complaint investigations carried out in line with the procedure.	Complaint handling training for staff
<b>Consultation</b>							
28. To assist in the implementation of the Council's Community Engagement Strategy.	All Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High		Consultation budget
29. To maintain and refresh the Council's People's Panel to ensure that it is representative of the population of the borough and ensure that it is used effectively.	Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	People's Panel representative of the local population Consultations carried out with the People's Panel.	Consultation budget

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
30. To support and advise departments in carrying out service based consultation.	All Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High		Consultation budget
<b>Communications</b>							
31. To continue to raise the profile of the Borough Council through positive relations with local media and through proactive programme of good news features in the media.	Community Life Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March12	High	Number of positive media stories	Training in media skills and plain language
32. To produce three editions of North Talk to include news from the North Warwickshire Community Partnership.	Community Life Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March12	High	Three editions produced	Contributions from NWCP T+F groups. Additional editions will depend upon funding.
33. To support communications activity of the North Warwickshire Community Partnership.	Community Life Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	Med	Number of positive media stories in local press, north talk + websites	Training in media skills and plain language

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
34. To represent North Warwickshire on and support countywide communications activity as agreed by the Warwickshire Heads of Communications Group	Community Life Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	Med	Number of Publicity campaigns	Training in partnership communications
35. To work with the Communications Group on /external communications including the Access Strategy.	Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Implementation of the Councils Communications strategy and the Access Strategy	Training in communication skills and plain language
36. To contribute to the work of the Communicating with the Public subgroup of the Warwickshire Local Resilience Forum.	Safer Communities	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Implementation of the Communications Strategy agreed by the Warks LRF	Training in partnership communications Training in Emergency Planning Communications
37. To produce Insider the Council's staff newsletter, twelve times per year in electronic and paper formats.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Twelve editions produced	
38. To produce the weekly Mid Week email for all staff.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Weekly emails circulated.	

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
39. To write, edit and produce the Guide to North Warwickshire	Enhancing community involvement + access to services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Document produced and distributed	
<b>Community Planning/Sustainability</b>							
40. To develop and carry out the preparations for Partnership Day 11 events.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all seven priorities	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Partnership Day 11 events held.	Community Strategy budget
41. To support the function and co-ordination of the North Warwickshire Community Partnership and its associated structures.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all seven priorities	Chief Executive	April 11	March 12	High	Local strategic partnership responsibilities being met. Improvements in the agreed priorities being achieved.	Community Strategy budget
42. To maintain and develop the North Warwickshire Community Partnership website.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all seven priorities	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	Med	Feedback from users	



**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
43. To support the implementation of the Sustainable Community Strategy 2009 – 2026.	Developing Healthier Communities Raising aspirations, education attainment and skills Access to services and all seven priorities.	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Sustainable Community Strategy 2009 – 2026 in place Progress with improvement of priorities being demonstrated	Corporate Policy budget
44. Support the reporting of Partnership success stories in North Talk.	Developing Healthier Communities  Raising aspirations, education attainment and skills Access to services  and all seven priorities	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Feedback from users	North Talk budget
45. Oversee the sustained management of the North Arden Heritage Trail.	Developing Healthier Communities  Raising aspirations, education attainment and skills Access to services  and all seven priorities	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Profile of the North Arden Trail maintained and visible.	Corporate Policy Budget

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
46. To run an education programme with other authorities in Coventry and Warwickshire.	Developing Healthier Communities  Raising aspirations, education attainment and skills Access to services  and all seven priorities	Assistant Chief Executive and Solicitor to the Council	April 11	June 11	High	Event set up Feedback from participants	Level of event to be reviewed pending any reductions identified from the CSR.
47. Support the implementation of a Climate Change strategy and action plan.	Developing Healthier Communities and all seven priorities	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Strategy and action plan approved	

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
<b>Information Requests</b>							
48. To monitor the responses to requests for information to ensure requests are dealt with by 20 working days and to ensure the Council meets its requirements under the Freedom of Information Act and the Environmental Information Regulations.	Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Percentage of information requests dealt with within 20 working days	There could be further training requirements to refresh awareness of the regulations.
66. To report once per year to Management Team on the requests for information received and the response times achieved.	Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Report prepared	
67. To monitor the responses to requests for information under the Data Protection Act to ensure requests are dealt within 20 working days and to ensure the Council meets its requirements under the DP Act.	Enhancing Community Involvement and Access to Services	Assistant Chief Executive and Solicitor to the Council	April 11	March12	High	Percentage of requests dealt within 20 working days	There could be training requirements to refresh awareness of the DPA

**Policy Support Forward Work Plan 2011/12**

<b>Action</b>	<b>The Community Plan Objective Corporate Objective Divisional Objective or Policy the task contributes to</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
68. To assist in ensuring that the Council's data security arrangements are appropriately in place in line with the Data Protection Policy.	Making the best use of Resources	Assistant Chief Executive and Solicitor to the Council	April 11	March 12	High	Risks of Data Security breaches are minimised	There could be training requirements to refresh awareness of the DPA and Data Security requirements.

**Agenda Item No 7**

**Executive Board**

**7 February 2011**

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

**The Capital Strategy**

**1 Summary**

- 1.1 This report updates the Capital Strategy approved by the Council in February 2010.

**Recommendation to the Council**

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

**2 Introduction**

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

**3 Capital Strategy**

- 3.1 The Capital Strategy describes the Authority's priorities and its approach to capital investment. It also describes how the use of capital resources will contribute to the achievement of the Council's objectives and desired outcomes.
- 3.2 The consultation used in choosing key objectives and priorities is also covered, as well as links to partners and the local community, to service plans, and to the Authority's Asset Management Plan. The strategy approved in February 2010 has been updated and is attached as Appendix A.

...

**4 Report Implications**

**4.1 Finance and Value for Money Implications**

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

**4.2 Legal and Human Rights Implications**

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

### 4.3 Environment and Sustainability Implications

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

### 4.4 Risk Management Implications

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

### 4.5 Equalities Implications

4.5.1 The capital strategy needs to be equality assessed for impact and needs.

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

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

**THE CAPITAL STRATEGY 2010/11**

**1 Introduction**

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

**Raising aspirations, educational attainment and skills**

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

**Developing Healthier Communities**

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

**Improving Access to Services**

North Warwickshire communities will be better connected and better served.

The Community Strategy priorities feed through to the Councils goals and objectives and whilst the impact of the new strategy is being developed, the Council currently has highlighted '7 priorities' on which it wishes to focus. These are:

- ◆ Protecting and improving our environment
- ◆ Tackling health inequalities through improving well-being and providing leisure opportunities to all our citizens
- ◆ Improving housing in the Borough by delivering more affordable housing and achieving the decent homes standard for our own stock
- ◆ Defending and improving our countryside and rural heritage
- ◆ Enhancing community involvement and access to services.
- ◆ Working with our partners to tackle crime, the fear of crime and anti-social behaviour
- ◆ Making the best use of resources through achieving a balanced budget and developing our workforce

- 1.2 The Council uses a Corporate Plan to set out its corporate and service objectives and to provide a framework for individual service plans over the next three years. The Corporate Plan for 2011/12 will form the basis of the Authority's approved three-year Capital Programme.

**2 Key Objectives and Priorities**

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

- ◆ to continue to comply with the Decent Homes Standard for Council housing. We are continuing to invest in the Council's stock in order to improve the properties and ensure they are maintained to modern standards – including energy efficiency. The Housing Division have worked with Lovells Partnership to ensure that the Decent Homes Standard was met by December 2010, and will continue to do so, to maintain the Standard. The Councils current housing stock amounts to around 2,723.

- ◆ To increase affordable housing within the Borough. The Council has a target for the provision of affordable housing, which comes from its assessment of local housing need. In addition to its enabling role, the Council increased affordable housing directly in 2010/11 by building 21 new council houses. The remaining 4 will be completed in 2011/12.
- ◆ to address the problems of public and private sector dwellings, which are either unfit or in serious disrepair, and to achieve energy saving targets set by the Government. The last private sector house condition survey undertaken indicated a total of 760 unfit dwellings in serious disrepair in the Borough. Within this objective, to maintain the maximum of six months set as a target, for the length of time applicants remain on the waiting list for Disabled Facility Grants.
- ◆ to secure the long-term availability and viability of key facilities provided by the Council and, at the same time, ensure they meet the changing needs and demands of users.
- ◆ to deliver services in ways that will best fit the needs of its citizens, at an affordable cost. The key priorities are to look at ways of providing 'joined up' services and better access to services.
- ◆ to improve the public realm by focusing on street cleanliness, and through the provision and / or replacement of litter bins and street name plates
- ◆ to assess the options for implementing the action plan stemming from the Green Space Strategy, including the maximisation of external funding and partnership working
- ◆ to maintain other land assets so that they are fit for purpose. The Council is also considering its land assets and the need for pro-active intervention to steward local town centres in accordance with Government Guidance.
- ◆ to seek external resources for economic and community regeneration and development in partnership with other agencies. The Council aims to involve and work with local community and business groups.
- ◆ to improve the environment and promote sustainable development, both through direct action on recycling projects and indirectly through designing environmental benefits into other capital projects.
- ◆ to meet the Authority's statutory duties, secure the safety of the public, it's tenants and the Council's own employees, and meet operational requirements for information technology, vehicles and equipment. This includes meeting requirements of the Disabled Discrimination Act.

### 3 **Approach to Prioritising Investment**

- 3.1 The main factors in determining the size of the capital programme are the requirements for capital spending, the availability of resources for capital projects and the impact of the programme on the Council's revenue budget. However, some resources are specific to a particular scheme or service, and this must also be taken into account.
- 3.2 The demand for capital spending is consistently higher than the funding available. In order to decide which schemes should be included in its capital programme, the Council prioritises the capital schemes put forward. An officer group, Extended Management Team (EMT), assesses and prioritises the competing claims taking this into account. The group is a corporate group, bringing together representatives of all service divisions. EMT agrees the assessment criteria to be used before bids are requested for the coming year. Examples include:



- the contribution to corporate and community plan priorities,
- if spending enables a statutory obligation to be met;
- if spending is to maintain an asset;
- if external funding is available;
- the revenue impact of individual schemes; and
- the risk of not taking the scheme forward
- considering the impacts of the scheme on the wider environment and its contribution to positively impacting on the climate change

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

• • • The contribution of individual schemes towards the achievement of the Authority's goals and targets is considered, together with their relative priority. The group also considers the expected resources over the foreseeable future. This allows a proposed capital programme to be considered by the Authority's Senior Management Team alongside the Corporate Plan.

3.4 The Service Boards consider their support for individual schemes. Subject to any comments from the Service Boards, the Senior Management Team then recommends a capital programme to the Executive Board for approval, with the intention of maintaining a small but balanced programme over a ten-year period. The Executive Board actually approves a three year programme, with the first year taken as being firm and schemes put in hand. The later two years are provisional and only preparatory work is allowed to go ahead.

3.5 The consistent shortfall in funding and the previous priority of achieving the Decent Homes for the Council housing stock has meant that the majority of non-urgent general fund projects have been excluded from the programme. Some of these schemes will become more urgent as time passes, and the Council is taking steps to address the funding gap. More information on how this gap will be closed is given in the sections on working with partners and the disposal of capital assets.

#### **4 Revenue Implications of Capital Investment**

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

4.2 However, the Authority will spend money to save money, and will seek the capital resources for investments that will increase efficiency or reduce revenue expenditure. For example, investment in technology has been used to reduce administrative costs and in 2008/09 new lifelines were purchased from the New Initiatives Reserve which will pay back over 3 years and then create savings of over £25,000 per annum.

#### **5 Managing and Monitoring the Capital Programme**

5.1 The Executive Board approves the capital strategy of the Authority and subsequently a three-year expenditure programme. The Resources Board undertakes the monitoring and management of the capital programme throughout the year.

5.2 With all schemes, the aims and targets of each scheme must be clearly identified before it is included within the programme. Once a programme is underway, the responsible officer monitors expenditure on capital schemes on a monthly basis. EMT considers progress on all ongoing schemes at each meeting and takes reports from individual officers on any scheme that is departing from an expected profile, either in time or money terms. This allows the group to take appropriate action, if necessary.

- 5.3 Progress against the programme is reported to Resources Board, together with the explanations for any variances. The Resources Board also review the outcomes of the spending undertaken.
- 5.4 Resources Board manage the majority of the Authority's own property portfolio including Council housing, the potential disposal of surplus land and the efficient use of property. As the majority of capital expenditure is related to land and buildings, additional monitoring has been developed and is included in the work of the Asset Management Plan Group (AMPG), which also reports to Resources Board. The Community and Environment Board also have a property management role, where it relates to leisure facilities.

## 6 Performance Measurement

- 6.1 As well as managing the capital programme, EMT is responsible for monitoring and assessing the effectiveness of expenditure, in comparison with the original aims and targets. All required outcomes are linked to corporate and service objectives and are collected on the capital bid forms. Schemes will not be included in the capital programme without them. Once capital schemes are completed, the lead officer is responsible for reviewing the actual outcomes against targets, and providing feedback to EMT.
- 6.2 Although outcomes are identified, a review has shown that the process for assessing the effectiveness of spending has been inconsistent. To remedy this, once schemes above the agreed level of expenditure are approved and included in the capital programme, measurable outcomes will be collated centrally. EMT will review these annually, to ensure that there is a more rigorous approach in assessing both individual schemes and the programme as a whole. The annual review is timetabled for August, so that the results can inform decisions on future capital expenditure, and feed into both service and corporate plans.
- 6.3 Both quantitative and qualitative outcomes are used, and the achievement of targets is monitored in a number of ways. Examples include both direct and indirect measures:
- performance indicators - decent homes and SAP ratings
  - statistics showing service performance - planning applications completed, benefit claims processed, number of customer visits at leisure sessions, in particular following capital investment
  - professional surveys – electrical installation
  - user/stakeholder surveys – leisure centre users, people contacting the Council, staff surveys regarding IT equipment and systems
  - established user groups – Council house tenants
  - focus groups – leaseholders
  - benchmarking – customer contact, waiting lists for private sector grants
  - public consultation – questionnaires on the internet
- 6.4 Management Team monitors all corporate plan targets and performance indicators on a quarterly basis, with Directors monitoring directly with Assistant Directors in the intervening months, to allow more responsive management. Progress against Corporate Plan targets and performance indicators is also reported to Boards, with the further detail monitored by Divisions through service plans.
- 6.5 Due to the weighting of the housing element of capital spending, a lot of emphasis has been placed on performance measurement in this area. The Housing Division monitors progress in a variety of ways, and the satisfaction of tenants with the housing service is tested through surveys, which are generally very positive.
- 6.6 Despite lower levels of resources available for other projects, increasing emphasis is being placed on performance measures in these areas. Performance information has been used to inform capital bids in a number of areas such as private sector grants.

- 6.7 The AMPG collect data for monitoring relevant performance indicators and outcomes against asset targets. This data is used to carry out benchmarking with other relevant organisations. Through this, spending on utilities was identified as high, with action taken to find better tariffs through purchasing gas and electricity via framework contracts, contributing towards the sustainability of assets. The results of surveys undertaken as part of the Authority's asset management has also been used to identify the need to undertake a wider review of current accommodation and needs.
- 6.8 In some areas of spend the achievement of outcomes led to the receipt of additional grant and was also influential in the Council setting up a partnership with the other Warwickshire Districts for the procurement and operation of contact centre software. The Council has also been successful in gaining external grants for a range of economic development projects, which are dependent on the measurement and achievement of outcomes, such as the Arden Landscape Project.
- 6.9 Different methods are used for communicating the results of performance measurement with stakeholders. These include: the Authority's own publication 'North Talk', which goes to all residents of the Borough two/three times per year, the Council's website, posting the results of user surveys at leisure facilities, the Housing Revenue Account Business Plan and local tenant meetings. The Borough Wide Tenants Forum is increasingly being used to give feedback and gauge priorities for expenditure on the housing stock.

## 7 **Cross-cutting Activity**

- 7.1 The Authority is taking a positive approach to cross cutting issues, as can be seen from the innovative solutions to some of the problems within the Borough. Increasingly the Council is working with other authorities and agencies to provide more holistic services. The extension of the Council's reception area to provide access for local residents to health services and voluntary services is an example, as is the use of a community bus.
- 7.2 Limited financial ability to contribute directly in many areas has led to the use of other routes. In partnership with other Government agencies, the Authority has given Private Sector renewal and energy efficiency grants to assist homeowners to make their properties more sustainable. However, the authority is also using a member of staff to assist members of the public to access funding from other bodies. Other examples are given in the next section, on work with partners.

## 8 **Work with Key Partners**

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

### **Housing Associations / Housing Corporation**

- A further scheme submitted to the Housing Corporation by Waterloo, which addressed the ex NCB properties at Hill Top, Arley has now been completed,. The establishment of this scheme removed the need for the Council to allocate resources within its capital programme, and also enabled additional environmental works to take place.
- The Council generally does not have the resources to build new affordable housing, and has worked in the past towards the achievement of this priority with Housing Associations. By selling land to the Associations at a discounted value, the Council has enabled them to build new affordable housing. The Council will continue to use its land bank where appropriate to meet this priority and has included several pieces in it's 2011/14 Capital Programme.
- In 2009 and 2010 the Council has worked closely with Waterloo Housing to tap into their expertise for advice and guidance on building new council houses to lower the risk of the project, ensure suitable levels of quality are achieved and to speed up the delivery process.

## **Warwickshire County Council**

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

- A dual use arrangement is used for the provision of a leisure facility in Polesworth.
- The County Council make use of the one-stop reception area in the Council House of the Borough Council, and is renting some office accommodation which is no longer needed by the Council.
- The County Council is one of a number of partners which are involved in the Accommodation review being undertaken in Atherstone. This is with a view to the County having a share of any future accommodation provision. For the Borough Council the Review will also inform future action on a number of other facilities, some of which also have the potential for joint service provision, such as the provision of arts and sports facilities with local schools.
- The Council worked with the County to achieve a recycling PSA over a number of years. Most recently, the County have provided a vehicle which the Borough Council have used to assist with the collection of recycled materials from local businesses.
- The Council is a partner in the Coleshill / Hams Hall Station project which attracted Government funds. The County Council has led implementation with Borough Council land and s106 assets essential to completion.

## **Other District Councils**

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

## **Parish / Town Councils**

- The Council is actively working with Parish Councils to increase the provision of litter bins in the Borough at identified problem areas. This joint approach is helping to increase the resources available for this priority.
- The Council has an ongoing partnership with Atherstone Town Council for the monitoring of the CCTV scheme in the town, and has recently replaced existing equipment to improve the work of the partnership
- The Council works with individual Parishes on joint projects. Work with Arley Parish Council obtained funding from the Landfill Tax Credit Scheme, which with a contribution from the Parish Council, allowed tennis courts in Arley to be refurbished and improved into a multi use games area.
- The works to replace the play areas throughout the Borough have been carried out in conjunction with the relevant parish councils and have resulted in various contributions from them to enhance the facility provided within their localities.

## **Warwickshire Police Authority**

- The Police Authority has also been one of the partners involved in the Accommodation review being undertaken in Atherstone. This is again with a view to the Police rationalising their asset holding in the area, and possibly renting some accommodation from the Council.

## **The Primary Care Trust**

- One of the Council's priorities is around health and well-being. The current one stop reception in the Council House has been made available to the Primary Care Trust, to allow the provision of health advice in a local setting and discussions are being held with them to run the governments new 50 plus Health Checks in the One Stop Shop area. In addition to this day to day working, the Council is also looking to involve the Primary Care Trust in any wider reviews of assets, to maximise their use. However the different funding regimes may limit these opportunities.

## **External Funding Agencies**

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

- Funding obtained under the Waste Minimisation Recycling Fund for the provision of recycling boxes.
- Use of funding available through the West Midlands Market Towns Programme. An ongoing initiative involves this Council, Parish Councils and local groups to implement the programme, although NWBC is the accountable Authority. The scheme has recently been completed and has had an impact at Atherstone, Polesworth and Coleshill.
- We also have a mechanism to bid for lottery funds where possible. Funding has been used from the Heritage Lottery to create a new 25 mile path route in the borough and Big Lottery funding of £200,000 has been awarded to provide improvements to outdoor wildlife areas.
- Grant funding from Advantage West Midlands and English Heritage has been secured for a Leader project. This allows local community groups to bid for funding, with the Council acting as the accountable body.

## **Local businesses / Voluntary Sector / Community Groups**

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

- Apply to other outside bodies such as Sport England and the Arts Council of England for leisure facilities funding, on behalf of community organisations.
- The Council will continue to work with local young people to provide appropriate leisure opportunities, such as the Skate Park in Arley. All funding opportunities will be considered, including sponsorship from local businesses.
- Assistance continues to be given to community groups who wish to apply for funding for specific activities. A recent example is an application for enhancing play area provision in a specific location.

- The Council has worked over the last 4 years, with an external supplier on refurbishing some of its play areas. This has allowed greater works to be undertaken than would have been the case under a more traditional arrangement
- The Council has obtained funding from private developers for transport initiatives through planning gains under section 106 agreements. Schemes for traffic calming measures and rail links from commercial developments will assist in a number of community plan priorities: improving transport and employment, training and recruitment opportunities in the Borough, and addressing community safety concerns.

## 9 Details of Consultation

- 9.1 The development of the Sustainable Community Strategy involves a range of consultation to gain as wide a response as possible. Involving the community has included local public meetings, staff visits to village shops and local markets to hear from people, consulting the North Warwickshire Citizens' Panel about services, a Young People's Forum, and an Annual Partnership Day attended by representatives of many local organisations.
- 9.2 The Council periodically undertakes a wide-ranging consultation exercise with a People's Panel of 1,000 local residents. Their concerns about specified issues and their views regarding improvements to enhance the quality of life in their area have been taken into account in proposing and evaluating new capital schemes. The capital strategy reflects the aims of local people for service delivery and provision. Conflict between aims is dealt with by consulting on specific issues.
- 9.3 As housing forms a significant part of the capital programme, the Council consults widely with its tenants using regular newsletters, tenants' groups and its Borough Wide Tenants Forum. Other means are used as appropriate, for example road shows were used to make tenants aware of potential options for the housing stock. Tenant representatives are also involved in looking at the Housing service, including the work programme being undertaken from capital resources. This consultation has been built in very specifically with Lovell Partnerships ongoing capital works. With increasing numbers of leaseholders, both general and individual meetings have been undertaken to discuss planned major work programmes. Leaseholders' views have influenced the final outcome, for example, on window replacements.
- 9.4 Given the scale of work required on the estates with the ex NCB houses, the Council consulted directly with the tenants involved, before deciding on which course of action should be taken. As a result, two of the schemes were progressed with Housing Associations, whilst the properties at Piccadilly have been dealt with directly by the Council. These solutions are in line with the views of the tenants, in each area.
- 9.5 A Local Strategic Partnership (North Warwickshire Community Partnership) has been established with representatives of the public, private, community and voluntary sectors. The Authority also draws upon the recommendations of individual service reviews when considering its capital priorities. Part of any review is to consult specifically with users of the service, either directly or by the use of focus groups, before drawing up Improvement Plans. These feed into Service and Corporate Plans, and then into the capital programme. In drawing up its Green Space Strategy, the Council consulted members of the public and local interest groups, with the results informing our proposed investment in parks, playing fields and open spaces. Similarly, the views of young people in particular were taken on play equipment, before decisions were made on the refurbishment of play areas.
- 9.6 The Council consults both business rate on an annual basis, about both revenue and capital spending.
- 9.7 The Local Development Framework, the umbrella planning policy document, relies heavily on consultation. This includes groups such as Warwickshire Wildlife Trust, Natural England, local farmers, Severn Trent and other local stakeholders. The emphasis of who is consulted with changes at the various stages of the framework to ensure that the feedback is relevant and not over onerous on any one group.

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

- 10.1 The Council's capital investment strategy is set within the framework of the Corporate Plan, together with other strategy documents. In developing its Corporate Plan and performance management systems, the Authority has taken care to reflect national guidance and regional strategies for housing, planning, leisure and economic development, as well as the Sustainable Community Strategy. Other strategies most relevant to capital investment are:
- ◆ Housing Strategy and the HRA Business Plan – this links very directly with the capital strategy, going into greater detail on how the priorities on Decent Homes and affordable housing will be met
  - ◆ Local Development Framework – research on Local Housing needs and Structure Plan targets suggest a relatively high local need for new socially rented housing.
  - ◆ Play Strategy – looks at the organisational and physical requirements to provide a co-ordinated approach to play provision in the Borough. This may identify a need to provide new outside play areas,
  - ◆ LEADER Strategy – looking at increasing the access to council services, particularly in rural areas, which may impact on the IT infrastructure at local communal points
  - ◆ Partnership Plan – this highlights the work undertaken with partners to tackle crime, and fear of crime. Due to limited resources, capital schemes generally need to lever in additional funding.
  - ◆ Procurement Strategy - a strategy has been produced to guide the procurement of goods and services. There is greater opportunity in the capital programme, given the higher volumes of spending.
  - ◆ Asset Management Plan (AMP) – this looks in detail at the management of the council's assets
  - ◆ Service Plans – changes in methods of service provision can influence the bids put forward for capital schemes
- 10.2 The Council commissioned a Green Space Strategy, which was reported to the Executive Board in December 2008 along with an action plan and suggested funding strategy which identified a significant short fall in resources. Some work has been carried out to assess the options for narrowing this gap and to prioritise the areas of work identified, but more will be needed in the coming year.

## 11 **Disposal of Capital Assets**

- 11.1 The Authority has a number of small sites acquired in the past to provide Council Housing. The need to retain these is being reviewed, with a view to identifying which can be used in the achievement of its capital priorities. The Council will look to use its land bank for either new affordable housing for local needs, or to generate additional receipts for spending on its own stock or other capital priorities. In 2008/09, outline planning permission was granted on several plots of land with the aim of assisting the sale and maximising the capital receipt.
- 11.2 During 2009, there was a major downturn in the economy, which has had a significant impact on both the ability of the Council to dispose of assets and on the value of the assets themselves. As a result the Council has taken the general view that it is better to wait for the market to recover before actively trying to dispose of assets.
- 11.3 However if an opportunity arises related to an individual site, this will be evaluated at the time with each site considered on its merits. Where the Council decides to use the land for affordable housing, it will work with others to maximise the outcome, in terms of housing units produced and bringing in further resources. This approach will include supporting RSL bidding, partnership with RSLs and developers in new development and where appropriate the processing of sites through the Council's ownership. Where land is sold at full market rate rather than for affordable homes, the Council has decided to set aside a certain amount towards green space improvements thus compensating for the loss of the existing open space but encouraging the enhancement of open spaces elsewhere.
- 11.3 Although the Council will also look at the potential for rationalising other assets through the Green Space Strategy and the Accommodation review, any decision to dispose of land will be taken with full consideration of the economic position. Decisions on the generation of any additional receipts will be made, taking into account the priorities of schemes that are currently excluded from the capital programme.

- 11.4 The Council also has a small portfolio of industrial and commercial property, which it acquired to underpin small firm activity and diversify the local economy. This was essential in the past when the Boroughs economic fortune was determined by the plight of the mining, extraction and utilities industries. This portfolio served a key purpose at the time and can continue to do so but possibly under different ownership. Previous assessments of the viability of the Council's industrial estates showed it was not in the Council's interest to dispose of these assets. However further work has indicated that this position may be changing for one of the Council's sites..
- 11.5 Overall and comparatively the Authority does not have a large portfolio of assets that can be used to fund future investment. However, any proceeds will help the Council to meet its capital priorities.

## 12 **Funding the Capital Programme**

- 12.1 In overall terms the Council has a small shortfall in capital resources over a 10 year period. In addition, due to the loss / delay in achieving the previously assumed capital receipts, there are funding pressures within the programme. This is due to a number of funding restrictions, which mean that some resources can only be used for Housing Revenue Account schemes. The result is that the Council will only be able to afford a minimal General Fund capital programme, including Disabled Facility Grants works to private sector homes and statutory electrical improvements to Council buildings.
- 12.2 As the risks attached to removing all other General Fund schemes are too high, other sources of funding have been reviewed. Right To Buy sales of around £1million will be achieved in the next 10 years which can provide further funding for the General Fund, in the longer term. Even with this, some additional resources will be need to be found by 2014/15 to enable all the essential general fund schemes identified to go ahead.

## 13 **Conclusion**

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



## Capital Bid Form Checklist 2011-12

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



**Agenda Item No 8**

**Executive Board**

**7 February 2011**

**Report of the Management Team**

**The Proposed 3 Year Capital Programme**

**1 Summary**

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

**Recommendation to the Board**

- a That the Board adopts the Revised Capital Programme for 2010/11 as set out in Appendix A;
- b That the Board notes the additional schemes shown in Appendix C for provisional inclusion in the 10 Year Capital Programme;
- c That the Board adopts the 3 Year Capital Programme for the period 2011/12 to 2013/14 as set out in Appendix E ; and

**Recommendation to Council**

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

**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 Background**

- 3.1 The Council is permitted to borrow to fund capital expenditure. In previous years the government has supported this by providing Local Authorities with Basic Credit Approvals for loans; however from 2011/12 this will no longer be available. The Council has the ability to undertake unsupported borrowing,

but has not identified any schemes for this option in the 2011/12 financial year.

- 3.2 The Government also provides funding through the Major Repairs Allowance (MRA), as part of Resource Accounting. This gives an additional amount for expenditure on Council housing, which will come through the Housing Subsidy system into the Revenue Account. It is to be used, however, on capital purposes, and has the advantage that it can be carried forward if not spent within the year. The MRA for this Authority in 2011/12 amounts to £1,731,857.
- 3.3 The scheme which provides the authority with grant funding from the Regional Housing Executive, in relation to Private Sector Housing has now ended. The £114,000 received in 2010/11 will be the last funding that is received.
- 3.4 Other sources of finance are required to enable the Council to fund the Capital Programme and we will continue to be dependent on the use of capital receipts from the sale of Council houses and land, together with external sources, notably Disabled Facility Grants for private sector housing.

#### 4 **2010/11 Revised Capital Programme - Expenditure**

- ...
- 4.1 In relation to capital expenditure, Appendix A shows the originally approved programme for 2010/11, including the schemes brought forward from 2009/10 and any further revisions that have been approved by the Resources Board. The revised position is £30,650 less than the approved programme.
  - 4.2 In terms of the housing capital programme, the overall budget remains relatively stable but with fluctuations between budget heads. Throughout the year, officers have liaised closely with Lovells, the improvement partner, to ensure that the overall budget is not exceeded and that the necessary work to reach the Decent Homes Standard (DHS) target was carried out before the deadline of 31 December 2010.
  - 4.3 As agreed by Resources Board on 22 November 2010, £20,350 of funding for replacement fire doors at Drayton Court, originally included within the approved 2011/12 programme has been bought forward into 2010/11. This is due to advice given from a recent Fire Service inspection. In order to fund this and also a scheme to replace the windows at Drayton court which had been causing problems with ongoing maintenance costs, it was agreed to use £122,000 of the Lovells contingency fund.
  - 4.4 In terms of General Fund (GF) scheme variations, funding relating to two schemes has been reduced. Work to repair the Memorial Hall car park came in significantly under budget and the final transfer of tenants to and from the Hill Top development was completed without needing to use the funding set aside in the approved programme. The revised programme has been updated to reflect these developments.

4.5 The final actual expenditure out-turn for 2010/11 could still differ to the revised position shown. This is because it is difficult to predict when some work will be completed and some schemes, like the Disabled Facility Grants, are reliant on the timing of client claims for works over which the Council has no control. Also due to the authority's involvement in the West Midlands "Kick Start Programme", grants in relation to decent homes for private sector housing were put on hold until November 2010. This means that although a number of commitments are in place, spend is currently down on target. In line with normal practice, the Executive Board may be asked to approve the carry over of some of these budgets into 2011/12, once the final spend for 2010/11 is established.

## 5 Formulating the Capital Programme

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

5.2 The capital programme, by its nature, is long term and therefore the initial programme drawn up is for a ten year period to 2020/21. However, as both expenditure and funding is difficult to predict so far in advance, a more detailed three-year programme has also been developed.

## 6 10-Year Capital Resource Forecast - 2011/12 to 2020/21

6.1 The resources for 2011/12 to 2020/21 have been estimated using the following assumptions:

- The amount of MRA per property will rise by 2% a year
- There will be 5 Council house sales a year
- Disabled Facility Grants (DFG) will continue to attract government subsidy of 60% of the identified spend (up to a limit)
- Revenue contributions from the General Fund will remain at £130,000 and the contribution from the HRA will remain at £122,000 per annum
- A number of pieces of land will be sold, contributing to the capital receipts available

6.2 The expected resources for the period 2011/12 to 2020/21 are shown in the table below:

	<b>HRA £000</b>	<b>GENERAL FUND £000</b>	<b>TOTAL £000</b>
Resources brought forward	1,352	1,428	2,780
Capital Receipts	-	1,142	1,142
Major Repairs Allowance (MRA)	18,877	-	18,877

Land Sales	1,843	-	1,843
Revenue Funding	1,220	1,300	2,520
Disabled Facility Grants	-	1,510	1,510
<b>TOTAL</b>	<b>23,292</b>	<b>5,380</b>	<b>28,672</b>

6.3 This gives a total of £28.672m available resources over the ten-year period to 2020/21. However, it must be emphasised that figures for 2012/13 onwards are indicative only, and firmer figures will only be available a few months ahead of the relevant year.

6.4 Members should note that there are some potential land sales that have been reported to service Boards in the past that have not been included in the ten year resources due to a degree of uncertainty regarding the sale and the intended use of the receipt. These include the car park at Coleshill and the Football Stadium in Atherstone.

## 7 Ten Year Capital Expenditure Forecast – 2011/12 to 2020/21

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

7.2 A draft 10 year capital programme commencing in 2011/12 has been compiled based on the approved schemes from 2010/11. The opportunity has been taken to review schemes previously classed as non essential, to assess whether this classification is still valid. As a result some schemes have been reclassified as essential and service boards have supported their inclusion in the programme. The review also gave the opportunity to reconsider the timing of existing schemes and include a few new projects for consideration.

The initial estimated expenditure is summarised below and the details are shown in Appendix B:

...

<b>Initial Forecast 2011/12 to 2020/21</b>	<b>£000</b>
HRA – previously approved	22,709
HRA – essential (unapproved)	66
General Fund – previously approved	4,874
General Fund – essential (unapproved)	1,372
<b>TOTAL</b>	<b>29,021</b>

7.3 Included within the £1.372m general fund balance shown above are a number of large schemes including;

- 2010/11-2020/21 An annual increase in private sector DFG's, giving a 10 year total of £480,000

- 2013/14 Replacement of the roof covering of the Bear and Ragged Staff Pub costing £120,000
- 2014/15 Replacement of the Atherstone Leisure Centre roof costing £250,000
- 2014/15 Replacement roof cladding at Innage Park Phase 1 costing £200,000
- 2014/15 Roof/Cladding works at the Pavilions costing £175,000

7.4 To ensure that the schemes are valid, each of the unapproved schemes for inclusion in the programme have been scored against the Council's 7 Priorities and a risk assessment carried out to take into account the impact on the Council of not undertaking the schemes. Appendix C provides details of the scores of the schemes recommended for inclusion in the capital programme.

7.5 As shown in the previous section, the total estimated resources for the ten-year period are £28.67 million, compared with the expenditure bids of £29.02 million. This leaves a shortfall of £0.35 million. The table below shows the impact on the Housing Revenue Account and General Fund separately. This expenditure reflects the total bids put forward for consideration that have been identified to ensure the continuity of current services, as well as the development of some new services.

Potential 10 year programme	HRA £000	GENERAL FUND £000	TOTAL £000
Total Resources (paragraph 6.2)	(23,292)	(5,380)	(28,672)
Total Expenditure	22,775	6,246	29,021
<b>(Surplus) / Deficit</b>	<b>(517)</b>	<b>866</b>	<b>349</b>

If Atherstone Football stadium were to be sold, the Bear and Ragged staff scheme could be removed from the programme, and the current deficit would disappear. If it were retained and no other resources were found in its stead, then assuming that all schemes remained essential, the authority would need to borrow to fund this deficit. The costs of any borrowing would need to be financed from its revenue budget.

7.6 As capital resources have not improved since the last programme was set, members of this board should be aware that if schemes not currently approved are to be moved into the recommended capital programme, they will only do so if another approved scheme is reduced or removed.

## 8 Unallocated Schemes

8.1 The level of schemes put forward for inclusion in the capital programme far out weighed the combined HRA and GF resources available. As a consequence projects which have been assessed as non essential have not been included in the proposed programme. Details of these schemes are outlined in Appendix D.

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

- The Atherstone Accommodation Project, which is looking at the options for providing public sector offices in Atherstone, needs to take into account the maintenance requirements of the Memorial Hall. Currently the works identified total £3m and whilst there is no specific funding available, the best option will be to await the outcome of this review before any further work to secure funding is carried out.
- Investment in the region of £3m may be needed to replace Coleshill Leisure Centre. Work has already started to identify potential resources to offset some of this work in the form of the sale of a car park at Coleshill, and potentially other external funds or partnership working may be an option. It is hoped that the sale of the car park will fund the Council's contribution to any capital improvements.
- £1.8m of works has been identified at the various industrial units that the Council owns. As part of the Asset Management Plan process, a financial and operational review is currently taking place. Again, until this analysis is carried out, commitment to expenditure would not be advisable, but should the review show that the Council should retain the assets, investment will need to be made.
- Refurbishment and structural work to the value of around £850,000 is required if the depot at Sheepy Road is to be used in the long term. Due to this, discussions have started with Nuneaton and Bedworth BC and Hinckley and Bosworth BC to see if some joint working could take place to reduce the Councils liability.

## 8.2 There are also other areas where investment may be required.

- In 2004/05, many major IT systems were replaced in line with the IEG strategy. It is likely that in five years or so, these will need replacing or upgrading. The Assistant Director (Information and Procurement Services) has identified £505,000 of expenditure that may be needed from 2011/12 to 2016/17.
- If the Council wishes to invest in meeting the findings of the Green Space Strategy, initial indications are that £1.685m capital expenditure may be required with potentially a further £1.095m at Sports Pavilions if they were to be fully refurbished.
- A recent review of the Council's car parks and unadopted roads has shown significant deterioration, and remedial action is likely to be in the region of £570,000
- Arley Leisure Centre is reaching the end of it's originally anticipated life and a decision will need to be made as to the long term viability of the facility and the level of expenditure that will offer value for money



- A new scheme included within the 10 year programme which has been assessed as non essential is fitting “sure stop” taps to bungalows and sheltered homes. This scheme is likely to cost £48,000 if rolled out to our effected housing stock.
- There are also some unknown quantities. Contamination may exist on Council owned land that will need rectifying, and asbestos, although managed on a day-to-day basis, may need major investment, but currently this cannot be determined with any accuracy.

## 9 Three-Year Capital Spend and Resources to 2013/14

9.1 As well as the long term programme, it is prudent to ensure that the Council can afford the capital schemes required in the medium term. As such, a 3 year programme is attached at Appendix E for approval by the Executive Board.

9.2 This includes the schemes previously approved for inclusion along with those additional schemes which have been classed as essential, but have yet to receive approval. The table below highlights that there is an overall surplus generated over the 3 year period for both the General Fund and the HRA, although the position for the General Fund changes over the longer term as indicated in paragraph 7.5.

Potential 3 year programme	HRA £000	GENERAL FUND £000	TOTAL £000
Total 3 Year Resources Generated	(8,874)	(2,581)	(11,455)
Total 3 Year Proposed Expenditure	6,209	1,946	8,155
<b>(Surplus) / Deficit</b>	<b>(2,665)</b>	<b>(635)</b>	<b>(3,300)</b>

9.3 It is felt to be prudent to have a capital programme with surplus balances. In this instance there are land sales of £1.8 million and £0.3 million Right To Buy Council House sales included within the resources total, both of which have degree of risk associated with them.

## 10 Prudential Indicators for Capital Investment

10.1 The introduction of the Local Government Act 2003 resulted in a change in the capital finance system for Local Authorities, and established a prudential framework for capital investment. Under this system, Councils are free to determine the affordability of their capital investment proposals and of any borrowing required to finance those proposals. However, the Government still retains powers to limit and control capital investment by Councils.

10.2 A prudential code was developed which requires the Council to consider the affordability of its proposals, their prudence and sustainability, value for money, asset management planning, practicality and service objectives.

- 10.3 In addition to the information already provided within this report, the Council is required to set and review regularly a range of indicators that have been developed as part of the Code, which will be used to support capital investment decision-making. As risk and uncertainty form a key part of capital investment planning, the Code requires three year integrated capital and revenue spending plans to determine the indicators. These need to be set as part of the overall budget-setting process.
- 10.4 The Code requires six sets of indicators be set. Two sets of these indicators have already been detailed within the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2011/12, which was reported to Resources Board on 1 February 2011. These are:

- External Debt Indicators (the Authorised Limit for Borrowing and the Operational Boundary); and
- Treasury Management Indicators.

... The report to Resources Board is attached as Appendix I. Each of the remaining sets of indicators is covered in the paragraphs below.

- 10.5 **Capital Expenditure Indicators** – the Council is required to make a reasonable estimate of the capital expenditure it plans to incur in each of the next three years, and report actual expenditure incurred at year-end. Using the proposals contained within this report, these are set out below, together with the actual position for 2009/10 and the revised position for 2010/11.

	<b>Actual 2009/10 £000</b>	<b>Revised 2010/11 £000</b>	<b>Original 2011/12 £000</b>	<b>Forecast 2012/13 £000</b>	<b>Forecast 2013/14 £000</b>
General Fund	1,548	1,784	770	523	654
Housing Revenue Account	5,992	3,937	2,018	2,058	2,132
<b>Total</b>	<b>7,540</b>	<b>5,721</b>	<b>2,788</b>	<b>2,581</b>	<b>2,786</b>

- 10.6 **Capital Financing Requirement Indicators** – these indicators measure the Council's underlying need to borrow to fund capital expenditure, which is the normal level of borrowing expected. The actual capital financing requirement as at 31 March 2010, the revised estimate for 2010/11 and estimates for the next three years are set out below. The method of calculation is set out as Appendix G.
- ...

	<b>Actual 2009/10</b>	<b>Revised 2010/11</b>	<b>Original 2011/12</b>	<b>Forecast 2012/13</b>	<b>Forecast 2013/14</b>

	£000	£000	£000	£000	£000
General Fund	12,065	11,759	11,456	11,179	10,909
Housing Revenue Account	(1,578)	(119)	20	(21)	(63)
<b>Total</b>	<b>10,487</b>	<b>11,640</b>	<b>11,476</b>	<b>11,158</b>	<b>10,846</b>

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

	Actual 2009/10 £000	Revised 2010/11 £000	Original 2011/12 £000	Forecast 2012/13 £000	Forecast 2013/14 £000
General Fund	0.92%	1.91%	2.33%	1.68%	1.14%
Housing Revenue Account	(0.23%)	(0.12%)	0.33%	0.40%	0.36%

The reduced proportion of capital financing costs in the General Fund reflects the increased investment income which it expects to generate, as investment rates rise. The increased proportion of HRA financing costs reflects the prudential borrowing being taken out.

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

<b>General Fund</b>	Original 2010/11 £	Forecast 2011/12 £	Forecast 2012/13 £	Forecast 2013/14
Council Tax at Band D	0.84	1.38	2.20	4.13
Council Tax at Band D - aggregate		2.22	4.42	8.55

<b>Housing Revenue Account</b>	Original 2010/11 £	Forecast 2011/12 £	Forecast 2012/13 £	Forecast 2013/14
Average Weekly Rent	-	-	-	-
Average Weekly Rent - aggregate	-	-	-	-

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

## 11 Conclusion

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

11.2 Only those schemes that either meets a statutory duty or scores highly against the Council priorities and risk assessment are included in the Capital Programme.

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

## 12 Report Implications

### 12.1 Finance and Value for Money Implications

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

	2011/12 £	2012/13 £	2013/14 £
<b>HRA</b>			
Cost of new house building loan (part)	5,836	5,887	5,945
<b>TOTAL HRA</b>	<b>5,836</b>	<b>5,887</b>	<b>5,945</b>
<b>GENERAL FUND</b>			
Financing cost (loss of investment income)	29,403	46,998	88,092
<b>TOTAL GENERAL FUND</b>	<b>29,403</b>	<b>46,998</b>	<b>88,092</b>

12.1.2 The HRA costs are included in the budgets reported to the Resources Board on 1 February and reflect the remainder of the loan taken to finance new house building.

12.1.3 The General Fund costs have also been reflected in the investment income budgets included elsewhere on this agenda, to reflect the use of reserves which will no longer be available for investment.

### 12.2 Environment and Sustainability Implications

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

### 12.3 Equality Implications

12.3.1 There is provision included in the proposed capital programme for improving the accessibility of our buildings and facilities and for disabled facilities grants and for taking appropriate steps to ensure compliance with the provisions of the DDA. Failure to do so could result in limiting access to services provided from our buildings and facilities by disabled and other vulnerable people. The proposals for the capital programme will need to be equality assessed for impact and needs.

### 12.4 Safer Communities

12.4.1 Some of the allocations in the capital programme will contribute directly towards safer communities including the home safety check scheme. There is an allocation for the burglary reduction initiative not included in the Capital Programme. However the impact of this is not considered to be too significant at this stage with the levels of domestic burglary currently reducing.

### 12.5 Risk Management Implications

12.5.1 There are a number of risks associated with setting a capital programme, as assumptions are made on both the type and level of available resources, as well as the required level of expenditure. To minimise the risks, decisions on these have been taken using past experience and knowledge, informed by current forecasts and trends. There is a degree of uncertainty regarding the risk that land sales budgeted for in the next few years will not realise the levels expected. However, the risk will be managed through the production of regular budgetary control reports, assessing the impact of variances and reporting on the need to take any further action.

The Contact Officer for this report is Jon Illingworth (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

## 2010/11 Revised Capital Programme

Expenditure Proposals	2010/11 Approved Budget (£)	In year Virements (£)	Revised 2010/11 (£)	Variance (£)	Comments
<b>HRA Assets</b>					
Kitchens and bathrooms	119,410	63,000	182,410	63,000	see paragraph 4.2
Windows and Doors	40,000	101,650	141,650	101,650	see paragraph 4.3
Piccadilly	2,500	-	2,500	-	
Heating	142,520	(63,000)	79,520	(63,000)	see paragraph 4.2
Electrics	224,000	-	224,000	-	
Aerials	4,950	-	4,950	-	
External Works	38,000	-	38,000	-	
Housing Staffing	170,000	-	170,000	-	
Disabled Facility Adaptations (C/H)	175,000	28,000	203,000	28,000	see paragraph 4.2
Garage refurbishments	40,000	(28,000)	12,000	(28,000)	see paragraph 4.2
Community Centres	125,000	-	125,000	-	
Asbestos	9,000	-	9,000	-	
Flat Roofing	140,000	-	140,000	-	
Coleshill Shops	20,000	-	20,000	-	
New house build programme	2,222,120	-	2,222,120	-	
Prelims	6,000	-	6,000	-	
Lovells contingency	349,110	(122,000)	227,110	(122,000)	see paragraph 4.3
Profit and Overheads	52,040	-	52,040	-	
Drayton Court Entrance Doors	-	20,350	20,350	20,350	see paragraph 4.3
Re-purchase of 3a Church Walk	57,000	-	57,000	-	
<b>HRA TOTAL</b>	<b>3,936,650</b>	<b>0</b>	<b>3,936,650</b>	<b>-</b>	
<b>GENERAL FUND Assets</b>					
Disability Discrimination Act (DDA)	204,220	-	204,220	-	
Renewal of Play Areas	8,390	-	8,390	-	
The Council House Electrical Installation	30,000	-	30,000	-	
Other Council Electrical Installations	15,000	-	15,000	-	
Warwickshire Direct Partnership	10,000	-	10,000	-	
Leisure Equipment	20,000	-	20,000	-	
Atherstone Accommodation Project	13,590	-	13,590	-	
Memorial Hall Car Park	20,000	-	4,000	(16,000)	see paragraph 4.4
Improve Arcade	193,000	-	193,000	-	
ICT Infrastructure Development	20,000	-	20,000	-	
ICT hardware & software purchase	40,000	-	40,000	-	
Operating System Upgrade	6,080	-	6,080	-	
Electronic Document & Record Management System (EDRMS)	8,600	-	8,600	-	
Leisure Booking System	50,000	-	50,000	-	
IT Exchange Upgrade	30,000	-	30,000	-	
New Telephone System	65,000	-	65,000	-	
New Switch Gear	55,000	-	55,000	-	
Capital Salaries - Management	54,000	-	54,000	-	
Tenants Removal Expenses	14,650	-	0	(14,650)	see paragraph 4.4
Decent Homes Assistance-Temp Officer	30,210	-	30,210	-	
Decent Homes (Private Sector)	221,620	-	221,620	-	
Ground Source Heating at Hill Top	51,560	-	51,560	-	
Home Safety Check Scheme	7,500	-	7,500	-	
Disabled Facilities Grants-Private Sector	566,290	-	566,290	-	
Home Improvement Agency	11,600	-	11,600	-	
Community Support - New Control System	50,000	-	50,000	-	
Community Support - Lifelines	18,000	-	18,000	-	
<b>General Fund TOTAL</b>	<b>1,814,310</b>	<b>0</b>	<b>1,783,660</b>	<b>(30,650)</b>	
<b>OVERALL TOTAL</b>	<b>5,750,960</b>	<b>-</b>	<b>5,720,310</b>	<b>(30,650)</b>	

## Draft 10 Year Capital Programme 2011/2012- 2020/21

\*\*\* SCHEMES CURRENTLY APPROVED IN THE DRAFT CAPITAL PROGRAMME\*\*\*

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/2015- 2020/21 (£)	10 YEAR TOTAL
<b>1) APPROVED HRA SCHEMES</b>						
Balcony	Carry out improvements to balconies on flats	-	-	-	27,040	27,040
Canopies	Carry out improvements to canopies over front doors	-	-	32,320	65,280	97,600
External works	To carry out various works as required on a year by year basis to the external areas of Council housing estates	-	-	2,080	44,404	46,484
Staffing	Housing Staffing	170,000	170,000	170,000	1,190,000	1,700,000
Kitchens and Bathrooms	Kitchens and bathrooms previously declined	153,000	153,000	153,000	3,262,800	3,721,800
Heating	Replacement of boilers over 15 years old, electric heating, solid fuel boilers, combi boilers, warm air heating and gas fires.	72,600	254,100	79,200	4,050,240	4,456,140
Stair lifts	Replacements	-	-	-	36,000	36,000
Electrics	Electrical testing and rewiring / upgrade to 17th edition including boards	146,000	146,000	146,000	794,000	1,232,000
Windows	Replacement windows	-	-	-	102,000	102,000
Chimney stacks	A programme of chimney stacks improvements	25,500	25,500	25,500	827,900	904,400
Flat entrance Doors	Flat entrance Doors	235,400	-	-	-	235,400
Electric Heaters to gas boilers	Work carried out at a number of sites	427,500	463,500	454,500	238,500	1,584,000
Loft insulation	Loft insulation top up to 350mm Target low Standard Assessment Procedure (SAP) energy efficiency rated properties (current recommendation)	75,000	75,000	75,000	150,000	375,000
Wall insulation	External wall insulation to solid wall properties houses. Target low Standard Assessment Procedure (SAP) energy efficiency rated properties	304,000	380,000	380,000	380,000	1,444,000
Asbestos	Asbestos removal: Target Higher risk works derived form Asbestos management plan	70,000	70,000	70,000	460,000	670,000
Fascias	UPVC fascias soffits gutters. Target properties with no other painting works	-	50,000	50,000	100,000	200,000
Rain water goods	Replacement of guttering	-	20,000	136,800	208,400	365,200
Community Centres	Refurbishment of community centres	46,000	46,000	46,000	184,000	322,000
Disabled Facility Grants (DFG) adaptations	Adaptations to council houses where the tenant has a disability	175,000	175,000	175,000	1,225,000	1,750,000
Garage Roofs	To carry out improvements to garage roofs	8,000	8,000	8,000	96,000	120,000
Water Main	Replacement old and deteriorating pipe work reduce the number of underground bursts	-	-	-	1,120,400	1,120,400
Roof secondary	Replacement of flat roofs to houses	12,500	12,500	76,500	268,950	370,450

Name of the Scheme	Basic Details of the Scheme	2011/12	2012/13	2013/14	2014/2015-2020/21	10 YEAR
Corrugated Roofs	Replacement of corrugated roofs to shed outhouses and garges.	-	9,320	-	5,280	14,600
Roof covering	Improvements to the roof covering of council houses	-	-	52,500	227,500	280,000
Roof structure	This relates to strengthening of roof timbers which would be done at the same time as the roofs were replaced. Timber creep causes roofs to bow.	-	-	-	1,462,500	1,462,500
Structural repairs	Structural repairs	-	-	-	1,950	1,950
Gardens Piccadilly	Gardens Piccadilly	70,000	-	-	-	70,000
<b>PREVIOUSLY APPROVED HRA Total</b>		<b>1,990,500</b>	<b>2,057,920</b>	<b>2,132,400</b>	<b>16,528,144</b>	<b>22,708,964</b>

<b>2) HRA ADDITIONAL ITEMS FOR APPROVAL</b>						
Renew Flat Roof At Rowland Court Community Centre	Replacement of main flat roof	28,000	-	-	-	28,000
Royal meadow drive renewal of entrance areas	Renewal of timber glazed screen walling around communal; entrance staircases with upvc windows and cladding.	-	-	-	38,500	38,500
<b>TOTAL HRA ADDITIONAL ITEMS</b>		<b>28,000</b>	<b>-</b>	<b>-</b>	<b>38,500</b>	<b>66,500</b>

<b>GRAND TOTAL - HRA</b>		<b>2,018,500</b>	<b>2,057,920</b>	<b>2,132,400</b>	<b>16,566,644</b>	<b>22,775,464</b>
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<b>3) APPROVED GENERAL FUND SCHEMES</b>						
Other Council Owned Buildings Electrical Installations	To carry out electrical improvements to all council owned property following on from routine electrical testing to ensure compliance with legislation.	15,000	15,000	15,000	105,000	150,000
Disability Discrimination Act (DDA)	To ensure that all of the Councils buildings are suitable for disabled users and to comply with the DDA legislation. An initial survey was carried out to identify priorities and this scheme looks to address those survey findings. A programme of works needs to be re-established by the Asset Management Group once the Accommodation Review has been completed.	150,000	-	-	-	150,000
The Council House-Replace Electrical Installation	To maintain the electrical installation at the Council Offices to a minimum legal standard. Essential to the health and safety of both employees and visiting public	30,000	-	-	-	30,000
Home Safety Check Scheme (funded from DHS below)	safety and to see if alterations can be made to make them safer.	7,500	7,500	7,500	52,500	75,000



Name of the Scheme	Basic Details of the Scheme	2011/12	2012/13	2013/14	2014/2015-2020/21	10 YEAR
Decent Homes/Fuel Poverty (Private Sector)	There is an increasing number of vulnerable households in non-decent homes. Assistance with minor repairs targeted to the elderly or needy to prevent further more serious and or costly deterioration and associated health effects. Also contribute towards Home Energy Conservation Act targets and avoid failing PSA7 targets.	57,500	57,500	57,500	402,500	575,000
Decent Homes Assistance-Temporary Officer	A temporary officer post to promote and facilitate the DHS programme to the private sector	24,750	-	-	-	24,750
Disabled Facilities Grants-Private Sector	Adaptations to the homes of disabled as required by the law. Reducing waiting lists seeks to avoid bed locking and other less satisfactory home care services and improving the quality of the lives of the disabled person and their families.	252,000	252,000	252,000	1,764,000	2,520,000
Borough Care Lifelines	There has been a programme of replacement of lifelines over the last few years but these have an expected lifespan of approximately 10 years. This budget is to provide new lifelines and replace units that are beyond repair and/or are obsolete. This includes the very old units that may not be compatible to our normal telephone lines if BT upgrade the exchange.	12,000	12,000	12,000	84,000	120,000
IT Back up and disaster recovery	There is a need to replace the Council's data backup system, which will be old and unable to cope with the volume of data we expect to hold by this time. This scheme is likely to become unavoidable as the Council must have a reliable, robust and secure backup solution	30,000	-	-	-	30,000
IT Replacement of Planning and Land Charges server	By 2011 the hardware used to run these systems will be over six years old and will need to be reviewed and replaced in order to ensure this business critical system operates efficiently.	15,000	-	-	-	15,000
Replacement Uninterrupted power supply battery for the Borough Care System	The replacement battery is critical to ensure that if there is a power cut, the IT system on which the service entirely relies can continue.	-	2,500	-	-	2,500
Computer hardware & software purchase & replacement	To continue to provide PC's that meet the requirements of the increasingly complex software that is used to deliver Council services and back office functions. This budget includes the renewal of the Microsoft licence renewal	30,000	30,000	40,000	260,000	360,000
Warwickshire Direct Partnership	To continue the development of the shared One Stop Shop technology with other Warwickshire councils with one central project manager	10,350	10,710	11,080	89,260	121,400

Name of the Scheme	Basic Details of the Scheme	2011/12	2012/13	2013/14	2014/2015-2020/21	10 YEAR
ICT Infrastructure Development	To further develop the network and hardware structures to ensure that the Councils aspirations of home and mobile working and self service delivery are possible	20,000	20,000	20,000	140,000	200,000
Leisure Equipment	To replace the equipment used in the execution of various activity programmes in each of the leisure centres that conforms to industry and market standards relating to customer needs and safety requirements. The proposed investment protects significant levels of income. Whilst fitness equipment has been replaced over the last few years, there is other sports equipment that is in need of renewal	20,000	20,000	20,000	140,000	200,000
Capital Salaries - Management		30,000	30,000	30,000	210,000	300,000
<b>TOTAL APPROVED GENERAL FUND SCHEMES</b>		<b>704,100</b>	<b>457,210</b>	<b>465,080</b>	<b>3,247,260</b>	<b>4,873,650</b>

<b>4) ADDITIONAL GENERAL FUND SCHEMES FOR APPROVAL</b>						
Home Improvement Agency	The agency assists clients applications for grants (filling in paperwork, liaising with contractors, seeking external funding etc). It provides a holistic assistance and advice service with greater client take up and satisfaction.	11,600	11,600	-	-	23,200
Borough Care Lifelines - additional amount	keep the service going was re-assessed (reported to Executive Board 28th June 2010). The basic level is now required at £18,000, which is £6,000 more than the current budget provision	6,000	6,000	6,000	36,000	54,000
Disabled Facilities Grants-Private Sector	The approved DFG programme is for £252k. However, the department of Communities & Local Government has assessed our need as being £300k per year based on our demographics. This bid represents the difference between assessed need and budget provision	48,000	48,000	48,000	336,000	480,000
Solaris (Academy) Server Replacement -	Server will be 5 years old in 2009 and at its end of life for running Academy and will need to be replaced	-	-	-	25,000	25,000
Operating System Upgrade	The operating programmes used by some systems are becoming old and in need of replacement	-	-	15,000	30,000	45,000
Atherstone Leisure Centre - Replacement Roof	The leisure centre has a single ply flat roof covering virtually all of the facility that has an estimated life span of around 10 years and will need replacing before 2015. The roof is a key element of the fabric of the building.	-	-	-	250,000	250,000
Bear and Rugged Staff - replace roof covering	The roofing may erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy and may result in either unbudgeted repairs or put the rental income of £13,800 a year at risk	-	-	120,000	-	120,000

Name of the Scheme	Basic Details of the Scheme	2011/12	2012/13	2013/14	2014/2015-2020/21	10 YEAR
Innage Park Phase I - replace asbestos cladding	Although the asbestos has been identified and is manageable on a day to day basis, it may soon reach the point where it erodes or becomes damaged and it's replacement will be costly	-	-	-	200,000	200,000
The Pavilions - Cladding/roof works	The roof cladding with erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy in the units and may result in either unbudgeted repairs or put rental income at risk	-	-	-	175,000	175,000
<b>TOTAL ADDITIONAL GENERAL FUND SCHEMES</b>		<b>65,600</b>	<b>65,600</b>	<b>189,000</b>	<b>1,052,000</b>	<b>1,372,200</b>

<b>GRAND TOTAL - GENERAL FUND</b>	<b>769,700</b>	<b>522,810</b>	<b>654,080</b>	<b>4,299,260</b>	<b>6,245,850</b>
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10 year HRA capital programme	2,018,500	2,057,920	2,132,400	16,566,644	22,775,464
10 year general fund capital programme	769,700	522,810	654,080	4,299,260	6,245,850
<b>10 year capital programme</b>	<b>2,788,200</b>	<b>2,580,730</b>	<b>2,786,480</b>	<b>20,865,904</b>	<b>29,021,314</b>

**Capital Schemes recommended for inclusion in the capital programme**

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/2015-2020/21 (£)	10 Year Total (£)	SCORE
<b>1) HRA ADDITIONAL ITEMS FOR APPROVAL</b>							
Renew Flat Roof At Rowland Court Community Centre	Replacement of main flat roof	28,000	-	-		28,000	16
Royal meadow drive renewal of entrance areas	Renewal of timber glazed screen walling around communal; entrance staircases with upvc windows and cladding.	-	-	-	38,500	38,500	20
<b>TOTAL HRA ADDITIONAL ITEMS</b>		<b>28,000</b>	<b>-</b>	<b>-</b>	<b>38,500</b>	<b>66,500</b>	
<b>2) ADDITIONAL GENERAL FUND SCHEMES FOR APPROVAL</b>							
Home Improvement Agency	The agency assists clients applications for grants (filling in paperwork, liaising with contractors, seeking external funding etc). It provides a holistic assistance and advice service with greater client take up and satisfaction.	11,600	11,600	-	-	23,200	15
Borough Care Lifelines - additional amount	During 2010/11, an analysis of the level of lifelines required to keep the service going was re-assessed (reported to Executive Board 28th June 2010). The basic level is now required at £18,000, which is £6,000 more than the current budget provision	6,000	6,000	6,000	36,000	54,000	18
Disabled Facilities Grants (DFG) - Private Sector	The approved DFG programme is for £252k. However, the department of Communities & Local Government has assessed our need as being £300k per year based on our demographics. This bid represents the difference between assessed need and budget provision	48,000	48,000	48,000	336,000	480,000	28
Solaris (Academy) Server Replacement	Server will be 5 years old in 2009 and at its end of life for running Academy and will need to be replaced	-	-	-	25,000	25,000	16
Operating System Upgrade	The operating programmes used by some systems are becoming old and in need of replacement	-	-	15,000	30,000	45,000	
Atherstone Leisure Centre - Replacement Roof	The leisure centre has a single ply flat roof covering virtually all of the facility that has an estimated life span of around 10 years and will need replacing before 2015. The roof is a key element of the fabric of the building.	-	-	-	250,000	250,000	19
Bear and Rugged Staff - replace roof covering	The roofing may erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy and may result in either unbudgeted repairs or put the rental income of £13,800 a year at risk	-	-	120,000	-	120,000	13
Innage Park Phase I - replace asbestos cladding	Although the asbestos has been identified and is manageable on a day to day basis, it may soon reach the point where it erodes or becomes damaged and it's replacement will be costly	-	-	-	200,000	200,000	18
The Pavilions - Cladding/roof works	The roof cladding with erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy in the units and may result in either unbudgeted repairs or put rental income at risk	-	-	-	175,000	175,000	11
<b>TOTAL ADDITIONAL GENERAL FUND SCHEMES</b>		<b>65,600</b>	<b>65,600</b>	<b>189,000</b>	<b>1,052,000</b>	<b>1,372,200</b>	
10 year HRA capital schemes for approval		28,000	-	-	38,500	66,500	
10 year general fund schemes for approval		65,600	65,600	189,000	1,052,000	1,372,200	
<b>Total 10 year schemes for approval</b>		<b>93,600</b>	<b>65,600</b>	<b>189,000</b>	<b>1,090,500</b>	<b>1,438,700</b>	

## \*\*\* SCHEMES NOT INCLUDED IN THE DRAFT 10 YEAR CAPITAL PROGRAMME\*\*\*

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/15- 2020/21 (£)	10 Year Total (£)
Sure stop, stop taps 764 to do in total bungalows and sheltered flats	Fit "Sure Stop" push button stop taps to bungalows and sheltered scheme flats	16,000	16,000	16,000	-	48,000
Atherstone Leisure Centre - Heating	Replacement of the heating and other M&E systems at the Leisure Centre (additional to the boiler system for which there is some funding being set aside)	-	-	-	100,000	100,000
Arley Sports Centre - replace hard standing/car park areas	To resurface the car parking area at the sports hall	100,000	-	-	-	100,000
Bear and Rugged Staff - Resurface Car Park	The car park at the facility is looking shabby and there is an increased risk of injury or accident as the condition of the car park surface diminishes.	-	10,000	-	-	10,000
Carlyon Rd - resurface car park	The streetscape in the area of the industrial units will start to look shabby and there is an increased risk of injury or accident as the condition of the car park surface diminishes.	250,000	-	-	-	250,000
The Depot-Refurbishment	This is a basic refurbishment of the office areas.	-	-	500,000	-	500,000
The Depot-Replace asbestos cladding and roofing	Although the asbestos has been identified and is manageable on a day to day basis, it may soon reach the point where it erodes or becomes damaged and it's replacement will be costly	-	-	250,000	-	250,000
The Depot - Car Park	The streetscape in the area of the depot will start to look shabby and there is an increased risk of injury or accident as the condition of the car park surface diminishes.	-	-	100,000	-	100,000
Innage Park Phase 1-resurface forecourt	The streetscape in the area of the industrial units will start to look shabby and there is an increased risk of injury or accident as the condition of the forecourt surface diminishes.	80,000	-	-	-	80,000
Innage Park - Phase I - Internal Refurbishment	To carry out a refurbishment to meet the needs of the tenants as the units are becoming aging and will struggle to be let if some improvements are not made.	750,000	-	-	-	750,000
Innage Park Phase 2-resurface forecourt	The streetscape in the area of the industrial units will start to look shabby and there is an increased risk of injury or accident as the condition of the forecourt surface diminishes.	40,000	-	-	-	40,000

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/15- 2020/21 (£)	10 Year Total (£)
Innage Park Phase 2 - replace roof cladding	The roof cladding will erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy in the units and may result in either unbudgeted repairs or put rental income at risk	400,000	-	-	-	400,000
Innage Park Phase 2 -Improvements & Refurbishment	To carry out a minor refurbishment to meet the needs of the tenants as the units are becoming older and will struggle to be let if some improvements are not made.	120,000	-	-	-	120,000
The Pavilions - Internal Refurbishment	To carry out a minor refurbishment to meet the needs of the tenants as the units are becoming older and will struggle to be let if some improvements are not made.	-	35,000	-	-	35,000
Polesworth Workspace Units - Refurbishment	To carry out a minor refurbishment to meet the needs of the tenants as the units are becoming older and will struggle to be let if some improvements are not made.	-	-	-	100,000	100,000
Polesworth Workspace Units - Replace Hard Standing areas	The streetscape in the area of the units will start to look shabby and there is an increased risk of injury or accident as the condition of the forecourt surface diminishes.	-	-	-	25,000	25,000
Polesworth Sports Hall - Refurbishment of fitness suite	To fully refurbish the fitness suite	-	-	-	50,000	50,000
Polesworth Sports Hall - Roofing and Cladding	The external of the sports hall will become dated and untidy and eventually the cladding may fall into disrepair and cause structural damage.	-	-	-	50,000	50,000
Sports Pavilion - Grendon - Hard standing areas replacement and internal refurbishment	Improvement works are required at the sports pavilion, particularly to meet accessibility standards.	-	25,000	-	-	25,000
Internal refurbishment of Piccadilly Sports Pavillion and replacement of hard standing areas	Improvement works are required at the sports pavilion, particularly to improve energy efficiency, the extent and nature of which will be determined once future management options for the site have been agreed.	-	35,000	-	-	35,000
Sports Pavilion - Ansley -Internal refurbishment	Improvement works are required at the sports pavilion the extent and nature of which will be determined once future management options for the site have been agreed.	-	35,000	-	-	35,000
Replacement of sports pavillion at Brook Walk Recreation Ground at Mancetter	Provision of a new pavillion / changing facilities. The current facility needs refurbishment, does not meet accessibility standards and is inappropriately located within the site.	-	-	-	500,000	500,000

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/15- 2020/21 (£)	10 Year Total (£)
Replacement of sports pavillion at Abbey Green Park, Polesworth	Provision of a new pavillion / changing facilities. The facility is currently closed and out of use following repeated incidents of vandalism. The precise needs at the site will be determined through the management plan to be developed for Abbey Green Park, in accordance with the adopted North Warwickshire Green Space Strategy.	-	-	500,000	-	500,000
Electrical upgrade at Old Bank House (OBH)	The electrical system at OBH will be almost 30 years old in 5 years time and will be in need of updating to comply with current legislation	-	-	-	150,000	150,000
Structural Maintenance Programme of Car parks & Unadopted Roads	A detailed analysis of the councils car parks and unadopted roads has been carried out and has identified that the thickness of many of the surfaces is below the required levels.	190,000	190,000	190,000	-	570,000
Land drainage at Hurley and Wood End Recreation Ground	To install a new drainage system at two recreation grounds in the Borough to prevent flooding and enhance use of facilities into which there has been recent NWBC investment. Possibility of being implemented in partnership with Severn Trent.	-	-	35,000	-	35,000
Green Space Improvements	Will enable improvements to 23 green spaces across the Borough. Maybe S106 funding opportunities to reduce capital bid	50,000	60,000	60,000	240,000	410,000
Play Area Development	Renewal of children's play facilities and provision of teen facilities at six sites in Baxterley, Dordon, Grendon, Atherstone (2) and Coleshill.	255,000	130,000	-	-	385,000
Improvements to Arley Recreation Ground	Carry out improvements to the infrastructure at Old Arley Recreation Ground, such as installing new boundary fences and gates, resurfacing footpaths and extending the car park.	80,000	-	-	-	80,000
Playing Pitch Development	Facilitate improvements to playing pitches in accordance with the priorities set out in the adopted North Warwickshire Playing Pitch Strategy	95,000	95,000	95,000	315,000	600,000
Improvements to Abbey Green Park Polesworth	Carry out comprehensive refurbishment / development of Abbey Green Park..	-	125,000	-	-	125,000
Improvements to Cole End Park Coleshill	Carry out required improvements to Cole End Park, such as boundaries, paths, etc. in accordance with the Management Plan for the area	-	-	30,000	-	30,000
Improvements to Kitwood Avenue Recreation Ground Dordon	Carry out improvements to the Recreation Ground, such as installing new boundary fences and site furniture and surfacing footpaths.	-	-	20,000	-	20,000

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/15- 2020/21 (£)	10 Year Total (£)
Replace the Multi Use Games Area (MUGA) at Arley Sports Centre	To replace the existing MUGA at Arley Sports Centre	-	-	-	30,000	30,000
Central Records Maintenance (CRM) renewal	The current new CRM system has a 5 year lifespan. Some provision will be needed to carry out an upgrade/refresh	-	-	40,000	-	40,000
Graphical Interface System (GIS)	Upgrade to the GIS capacity of the Council	-	10,000	-	-	10,000
Replacement Financial Management System (FMS)	In 2014, TASK will be 10 yrs old and need to be assessed to see it still meets user needs.	-	-	-	140,000	140,000
Replacement Revenues and Benefits	The Academy system is likely to need reviewing and potentially a major upgrade	-	-	-	140,000	140,000
Replacement Housing/Rents	The current system (IBS) will be 10 years old at this point and an assessment will need to be made to see if it still meets user needs	-	70,000	70,000	-	140,000
Electronic Document & Record Management System (EDRMS) - Development & Corporate roll-out	To replace the hardware that the EDRMS runs on and to update licences	-	15,000	-	-	15,000
Car Parking Meters	To provide car parking meters at all of the councils car parks, initially to assist in parking enforcement but then providing the potential to introduce parking fees if required. The programme will start at Atherstone and Water Orton where there are train stations to regulate the correct use of car parking spaces. This will then be rolled out to Polesworth and Coleshill. This also part of the decriminalisation of off street car parking which needs to be implemented by 2013. We need to work with WCC	-	80,000	-	-	80,000
Surface Marking and Signage to Public Car Parks	Replace car park signage at all council car parks as these have passed their useful lives and re-mark the parking bays in each of the council car parks. This will be even more important if the car parking meters are introduced.	20,000	-	-	-	20,000
Street Nameplates	Install new street name plates in the Borough to roads where currently they do not exist and to replace old name plates so that they meet the corporate standard. They cost approx £100 each. This is in addition to the revenue funding of £8,100. The revenue budget tends to be spent within the first few months of the year	12,500	10,000	7,500	7,500	37,500
Burglary Reduction Initiative	The Council is currently in a 3-year agreement to fund work which aims to reduce the no. of domestic burglaries and offer assurance to vulnerable households	15,000	15,000	15,000	90,000	135,000



Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	2014/15- 2020/21 (£)	10 Year Total (£)
Litter Bins	Replace the older, smaller litter bins in the Borough. This is in addition to the revenue funding.	33,500	33,500	33,500	33,500	134,000
Web Development (Internet, Intranet & Extranets)	To replace the hardware that the web system operates on	-	-	20,000	-	20,000
Arley Sports Centre - Internal Refurbishment	If consultation and a business plan show a need to retain sports provision in Arley, there would be a need to fully refurbish the gym, sports hall, squash courts and changing areas.	-	-	-	1,000,000	1,000,000
Arley Sports Centre - Cladding and Roofing	As well as an internal refurbishment, the external of the sports hall will become dated and untidy and eventually the cladding may fall into disrepair and cause structural damage.	-	-	-	600,000	600,000
Replacement of Coleshill Leisure Centre	Whilst work is underway to secure partnership working to replace Coleshill Leisure Centre with a new, purpose built facility, the estimated total costs are in the region of £3m	3,000,000			-	3,000,000
Refurbishment of Council House	The current electrical provision at the Council offices is in need of full replacement. The boiler and heating system have also exceeded their economic life and so it is efficient to carry out the works together to minimise disturbance and costs. There is also a need identified by other public sector organisations in Atherstone to rationalise office accommodation and as such, the option to incorporate partners in the building is being assessed.	3,000,000	-	-	-	3,000,000
Replacement of 6 Refuse Vehicles and 2 small compactor vehicles	Replacement of 6 Refuse Vehicles and 2 small compactor vehicles	-	-	-	1,010,000	1,010,000
Memorial Hall-Refurbishment & Improvement	The Memorial Hall is already dated and lacking in key functionality which makes it hard to attract hirers. Failure to carry out any structural works at the Memorial Hall mean it will become even more difficult to maximise its income generating potential. There have already been issues with the roof leaking which has resulted in less party booking being taken.	-	2,500,000	-	-	2,500,000
<b>TOTAL UNAPPROVED SCHEMES</b>		<b>8,507,000</b>	<b>3,489,500</b>	<b>1,982,000</b>	<b>4,581,000</b>	<b>18,559,500</b>

## Draft 3 year Capital Programme 2011/2012- 2013/14

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	3 YEAR TOTAL (£)
<b>1) Housing Revenue Account</b>					
Canopies	Carry out improvements to canopies over front doors	-	-	32,320	<b>32,320</b>
External works	To carry out various works as required on a year by year basis to the external areas of Council housing estates	-	-	2,080	<b>2,080</b>
Staffing	Housing Staffing	170,000	170,000	170,000	<b>510,000</b>
Kitchens and Bathrooms	Kitchens and bathrooms previously declined	153,000	153,000	153,000	<b>459,000</b>
Heating	Boiler replacement - solid fuel and boilers over 15 years old	72,600	254,100	79,200	<b>405,900</b>
Electrics	Electrical testing and rewiring / upgrade to 17th edition including boards	146,000	146,000	146,000	<b>438,000</b>
Chimney stacks	A programme of chimney stacks improvements	25,500	25,500	25,500	<b>76,500</b>
Flat entrance Doors	Flat entrance Doors	235,400	-	-	<b>235,400</b>
Electric Heaters to gas boilers	Replacements at various locations	427,500	463,500	454,500	<b>1,345,500</b>
Loft insulation	Loft insulation top up to 350mm Target low SAP properties (current recommendation)	75,000	75,000	75,000	<b>225,000</b>
Wall insulation	External wall insulation to solid wall properties houses. Target low Standard Assessment Procedure (SAP) properties	304,000	380,000	380,000	<b>1,064,000</b>
Asbestos	Asbestos removal: Target Higher risk works derived form Asbestos management plan	70,000	70,000	70,000	<b>210,000</b>
Fascias	UPVC fascias soffits gutters. Target properties with no other painting works	-	50,000	50,000	<b>100,000</b>
Rain water goods	Replacement of guttering	-	20,000	136,800	<b>156,800</b>
Community Centres	Refurbishment of community centres	46,000	46,000	46,000	<b>138,000</b>
DFG adaptations	Adaptations to council houses where the tenant has a disability	175,000	175,000	175,000	<b>525,000</b>
Garage Roofs	To carry out improvements to garage roofs	8,000	8,000	8,000	<b>24,000</b>
Roof secondary	Replacement of flat roofs to houses	12,500	12,500	76,500	<b>101,500</b>
Corrugated Roofs	Replacement of corrugated roofs to shed outhouses and garges.	-	9,320	-	<b>9,320</b>
Roof covering	Improvements to the roof covering of council houses	-	-	52,500	<b>52,500</b>
Gardens Piccadilly	Gardens Piccadilly	70,000	-	-	<b>70,000</b>
<b>Previously approved HRA Total</b>		<b>1,990,500</b>	<b>2,057,920</b>	<b>2,132,400</b>	<b>6,180,820</b>

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	3 YEAR TOTAL (£)
<b>HRA Additional Items</b>					
Renew Flat Roof At Rowland Court Community Centre	replacement of main flat roof	28,000	-	-	28,000
<b>Total HRA Additional Items</b>		<b>28,000</b>	<b>-</b>	<b>-</b>	<b>28,000</b>
<b>GRAND TOTAL - HRA</b>		<b>2,018,500</b>	<b>2,057,920</b>	<b>2,132,400</b>	<b>6,208,820</b>
<b>BALANCE BOUGHT FORWARD</b>		<b>(1,352,464)</b>	<b>(1,373,655)</b>	<b>(2,812,667)</b>	<b>(1,352,464)</b>
<b>TOTAL RESOURCES GENERATED</b>		<b>(2,039,691)</b>	<b>(3,496,932)</b>	<b>(1,984,418)</b>	<b>(7,521,041)</b>
<b>VARIANCE</b>		<b>(1,373,655)</b>	<b>(2,812,667)</b>	<b>(2,664,685)</b>	<b>(2,664,685)</b>

<b>2) General Fund</b>					
Other Council Owned Buildings Electrical Installations	To carry out electrical improvements to all council owned property following on from routine electrical testing to ensure compliance with legislation.	15,000	15,000	15,000	45,000
Disability Discrimination Act (DDA)	To ensure that all of the Councils buildings are suitable for disabled users and to comply with the DDA legislation. An initial survey was carried out to identify priorities and this scheme looks to address those survey findings. A programme of works needs to be re-established by the Asset Management Group once the Accommo Review has been completed.	150,000	-	-	150,000
The Council House-Replace Electrical Installation	To maintain the electrical installation at the Council Offices to a minimum legal standard. Essential to the health and safety of both employees and visiting public	30,000	-	-	30,000
Home Safety Check Scheme (funded from DHS below)	This agency visits older people in their homes to assess their safety and to see if alterations can be made to make them safer.	7,500	7,500	7,500	22,500
Decent Homes/Fuel Poverty (Private Sector)	There is an increasing number of vulnerable households in non-decent homes. Assistance with minor repairs targeted to the elderly or needy to prevent further more serious and or costly deterioration and associated health effects. Also contribute towards Home Energy Conservation Act targets and avoid failing PSA7 targets.	57,500	57,500	57,500	172,500
Decent Homes Assistance-Temporary Officer	A temporary officer post to promote and facilitate the DHS programme to the private sector	24,750	-	-	24,750
Disabled Facilities Grants-Private Sector	Adaptations to the homes of disabled as required by the law. Reducing waiting lists seeks to avoid bed locking and other less satisfactory home care services and improving the quality of the lives of the disabled person and their families.	252,000	252,000	252,000	756,000

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	3 YEAR TOTAL (£)
Borough Care Lifelines	There has been a programme of replacement of lifelines over the last few years but these have an expected lifespan of approximately 10 years. This budget is to provide new lifelines and replace units that are beyond repair and/or are obsolete. This includes the very old units that may not be compatible to our normal telephone lines if BT upgrade the exchange.	12,000	12,000	12,000	36,000
IT Back up and disaster recovery	There is a need to replace the Council's data backup system, which will be old and unable to cope with the volume of data we expect to hold by this time. This scheme is likely to become unavoidable as the Council must have a reliable, robust and secure backup solution	30,000	-	-	30,000
IT Replacement of Planning and Land Charges server	By 2011 the hardware used to run these systems will be over six years old and will need to be reviewed and replaced in order to ensure this business critical system operates efficiently.	15,000	-	-	15,000
Replacement Uninterrupted power supply battery for the Borough Care System	The replacement battery is critical to ensure that if there is a power cut, the IT system on which the service entirely relies can continue.	-	2,500	-	2,500
Computer hardware & software purchase & replacement	To continue to provide PC's that meet the requirements of the increasingly complex software that is used to deliver Council services and back office functions. This budget includes the renewal of the Microsoft licence renewal	30,000	30,000	40,000	100,000
Warwickshire Direct Partnership	To continue the development of the shared One Stop Shop technology with other Warwickshire councils with one central project manager	10,350	10,710	11,080	32,140
ICT Infrastructure Development	To further develop the network and hardware structures to ensure that the Councils aspirations of home and mobile working and self service delivery are possible	20,000	20,000	20,000	60,000
Leisure Equipment	To replace the equipment used in the execution of various activity programmes in each of the leisure centres that conforms to industry and market standards relating to customer needs and safety requirements. The proposed investment protects significant levels of income. Whilst fitness equipment has been replaced over the last few years, there is other sports equipment that is in need of renewal	20,000	20,000	20,000	60,000
Capital Salaries - Management		30,000	30,000	30,000	90,000
<b>Previously Approved General Fund Total</b>		<b>704,100</b>	<b>457,210</b>	<b>465,080</b>	<b>1,626,390</b>
<b>General Fund Additional Items</b>					
Home Improvement Agency	The agency assists clients applications for grants (filling in paperwork, liaising with contractors, seeking external funding etc). It provides a holistic assistance and advice service with greater client take up and satisfaction.	11,600	11,600	-	23,200

Name of the Scheme	Basic Details of the Scheme	2011/12 (£)	2012/13 (£)	2013/14 (£)	3 YEAR TOTAL (£)
Borough Care Lifelines - additional amount	During 2010/11, an analysis of the level of lifelines required to keep the service going was re-assessed (reported to Exec Board 28th June 2010). The basic level is now required at £18,000, which is £6,000 more than the current budget provision	6,000	6,000	6,000	18,000
Disabled Facilities Grants-Private Sector	The approved DFG programme is for £252k. However, the CLG has assessed our need as being £300K per year based on our demographics. This bid represents the difference between assessed need and budget provision	48,000	48,000	48,000	144,000
Operating System Upgrade	The operating programmes used by some systems are becoming old and in need of replacement	-	-	15,000	15,000
Bear and Rugged Staff - replace roof covering	The roofing may erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy and may result in either unbudgeted repairs or put the rental income of £13,800 a year at risk	-	-	120,000	120,000
<b>Total General Fund Additional Items</b>		<b>65,600</b>	<b>65,600</b>	<b>189,000</b>	<b>320,200</b>

<b>GRAND TOTAL - GENERAL FUND</b>		<b>769,700</b>	<b>522,810</b>	<b>654,080</b>	<b>1,946,590</b>
<b>BALANCE BOUGHT FORWARD</b>		<b>(1,428,184)</b>	<b>(1,040,341)</b>	<b>(901,992)</b>	<b>(1,428,184)</b>
<b>TOTAL RESOURCES GENERATED</b>		<b>(381,858)</b>	<b>(384,461)</b>	<b>(387,150)</b>	<b>(1,153,468)</b>
<b>VARIANCE</b>		<b>(1,040,341)</b>	<b>(901,992)</b>	<b>(635,062)</b>	<b>(635,062)</b>

## Appendix F

### Capital Financing Requirement

			Prudential borrowing		Grand Total
	HRA	GF	HRA	GF	
Fixed Assets	137,359,854.55	19,990,914.89	-	-	157,350,769
Deferred Premium	118,925.37	-	-	636,545	755,470
Revaluation Reserve	(2,320,803.11)	(3,347,904.50)	-	9,325	(5,659,382)
Capital Adjustment Account	(136,668,816.11)	(3,559,760.13)	-	(127,309)	(140,355,885)
Grants Deferred	(67,472.66)	(1,222,609.43)	-	(9,325)	(1,299,407)
Contributions Deferred	-	(304,332.93)	-	-	(304,333)
<b>CFR as at 31-3-10</b>	<b>(1,578,312)</b>	<b>11,556,308</b>	<b>-</b>	<b>509,236</b>	<b>10,487,232</b>
Credit Approvals	400,000	-	-	-	400,000
New Build (part)	-	-	1,059,217	-	1,059,217
Provision for repayment - vehicles	-	-	-	(127,309)	(127,309)
MRP	-	(179,494)	-	-	(179,494)
<b>Estimated CFR as at 31-3-11</b>	<b>(1,178,312)</b>	<b>11,376,814</b>	<b>1,059,217</b>	<b>381,927</b>	<b>11,639,646</b>
New Build (part)	-	-	174,010	-	174,010
Provision for repayment - new build	-	-	(35,307)	-	(35,307)
Provision for repayment - vehicles	-	-	-	(127,309)	(127,309)
MRP	-	(175,496)	-	-	(175,496)
<b>Estimated CFR as at 31-3-12</b>	<b>(1,178,312)</b>	<b>11,201,318</b>	<b>1,197,920</b>	<b>254,618</b>	<b>11,475,544</b>
Provision for repayment - new build	-	-	(35,307)	-	(35,307)
Provision for repayment - new build	-	-	(5,800)	-	(5,800)
Provision for repayment - vehicles	-	-	-	(127,309)	(127,309)
MRP	-	(149,269)	-	-	(149,269)
<b>Estimated CFR as at 31-3-13</b>	<b>(1,178,312)</b>	<b>11,052,049</b>	<b>1,156,813</b>	<b>127,309</b>	<b>11,157,859</b>
Provision for repayment - new build	-	-	(35,307)	-	(35,307)
Provision for repayment - new build	-	-	(5,800)	-	(5,800)
Provision for repayment - vehicles	-	-	-	(127,309)	(127,309)
MRP	-	(143,298)	-	-	(143,298)
<b>Estimated CFR as at 31-3-14</b>	<b>(1,178,312)</b>	<b>10,908,751</b>	<b>1,115,706</b>	<b>-</b>	<b>10,846,145</b>

## Capital Financing Costs Indicator

	Actual 2009/10 £000	Revised 2010/11 £000	Original 2011/12 £000	Forecast 2012/13 £000	Forecast 2013/14 £000
<b>General Fund</b>					
External Interest Costs	5	3	5	5	5
Investment Income	-196	-120	-100	-140	-180
Provision for repayment of loan	127	127	127	127	127
MRP	153	179	175	149	143
<b>Total</b>	<b>89</b>	<b>189</b>	<b>207</b>	<b>141</b>	<b>95</b>
Council Tax	4,329	4,443	4,581	4,673	4,766
RSG/NDR	5,363	5,437	4,296	3,738	3,588
Net Revenue Stream	9,692	9,880	8,877	8,411	8,354
<b>Ratio</b>	<b>0.92%</b>	<b>1.91%</b>	<b>2.33%</b>	<b>1.68%</b>	<b>1.14%</b>
<b>HRA</b>					
Interest Paid	-	2	9	18	27
Premium/Discount	-	-	-	-	-
Interest and Investment Income	-21	-13	-11	-17	-28
Provision for repayment of loan	-	-	35	41	41
<b>Total</b>	<b>-21</b>	<b>-11</b>	<b>33</b>	<b>42</b>	<b>40</b>
Net Revenue Stream	9,182	9,348	10,027	10,504	10,970
<b>Ratio</b>	<b>-0.23%</b>	<b>-0.12%</b>	<b>0.33%</b>	<b>0.40%</b>	<b>0.36%</b>

## Summary Of Prudential Indicators

### 1) Capital Expenditure Indicators

	Actual 2009/10 £000's	Revised 2010/11 £000's	Original 2011/12 £000's	Forecast 2012/13 £000's	Forecast 2013/14 £000's
General Fund	1,548	1,784	770	523	654
Housing Revenue Account	5,992	3,937	2,018	2,058	2,132
<b>Total</b>	<b>7,540</b>	<b>5,721</b>	<b>2,788</b>	<b>2,581</b>	<b>2,786</b>

### 2) Capital Financing Indicators

	Actual 2009/10 £000's	Revised 2010/11 £000's	Original 2011/12 £000's	Forecast 2012/13 £000's	Forecast 2013/14 £000's
General Fund	12,065	11,759	11,456	11,179	10,909
Housing Revenue Account	(1,578)	(119)	20	(21)	(63)
<b>Total</b>	<b>10,487</b>	<b>11,640</b>	<b>11,476</b>	<b>11,158</b>	<b>10,846</b>

### 3) Capital Financing Cost Indicators

	Actual 2009/10 £000's	Revised 2010/11 £000's	Original 2011/12 £000's	Forecast 2012/13 £000's	Forecast 2013/14 £000's
General Fund	0.92%	1.91%	2.33%	1.68%	1.14%
Housing Revenue Account	-0.23%	-0.12%	0.33%	0.40%	0.36%

### 4) Incremental Impact Indicators

General Fund	Original 2010/11 £	Forecast 2011/12 £	Forecast 2012/13 £	Forecast 2013/14 £000's
Council Tax at Band D	0.84	1.38	2.20	4.13
Council Tax at Band D - aggregate		2.22	4.42	8.55

Housing Revenue Account	Original 2010/11 £	Forecast 2011/12 £	Forecast 2012/13 £	Forecast 2013/14 £000's
Average Weekly Rent	0.00	0.00	0.00	0.00
Average Weekly Rent - aggregate	0.00	0.00	0.00	0.00



## 3 Year Capital Programme - Appendix I

### Agenda Item No 17

Resources Board

1 February 2011

Report of the  
Deputy Chief Executive

Treasury Management Strategy  
Statement, Minimum Revenue  
Provision Policy Statement and  
Annual Investment Strategy for  
2011/12

#### 1 Summary

- 1.1 This report outlines the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2011/12

#### **Recommendation to the Council**

That the proposed strategies for 2011/12 be approved

#### 2 Introduction and Background

- 2.1 Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

#### 3 Statutory requirements

- 3.1 The Local Government Act 2003 and supporting regulations requires the Council to ‘have regard to’ the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 3.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 3.3 The Department of Communities and Local Government (CLG) has issued revised investment guidance which came into effect from 1 April 2010. There

were no major changes required over and above the changes already required by the revised CIPFA Treasury Management Code of Practice 2009.

#### **4 CIPFA requirements**

4.1 The CIPFA Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 2 February 2010.

4.2 The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the way in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-Year Review Report and an Annual Report covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution of and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Resources Board.

#### **5 Treasury Management Strategy for 2011/12**

5.1 The suggested strategy for 2011/12 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector Treasury Services.

5.2 The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council
- Prudential and Treasury Indicators
- the current treasury position
- the borrowing requirement
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- the investment strategy

- creditworthiness policy
- policy on use of external service providers
- the MRP strategy

## **6 Balanced Budget Requirement**

6.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:-

- Increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- Any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

## **7 Treasury Limits for 2011/12 to 2014/15**

7.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. The Authorised Limit represents the legislative limit specified in the Act.

7.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is “acceptable”.

7.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming year and two successive financial years. Details of the Authorised Limit can be found in Appendix A of this report.

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## 8 Current Portfolio Position

8.1 The Council's treasury portfolio position at 31/12/2010 comprised:

	Principal £m	Average Rate %
Fixed Rate Funding	0	0
Short Term Funding	3.0	0.426
Total Investments	11.143	1.57
Net Investments	8.143	1.46

## 9 Borrowing Requirement

9.1 The Council's Borrowing Requirement or Capital Financing Requirement (CFR) is £9,977,996 at 1 April 2010.

## 10 Prudential and Treasury Indicators for 2011/12 to 2013/14

10.1 Prudential and Treasury Indicators, as shown in Appendix A, are relevant for the purpose of setting an integrated treasury management strategy.

10.2 The council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The original Code was adopted on 4 February 2002 by the full Council and the revised Code was adopted on 2 February 2010.

## 11 Prospects for Interest Rates

11.1 The Council has appointed Sector Treasury Services as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Sector central view drawn from a number of current City forecasts for short term (Bank Rate).

Bank Rate Forecast at 31 March	%
2010/11	0.5
2011/12	1.00
2012/13	2.25

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

## 12 Borrowing rates

12.1 The Sector forecast for the PWLB new borrowing rate is as follows: -

	Jan 2011	March 2011	June 2011	Sept 2011	Dec 2011	March 2012	March 2013
Bank Rate	0.5%	0.5%	0.5%	0.50%	0.75%	1.00%	2.25%
5 yr PWLB Rate	3.41%	3.3%	3.3%	3.4%	3.5%	3.6%	4.3%
10 yr PWLB Rate	4.64%	4.4%	4.4%	4.4%	4.5%	4.7%	5.1%
25yr PWLB Rate	5.29%	5.2%	5.2%	5.2%	5.3%	5.3%	5.5%
50yr PWLB Rate	5.21%	5.2%	5.2%	5.2%	5.3%	5.3%	5.5%

12.2 The council has a borrowing or Capital Financing Requirement of £9.98 million. However, because we have a number of capital and revenue reserves which have not yet been used, we have temporarily used these to finance our capital spending rather than the Council borrowing externally. These reserves amounted to £10,193 million at the beginning of the year.

12.3 Over the next three years, investment rates are expected to be below long term borrowing rates and so value for money considerations indicate that value is best obtained by continuing to use internal reserves. However, it may shortly be necessary to borrow. The Deputy Chief Executive will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions at the next available opportunity.

## 13 Policy on Borrowing in Advance of Need

13.1 The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra funds borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

13.2 In determining whether borrowing will be undertaken in advance of need the Council will ;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered

- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- Consider the impact of borrowing in advance of temporarily increasing investment cash balances (until required to finance capital expenditure) and the consequent increase in exposure to counterparty risk and the level of such risks given the controls in place to minimise them.

## 14 Annual Investment Strategy

14.1 The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2009 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are: -

- a) the security of capital; and
- b) the liquidity of its investments.

14.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.

14.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

14.4 Investment instruments identified for use in the financial year are listed in Appendix B under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

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## 15 Creditworthiness Policy

15.1 This Council uses the creditworthiness service provided by Sector Treasury Services. This service has been progressively enhanced over the last year and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

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

15.2 It is necessary to restrict the level of investments which may be made with any individual institution and also within any group to which they belong. Details are shown below.

Group Limit – Up to 30% of total investments  
 Other Limits- Up to 50% of total investments may be invested for a period of more than 1 year  
 Up to 100% of total investments may be made in UK institutions  
 Up to 50% of total investments may be made in non UK institutions  
 Up to 100% of total investments may be invested for a period up to 1 year  
 Up to 20% of the investment portfolio in any one country outside the UK  
 Money market Funds- as the funds are spread over a large number of institutions, these do not form part of any group limit.

Individual Limits	Amount or % of total investments held	Rating
>1 Year	£2 million	Supranational banks AAA
>1 Year	£2.5 million	AAA Money Market Funds
>1 Year	£2 million	AAA F1+
> 1 Year	£1 million	AA- F1+
< 1 Year	£2 million	AAA F1+
< 1 Year	£2 million	AA+ F1
< 1 Year	£2 million	AA F1+
<1 Year	£2 million	AA- F1+
< 6 Months	£1 million	A+ F1+
< 3 Months	£750,000	A F1

15.3 All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through the use of the Sector creditworthiness service. The table above includes an increase in potential investments in AAA money market funds from £2million to £2.5 million, due to funds being spread over a wide range of investments.

15.4 If a downgrade results in the counterparty/ investment scheme no longer meeting the Council's minimum credit criteria, its further use as a new investment will be withdrawn immediately.

15.5 Sole reliance will not be placed on the use of external services. In addition, the Council will use market data and market information, information on government support for banks and the credit rating of that government support.

## 16 Country limits

16.1 The Council has determined that it will only use approved counterparties from a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

- 16.2 Officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

## 17 Interest Rate Outlook

- 17.1 Bank rate has been unchanged at 0.50% since March 2009. Bank rate is forecast to commence rising in September 2011, and then to rise steadily. Bank rate forecasts for financial year ends (March) are as follows;-

2011/12	1.00%
2012/13	2.25%

The Council will avoid locking into longer term deals when investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high credit-worthiness which make longer term deals worthwhile and within the risk parameters set by this Council. For 2011/12 it is suggested that the Council should budget for an investment return of 1.25% on investments placed during the year.

- 17.2 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, money market funds and short-dated deposits in order to benefit from compounding of interest.

## 18 End of Year Investment Report

- 18.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## 19 Policy on the use of Treasury Management Consultants

- 19.1 The Council uses Sector Treasury Services as its external advisers. The Council recognises that responsibility for treasury management decisions remains with the organisation and that it will make decisions after taking into account advice or information given. It recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and are subject to regular review.



## 20 **Scheme of Delegation**

### 20.1 **Full Council**

- Receiving and reviewing reports on treasury management policies, practices and activities
- Approval of annual strategy.

### 20.2 **Resources Board**

- Scrutiny/Approval of/ amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- Budget consideration and approval
- Receiving and reviewing regular monitoring reports and acting on recommendations.

## 21 **Role of the Section 151 Officer**

21.1 The Section 151 Officer for the Council is the Deputy Chief Executive. The treasury management role includes:-

- Recommending clauses, treasury management policy/ practices for approval, and reviewing the same regularly, and monitoring compliance
- Submitting regular treasury management policy reports
- Submitting budgets and budget variations
- Receiving and reviewing management information reports
- Reviewing the performance of the treasury management function
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensuring the adequacy of internal audit, and liaising with external audit
- Recommending the appointment of external service providers.

## 22 **Minimum Revenue Provision**

22.1 The Council's Minimum Revenue Provision Policy Statement for 2011/12 is shown at Appendix D.

...

## 23 **Report Implications**

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

23.1.1 There are no financial implications arising directly from this report. An Annual Report on Treasury Management, including investment activity will be presented to the Resources Board and Full Council by 30 September each year.

## 23.2 Environment and Sustainability Implications

23.2.1 Having appropriate financial controls through the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy contributes towards the sustainable provision of services.

## 23.3 Risk Management Implications

23.3.1 The stringent controls in place for the treasury management function all help to minimise any risk. Establishing the credit quality of counter-parties reduces the risk of investments. Further risks have been identified for non-specified investments and are shown in Appendix B. In making any investment decision, whether it is an overnight investment or for a period of longer than one year, the risk attached is always taken into account

## 23.4 Links to Council's Priorities

23.4.1 Making best use of our resources through achieving a balanced budget and developing our workforce.

The Contact Officer for this report is Jackie Marshall (719379).

### 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

### 3 Year Capital Programme Appendix I (i)

#### Appendix A

#### Treasury Indicators

<b>Treasury Indicator</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Authorised Limit for External Debt</b>	<b>27,966</b>	<b>28,931</b>	<b>29,358</b>	<b>28,838</b>
<b>Operational Boundary</b>	<b>10,366</b>	<b>10,587</b>	<b>10,411</b>	<b>10,683</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	<b>9,600</b>	<b>9,600</b>	<b>9,600</b>	<b>9,600</b>
<b>Upper Limit for Variable Rate Exposure</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>
<b>Upper Limit for Total Principal Sums Invested for over 364 days (per maturity date)</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>

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

**LOCAL GOVERNMENT INVESTMENTS (England)****SPECIFIED INVESTMENTS**

*All investments listed below must be sterling-denominated, with maturities up to a maximum of 1 year.*

<b>Investment</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / 'High' Credit Rating criteria</b>	<b>Circumstance of use</b>	<b>Maximum period</b>
<b>Money Market Funds</b> <i>These funds do not have any maturity date- structured as Open Ended Investment Companies (OEICs)</i>	Yes	Yes AAA rated	In-house	the period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
<b>Debt Management Agency Deposit Facility<sup>1</sup></b>	Yes	N/A	In-house	364 days
<b>Term Deposits- Local Authorities</b>	Yes	N/A	In-house	364 days
<b>Term Deposits- Banks and Building Societies</b>	Yes	See Strategy	In-house	364 days
<b>Banks nationalised by high credit rated countries (sovereign rating)</b>	Yes	Sovereign rating	In-house	364 days
<b>Government guarantee on ALL deposits by high credit rated countries (sovereign rating)</b>	Yes	Sovereign rating	In-house	364 days
<b>UK government support to the banking sector (implicit guarantee)</b>	Yes	UK sovereign rating	In-house	364 days

**Monitoring of credit ratings :**

All credit ratings will be monitored *weekly or more frequently if needed*.

**Forward Deposits:**

Forward deposits may be made. However, the forward period plus the deal period should not exceed one year in aggregate.

**Support:** Banks eligible for support under the UK bail-out package and which have debt guaranteed by the Government are eligible for a continuing guarantee when debts mature and are refinanced. The banks which have used this explicit guarantee are:

Bank of Scotland; Barclays; Clydesdale; Coventry Building Society; Investec Bank; Nationwide Building Society; Rothschild Continuation Finance plc;

Standard Life Bank; Royal Bank of Scotland; Tesco Personal Finance plc; West Bromwich Building Society; Yorkshire Building Society

**LOCAL GOVERNMENT INVESTMENT (England)**

**NON-SPECIFIED INVESTMENTS-** A maximum of 50% may be held in non-specified investments

<b>Maturities in excess of 1 year Investment</b>	<b>(A) Why use it? (B) Associated risks?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / Minimum credit rating **</b>	<b>Circumstance of use</b>	<b>Max % of overall investments</b>	<b>Maximum maturity of investment</b>
<b>Term deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment.  (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	Period and amount will be dependent on credit ratings, as shown on authorised list	in-house		<i>Suggested limit : 5 years</i>
<b>Callable deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity.  (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	Period and amount will be dependent on credit ratings, as shown on authorised list	to be used in-house after consultation/ advice from Sector		<i>Suggested limit : 5 years</i>
<b>Term deposits- local authorities</b>	Going concern	No	N/A	In house		
<b>UK Gilt Government</b>	A) Enhanced income – potentially higher return than using a term deposit with similar maturity B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the gilt		AAA	To be used in-house after consultation/advice from Sector		<i>Suggested limit 10 years</i>

<b>Bonds issued by a financial institution guaranteed by the UK Government</b>	A) Enhanced income – potentially higher return than using a term deposit with similar maturity B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond		AAA	To be used in-house after consultation/advice from Sector		<i>Suggested limit 10 years</i>
<b>Bond Funds Gilt Funds (Collective Investment Schemes structured as Open Ended Investment Companies)</b>	A) Enhanced income – potentially higher return than using a term deposit with similar maturity B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond		AAA	To be used in-house after consultation/advice from Sector		<i>Suggested limit 10 years</i>
<b>Sovereign Bonds (i.e. other than the UK Government)</b>	A) Enhanced income – potentially higher return than using a term deposit with similar maturity B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond		AAA	To be used in-house after consultation/advice from Sector		<i>Suggested limit 10 years</i>
<b>Bonds issued by Multilateral Development Banks</b>	(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts) (iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt ~ aids forward planning, enhanced return compared to gilts. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity)  (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen	No	AAA or government guaranteed	Buy and hold to maturity : to be used in-house after consultation/ advice from Sector		



Treasury Management Strategy Statement 2011/12

<b>Approved Countries for Investments</b>
<b>AAA</b> Canada Denmark Finland France Germany Luxembourg Netherlands Norway Singapore Sweden Switzerland U.K. U.S.A.
<b>AA+</b> Australia Belgium Hong Kong
<b>AA</b> Japan Kuwait Qatar (AA S&P rating) UAE
<b>AA-</b> Italy Saudi Arabia



**Treasury Management Strategy Statement 2011/12**

**Minimum Revenue Provision Policy Statement 2011/12**

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and has assessed their MRP for 2011/12 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2011/12 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Certain expenditure reflected within the debt liability at 31<sup>st</sup> March 2011 will under delegated powers be subject to MRP under option 3), which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the annuity method. For example, capital expenditure on vehicle replacement will be related to the estimated life of those vehicles, capital expenditure on existing buildings will be related to the estimated benefit of the expenditure, and capital expenditure on new buildings will be related to the assumptions made within the approved business case.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

**Agenda Item No 9**

**Executive Board**

**7 February 2011**

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

**General Fund Fees and Charges  
2011/12**

**1 Summary**

- 1.1 The report covers the fees and charges for 2010/11 and the proposed fees and charges for 2011/12.

**Recommendation to the Council**

**That the schedule of fees and charges for 2011/12, set out in the report be accepted.**

**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 Introduction**

- ... 3.1 Attached for the Board's consideration at Appendix A are details of present and proposed fees and charges for the financial year 2011/12. Prices have been increased by 3% in line with the budget strategy for 2011/15 as agreed by this Board in September 2010. The amounts shown have already been included in the revenue estimates for 2011/12.

**4. Report Implications**

**4.1 Finance and Value for Money Implications**

- 4.1.1 Implementation of the attached schedule of fees and charges will contribute to the achievement of income targets, which are contained within the Deputy Chief Executives' report on the General Fund estimates 2011/12, presented elsewhere within the agenda for this meeting.

**4.2 Risk Management**

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

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

### **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>

**APPENDIX A**

**NORTH WARWICKSHIRE BOROUGH COUNCIL**  
**EXECUTIVE BOARD**  
**PROPOSED FEES & CHARGES FROM 1 APRIL 2011**

	<b>2010/11 CHARGE</b>	<b>2011/12 CHARGE</b>	<b>VAT RATING</b>
	<b>£</b>	<b>£</b>	
<b>NORTH WARWICKSHIRE LOCAL PLAN ADOPTED 2006</b>			
Full Document	36.95	38.05	Outside Scope
Text Only (No folder)	15.85	16.35	"
Maps Only (No folder)	23.75	24.50	"
Large Maps	5.30	5.50	"
A3 / A4 Maps	3.15	3.25	"

**Documents will incur an additional postage charge.**

<b>OTHER DOCUMENTS</b>			
Urban Housing Capacity Study	16.65	17.15	Outside Scope
Housing Needs Study 2003	17.75	18.30	"
Annual Monitoring Report	2.55	2.65	"
Local Development Scheme	2.65	2.75	"
Statement of Community Involvement (adopted version only)	5.60	5.80	"
Father Hudson's Development Brief	2.95	3.05	"

<b>ADOPTED SUPPLEMENTARY PLANNING GUIDANCE</b>			
Checklist for Applicants submitting Planning Applications	2.15	2.20	Outside Scope
Guide for Shop Front Design	2.15	2.20	"
Guide for the Design of Lighting Schemes	1.10	1.15	"
Guide for the Design of Householder Developments	2.15	2.20	"

<b>CONSERVATION AREA DESIGNATION REPORTS</b>			
Whole Set	9.55	9.85	Outside Scope
Atherstone	1.40	1.45	"
Watling Street, Atherstone	0.80	0.80	"
Coleshill	1.00	1.05	"
Kingsbury	0.70	0.70	"
Mancetter	0.60	0.60	"
Newton Regis	0.90	0.95	"
Polesworth	1.00	1.05	"
Water Orton	0.90	0.95	"

## Agenda Item No 10

### Executive Board

7 February 2010

Report of the  
Deputy Chief Executive

General Fund Revenue Estimates  
2011/12

#### 1 Summary

- 1.1 This report covers the revised budget for 2010/11 and an estimate of expenditure for 2011/12, together with forward commitments for 2012/13, 2013/14 and 2014/15.

#### Recommendation to the Board

- a To accept the revised budget for 2010/11; and
- b To accept or otherwise vary the Estimates of Expenditure for 2011/12, as submitted, for their inclusion in the overall budget considered in a later agenda item.

#### 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

- 3.2 In consultation with other Assistant Directors, the Assistant Director (Finance and Human Resources) has prepared an estimate of net expenditure for 2011/12 and this, together with a revised budget for 2010/11, appears in Appendices A and B. To provide a more complete picture of the spending pattern of the service, the actual figures for 2009/10 are shown.

- 3.3 At its meeting in September, the Executive Board agreed the budget strategy for 2011/2015 which required savings of £1.5 million over a four year period. This was increased to £2 million following an initial assessment of the Comprehensive Spending Review in November. This required budget savings of £380,000 in 2011/12, with additional savings of £590,000 in 2012/2013, £520,000 in 2013/2014 and £510,000 in 2014/15. The provision for growth in 2011/2012 was £50,000, with a further £25,000 in 2012/2013, 2013/2014 and 2014/15.

- 3.4 Assistant Directors were asked to identify areas where savings could be made, either by a reduction in expenditure or through the generation of additional income. Some of these have now been incorporated into the estimates being considered

... and are shown in Appendix D. Others have been the subject of previous reports on the agenda.

3.5 Board requirements have been prepared, taking into account the following assumptions:

- No increase in the level of service except where Council approval has already been given
- Zero pay awards for 2010/11 through to 2012/13 except for those employees earning less than £21,000 where provision has been made for an additional £250 in each of 2011/12 and 2012/13
- Pay awards of 2% for 2013/14 and 2.5% for 2014/15
- Changes in National Insurance from April 2011, with a 1% increase in contributions levels, although the starting point at which contributions are made has been increased to partially offset this
- Increases in the Councils pension contribution rate
- A general provision for inflation of 3%, although where contractual obligations require a price increase in line with inflation, these have been provided

3.6 An increase in income has been allowed to reflect the increases included in the fees and charges report elsewhere on this agenda.

3.7 A subjective analysis of the Board's requirement is shown below:

	<b>Approved Budget 2010/11 £</b>	<b>Revised Budget 2010/11 £</b>	<b>Original Budget 2011/12 £</b>
Employee Costs	202,420	207,300	207,820
Premises	570	570	590
Supplies and Services	208,430	115,490	126,100
Miscellaneous	10,610	10,610	10,930
Earmarked Reserves	(147,520)	(43,930)	(60,080)
<b>Gross Expenditure</b>	<b>274,510</b>	<b>290,040</b>	<b>285,360</b>
Income	(53,130)	(66,460)	(12,300)
<b>Net Controllable Expenditure</b>	<b>221,380</b>	<b>223,580</b>	<b>273,060</b>
Departmental Support	154,570	138,250	147,170
Central Support	127,180	101,770	98,280
<b>Net Expenditure</b>	<b>503,130</b>	<b>463,600</b>	<b>518,510</b>

#### 4 Capital Charges

4.1 None of the services within this Board are subject to capital charges.

#### 5 Comments on the 2010/11 Revised Budget

5.1 The revised budget for 2010/11 is estimated to be £463,600; a decrease of £39,530 on the approved provision. The main reasons for variations are set out below.

5.2 **Employee costs** have increased due to increased allocations to Community Strategy of £4,190 and additional delivery costs of £2,890 associated with the 3<sup>rd</sup>

edition of 'North Talk' which has been funded through the use of an earmarked reserve. This has been partially offset by decreases in allocations to Corporate Communications and to the Local Development Plan of £2,250.

£4,880

5.3 The decrease in **Supplies and Services** is due to a reduction of £97,970 in professional fees within the Local Development Plan due to changes in timing of various activities. This has been partially offset by an increase in printing costs of £5,030 for an additional edition of 'North Talk', funded through additional income.

(£92,940)

5.4 The decrease in the use of **Earmarked Reserves** reflects the reduced funding required for Local Development Framework fees, being a decrease of £106,390 whilst there is an increase of £2,800 in use of reserves to cover the additional 'North Talk' delivery costs.

£103,590

5.5 The increase in **income** relates to additional grant income of £8,420 to cover new burdens on the Local Development Framework and a contribution of £5,000 to cover the additional edition of 'North Talk'.

(£13,330)

5.6 **Departmental and Central Support** charges have decreased overall by £41,730. The main variations are tabulated below;

	£
Assistant Chief Executives Division (vacant post)	(13,410)
Central Services (reduced allocations)	(10,770)
Director of Community and Environment (post deleted)	(8,180)
Other changes (zero pay award, reduced allocations, changes in posts)	(5,050)
Assistant Director (Leisure and Community) (reduced allocations)	(4,320)
<b>TOTAL</b>	<b>(41,730)</b>

## 6 Comments on the 2011/12 Estimates

6.1 The total estimated net expenditure for 2011/12 is £518,510; an increase of £15,380 on the 2010/11 approved budget and an increase of £54,910 on the revised 2010/11 budget.

6.2 **Supplies and Services** have increased overall, as within the North Warwickshire Local Development Framework there is an increase in budget to reflect the revised work flow which is funded from an earmarked reserve. This is partially offset by a reduction in printing costs within Corporate Communication for the additional 'North Talk' edition funded in 2010/11 only.

£10,610

6.3 The use of **Earmarked Reserves** has increased to reflect the higher use of reserves to fund work on the North Warwickshire Local Development Framework of £18,470. In addition to this, the £2,800 of reserve used to fund delivery of 'North Talk' was a one off item in 2010/11 and has been taken out for 2011/12.

(£16,150)

6.4 There has been a decrease in **income**, of which £38,250 reduction relates to a reduction in Planning Delivery grant allocations to the Local Development Plan and £8,420 relates to a reduction in grant on the Local Development Plan. There is also a reduction of £5,500 within Corporate Communications relating to the loss of external funding of 'North Talk'.

£54,160

6.5 **Departmental and central support** recharges have increased with no specific changes. The increase is essentially down to provision for a pay increase for some staff and general inflationary increases within central support budget.

£5,430

## 7 **Growth Items**

7.1 The unavoidable growth included in the Council's Budget Strategy, approved in September 2010 by the Executive Board, was £50,000 for 2011/12, covering key growth areas at that time. There are no growth items relating to this Board.

## 8 **Income**

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

## 9 **Risks to Services**

9.1 The key risks to the budgetary position of the Council from services under the control of this Board are:

- 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
- Budget provision does not currently exist for production of and delivery of a third edition of 'North Talk' and currently it depends on finding external funding each year

## 10 **Future Year Forecasts**

10.1 In order to assist with medium-term financial planning, Members are provided with budget forecasts for the three years following 2011/12. The table below provides a subjective summary for those services reporting to this Board:

	<b>Forecast Budget 2012/13 £</b>	<b>Forecast Budget 2013/14 £</b>	<b>Forecast Budget 2014/15 £</b>
Employee Costs	210,840	217,210	224,800
Premises	600	610	620
Supplies and Services	161,280	77,280	78,290



Earmarked Reserves	(103,030)	(18,370)	(18,710)
Miscellaneous	11,150	11,370	11,600
<b>Gross Expenditure</b>	<b>280,840</b>	<b>288,100</b>	<b>296,600</b>
Income	(1,220)	(1,240)	(1,260)
<b>Net Controllable Expenditure</b>	<b>279,620</b>	<b>286,860</b>	<b>295,340</b>
Departmental Support	149,850	154,050	158,390
Central Support	99,560	102,400	105,770
<b>Net Expenditure</b>	<b>529,030</b>	<b>543,310</b>	<b>559,500</b>

- 10.2 The forecasts given above have used a number of assumptions, which include pay awards of 0% in 2012/13, 2% in 2013/14 and 2.5% in 2014/15, increases in contracts of 2% and general increases in supplies and services of 2%. In total, the amount to be recharged to services is expected to increase by 2% in 2012/2013, by 2.7% in 2013/14 and by 3% in 2014/2015.
- 10.3 These forecasts are built up using current corporate and service plans. Where additional resources have already been approved, these are also included. However these forecasts will be amended to reflect any amendments to the estimates, including decisions taken on any further corporate or service targets.

## 11 Report Implications

### 11.1 Finance and Value for Money Implications

11.1.1 As detailed in the body of the report.

### 11.2 Environment and Sustainability Implications

11.2.1 Budgetary processes must seek to provide a forecast of revenues and expenditures and a means to enable the financial performance of the Council to be measured.

11.2.2 As a forecasting tool, the budget determines the financial position of the Council over the short to medium term. This allows the Council to manage any expected shortfall in resources whilst maintaining essential services.

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

## Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

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

<b>Code</b>	<b>Description</b>	<b>Actual 2009/2010 £</b>	<b>Approved Budget 2010/2011 £</b>	<b>Revised Budget 2010/2011 £</b>	<b>Original Budget 2011/2012 £</b>
2000	Housing Strategic Service Review	-	1,040	1,040	1,040
2001	Corporate Communication - Leader	-	-	25,000	25,000
2002	Corporate Communication	80,280	80,540	54,600	55,780
2003	Community Strategy	37,427	33,500	37,730	38,320
2006	Communication Group	399	1,570	1,570	1,620
2007	Emergency Planning	16,960	16,980	16,980	15,490
2009	North Warwickshire Local Development Framework	51,620	77,140	76,050	124,880
5050	Support to Parishes	9,963	10,610	10,610	10,930
	<b>Net Controllable Expenditure</b>	<b>196,649</b>	<b>221,380</b>	<b>223,580</b>	<b>273,060</b>
	<b>Departmental Support</b>	<b>155,608</b>	<b>154,570</b>	<b>138,250</b>	<b>147,170</b>
	<b>Central Support</b>	<b>119,455</b>	<b>127,180</b>	<b>101,770</b>	<b>98,280</b>
	<b>Capital Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>EXECUTIVE BOARD TOTAL</b>	<b>471,712</b>	<b>503,130</b>	<b>463,600</b>	<b>518,510</b>

**2000 - HOUSING STRATEGIC SERVICE REVIEW**

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

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Employee Expenditure	-	1,040	1,040	1,040
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>-</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>
Departmental Support	24,916	26,720	25,110	25,800
Central Support	5,860	6,380	5,940	5,910
<b>NET EXPENDITURE</b>	<b>30,776</b>	<b>34,140</b>	<b>32,090</b>	<b>32,750</b>

Contributes to corporate priority :  
- Improving housing in the Borough

**2001 - CORPORATE COMMUNICATIONS (LEADER)**

North Warwickshire Borough Council can bid for funding from the Leader project for specific schemes. This budget provision will provide some match funding for bids made.

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Supplies and Services	-	-	25,000	25,000
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>

**2002 - CORPORATE COMMUNICATIONS**

North Talk is the Borough Council's newsletter produced twice a year and is distributed to all households in the Borough and to businesses, voluntary organisations and other partners. A third edition is produced if external funding is obtained.

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Employee Expenditure	43,673	44,070	46,400	44,360
Supplies and Services	34,666	52,520	32,550	27,950
Earmarked Reserves	1,941	(16,050)	(18,850)	(16,530)
<b>GROSS EXPENDITURE</b>	<b>80,280</b>	<b>80,540</b>	<b>60,100</b>	<b>55,780</b>
GROSS INCOME	-	-	(5,500)	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>80,280</b>	<b>80,540</b>	<b>54,600</b>	<b>55,780</b>
Departmental Support	16,827	16,150	15,630	14,920
Central Support	7,426	7,420	6,470	6,450
<b>NET EXPENDITURE</b>	<b>104,533</b>	<b>104,110</b>	<b>76,700</b>	<b>77,150</b>

Contributes to corporate priority :

- Enhancing community involvement and access to services

**2003 - COMMUNITY STRATEGY**

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

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Employee Expenditure	23,314	30,030	34,260	34,660
Premises Related Expenditure	-	570	570	590
Supplies and Services	-	5,890	5,890	4,070
Earmarked Reserves	15,827	-	-	-
<b>GROSS EXPENDITURE</b>	<b>39,141</b>	<b>36,490</b>	<b>40,720</b>	<b>39,320</b>
GROSS INCOME	(1,714)	(2,990)	(2,990)	(1,000)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>37,427</b>	<b>33,500</b>	<b>37,730</b>	<b>38,320</b>
Departmental Support	33,526	30,600	31,560	30,890
Central Support	59,443	64,290	51,890	50,690
<b>NET EXPENDITURE</b>	<b>130,396</b>	<b>128,390</b>	<b>121,180</b>	<b>119,900</b>

Contributes to corporate priorities :

- 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

**2006 - COMMUNICATION GROUP**

This is a working group of officers established to co-ordinate work on communication issues, promote Best Practice and monitor the effectiveness of the Council's internal and external communications practices, ensuring consistent branding.

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Employee Expenditure	-	-	-	-
Supplies and Services	399	1,570	1,570	1,620
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>399</b>	<b>1,570</b>	<b>1,570</b>	<b>1,620</b>
Central Support	583	620	290	300
<b>NET EXPENDITURE</b>	<b>982</b>	<b>2,190</b>	<b>1,860</b>	<b>1,920</b>

Contributes to corporate priorities :

- 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
- Making the best use of resources

**2007 - EMERGENCY PLANNING**

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

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Supplies and Services	16,960	16,980	16,980	15,490
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>16,960</b>	<b>16,980</b>	<b>16,980</b>	<b>15,490</b>
Departmental Support	30,972	31,020	17,610	29,470
Central Support	11,031	17,560	12,200	8,610
<b>NET EXPENDITURE</b>	<b>58,963</b>	<b>65,560</b>	<b>46,790</b>	<b>53,570</b>

Contributes to corporate priority :

- Making the best use of resources

**2009 - NORTH WARWICKSHIRE LOCAL DEVELOPMENT FRAMEWORK**

Local tier of the Development Plan and other documents required as a Statutory Duty.

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Employee Expenditure	92,466	127,280	125,600	127,760
Supplies and Services	61,188	131,470	33,500	51,970
Earmarked Reserves	(52,556)	(131,470)	(25,080)	(43,550)
<b>GROSS EXPENDITURE</b>	<b>101,098</b>	<b>127,280</b>	<b>134,020</b>	<b>136,180</b>
GROSS INCOME	(49,478)	(50,140)	(57,970)	(11,300)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>51,620</b>	<b>77,140</b>	<b>76,050</b>	<b>124,880</b>
Departmental Support	48,790	49,500	47,770	45,530
Central Support	34,422	30,170	24,320	25,670
<b>NET EXPENDITURE</b>	<b>134,832</b>	<b>156,810</b>	<b>148,140</b>	<b>196,080</b>

**Contributes to corporate priority :**

- Protecting and improving our environment
- Defending and improving our countryside and rural heritage
- Making the best use of resources

**5050 - SUPPORT TO PARISHES**

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

<b>DESCRIPTION</b>	<b>ACTUALS 2009/2010</b>	<b>APPROVED BUDGET 2010/2011</b>	<b>REVISED BUDGET 2010/2011</b>	<b>ORIGINAL BUDGET 2011/2012</b>
Supplies and Services	(37)	-	-	-
Miscellaneous Expenditure	10,000	10,610	10,610	10,930
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>9,963</b>	<b>10,610</b>	<b>10,610</b>	<b>10,930</b>
Departmental Support	577	580	570	560
Central Support	690	740	660	650
<b>NET EXPENDITURE</b>	<b>11,230</b>	<b>11,930</b>	<b>11,840</b>	<b>12,140</b>

**Contributes to corporate priority :**

- Enhancing community involvement and access to services

**Risk Analysis**

	<b>Likelihood</b>	<b>Potential impact on Budget</b>
Level of budget within the Emergency Planning budget being insufficient in the event of a major local emergency	Low	High
Can't secure funding for additional publication of 'North Talk'	Medium	Low

## SAVINGS INCLUDED WITHIN THE ESTIMATES

Description	2011/12
Emergency Planning - reduce the payment made to the Emergency Planning Unit at WCC.	£2,000
The Council looks to engage the public in the development of the Community Strategy. This will reduce the capacity to buy in outside help and printing for things like the partnership days.	£2,000
<b>Overall Total</b>	<b>£4,000</b>



**Agenda Item No 11**

**Executive Board**

**7 February 2011**

**Report of the  
Deputy Chief Executive**

**General Fund Revenue Estimates  
2011/12 and Setting the Council  
Tax 2011/12**

**1 Summary**

- 1.1 This report sets out the proposed General Fund Revenue Estimate for 2011/12, and the options available when setting the 2011/12 Council Tax for the Borough in the context of the Authority's Revenue Support Grant settlement, and the effect on General Fund balances.

**Recommendation to the Council**

- a That the Executive Board be asked to consider the total amount of growth to be included within the 2011/12 budget estimates and amend, if necessary, the financial strategy;**
- b That the Executive Board approves the savings of £489,145 shown in Appendix 3;**
- c That the Executive Board approves the proposed savings recommended by service boards and considers whether it wishes to include any of the others in the estimates from Appendix 4;**
- d That the Executive Board approves the revised estimate for the year 2010/11 and the revenue estimates for 2011/12;**
- e That the Executive Board identifies the preferred Council Tax option for 2011/12;**
- f That the Executive Board notes the Deputy Chief Executives comments on the minimum acceptable level of general reserves;**
- g That the manpower estimates for the year 2011/12 are approved; and**
- h That the Council Tax resolution be forwarded to the Council for consideration.**

## 2 Financial Summary

2.1 At its meeting on 1 February 2011, the Resources Board received a schedule of Board expenditure requirements, together with other items, such as investment interest and contingencies for the 2010/11 revised estimates and the 2011/12 original estimates. In addition, a forecast use of balances for the following three years was provided.

	2010/1 Approved Estimate £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Forecast £	2013/14 Forecast £	2014/15 Forecast £
<b>Board Summary</b>	<b>10,693,460</b>	<b>10,401,920</b>	<b>10,131,150</b>	<b>10,320,160</b>	<b>10,015,640</b>	<b>9,917,330</b>
Financing Adjustment	(808,350)	(1,094,330)	(801,890)	(816,610)	(832,530)	(845,990)
Savings	-	-	-	(640,000)	(420,000)	(410,000)
Investment Interest Income	(100,000)	(120,000)	(100,000)	(140,000)	(180,000)	(200,000)
Revenue Cont. to Capital Exp.	130,000	130,000	130,000	130,000	130,000	130,000
<b>Net Expenditure Requirement</b>	<b>9,915,110</b>	<b>9,317,590</b>	<b>9,359,260</b>	<b>8,853,550</b>	<b>8,713,110</b>	<b>8,591,340</b>

... 2.2 Appendix 1 sets out the figures as presented to the Boards. The full report  
... to the Resources Board is given in Appendix 2.

## 3 Summary of the Finance Settlement

3.1 The settlement for the Council is summarised below.

	Actual 2010/11 £'000	Adjusted 2010/11 £'000	Proposed 2011/12 £'000	Decrease %
External Support	5,437	5,102	4,296	15.8

3.2 Formula grant received by NWBC in 2010/11 amounts to £5.437 million. This figure has been adjusted, principally to remove current expenditure on Concessionary Fares, to give a new base figure of £5.102 million from which to calculate the grant for 2011/12. The proposed Formula Grant for 2011/12 is £4.296 million, a reduction of £806,000. This is due to the overall reduction in funding to local government, distributional changes which have emphasised need rather than funding per head of population and the transfer of concessionary fares.

3.3 The Council's formula grant has reduced by 15.8% in 2011/12. This exceeds the average shire district loss of 15%, and also the national reduction of 9.9%. Our proposed grant includes temporary protection of £403,000. Without this protection, North Warwickshire would have lost grant of £1,209,000.

3.4 The proposed Formula Grant for 2012/13 has also been published, with the grant for North Warwickshire set at £3.738 million, a further reduction of

£558,000 (13%). This includes temporary protection of £296,000, without which North Warwickshire would be losing £854,000.

- 3.5 Finance settlements for the following two years are not yet known. The best estimate currently available for our financial strategy is the assumed national % reductions in grant funding of 0.9% for 2013/14 and 5.6% for 2014/15. A reduction each year in the temporary protection awarded to NWBC has also been assumed.
- 3.6 The 2011/12 budget strategy agreed by this Board at its meeting in September 2010, assumed a 2% increase in Council Tax, with further 2% increases in subsequent years (these were in line with anticipated increases in the Retail Price Index). A 4% decrease in external funding was assumed for 2011/12, with further cuts of 4% per annum for 2012/13 to 2014/15.

#### 4 **Budget Savings**

4.1 In September, this Board agreed that savings of £1.5 million would need to be identified over 2011/12 and the following three years. This target was revised after an initial assessment of the Comprehensive Spending Review in November to around £2 million over the four year period.

4.2 Assistant Directors were tasked with reviewing their service areas, with the aim of producing proposals to meet this challenging target. A number of savings have been found as a result of staff restructures, continuing to freeze posts where possible, altering service procurement or amending how services are provided. These savings amounting to £489,145 are summarised in Appendix 3, and have been incorporated into the 2011/12 estimates.

4.3 A number of other potential savings have been identified, and these have been taken to service boards for consideration. The proposals and the recommendations of Community and Environment Board are shown in Appendix 4, together with the proposals to Resources Board. Resources Board are scheduled to meet after the closing date for the submission of this report, so an updated Appendix 4 showing their recommendations will be made available at the meeting.

#### 5 **Growth**

5.1 The Budget Strategy included £50,000 of one off growth for the local elections to be held in May 2011, and this has been included within the figures. A provision of £50,000 for unavoidable ongoing growth in 2011/12 was also included in the strategy.

5.2 Only one bid for growth of £11,000 has been submitted:

- **Play Areas** – During 2010/11 the Council is refurbishing play areas at Sycamore Road, Kingsbury and Old Arley Recreation Ground through the use of the Playbuilder Fund. However this funds only the initial capital cost of the play areas, leaving this Council to pick up any ongoing revenue

costs for maintenance and subsequent replacement. Providing for these will require the approval of additional funding of £5,000 for maintenance and £6,000 for future replacement.

This scheme contributes towards the Council's corporate priorities of: tackling health inequalities and improving well-being and leisure opportunities to all our citizens; and protecting and improving our environment.

- 5.3 Members have a choice on whether to approve this bid and also on whether to leave any unallocated growth in General Fund balances, or reduce the savings required for 2012/13. The total request for growth can be accommodated within the available provision.

## 6 Performance Against the Budget Strategy

- 6.1 The revised budget strategy envisaged the following use of balances over the next three years.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Use of Balances	506	213	304	452
<b>Level of Balances 31 March</b>	<b>2,160</b>	<b>1,947</b>	<b>1,643</b>	<b>1,191</b>

- 6.2 The anticipated General Fund balance at 1 April 2011 is £2,951,000, which is higher than expected in the Budget Strategy. Given the poor finance settlement which has increased the need for savings, this will assist the Council in managing its overall financial position and limiting the impact on services.

## 7 Availability of Reserves

- 7.1 The Local Government Act 2003 requires the Deputy Chief Executive to make an annual statement on the adequacy of financial reserves. General reserves or balances are held to provide a general contingency for unavoidable or unforeseen expenditure, and also give stability for longer term planning. The level of general reserves held is based on an assessment of the financial risks attached to the budget, and this is covered in section 9 below.
- 7.2 In addition to its general financial reserves, the Council holds a number of earmarked reserves, for both revenue and capital purposes. It also holds some reserves on behalf of other organisations.
- 7.3 General Council policy is not to use earmarked reserves to fund ongoing service activity, but for specific one-off expenditure, so that the base budget position is not understated. So for example, external grant received in advance for specific projects will be held in an earmarked reserve until the activity takes place and the grant is spent. Some timing differences on particular activities are also dealt with through earmarked reserves, to remove unnecessary fluctuations in the base budget, whilst ensuring sufficient budget provision is available. This approach has been used for the Local

Development Framework, where expenditure can vary significantly between years, but where the total funding required can be estimated.

- 7.4 The Council also uses earmarked reserves to set aside funding for capital schemes and projects. A Major Repairs Reserve is used to hold any unspent MRA received through the housing subsidy system. The Council also uses reserves to build up funding for the future replacement of assets and equipment, such as play areas and CCTV equipment.
- 7.5 Where earmarked reserves are used for revenue activities, the expenditure is included within the appropriate service budget, together with the contribution from the reserve to offset this. These movements are highlighted in the budget reports considered by Members.
- 7.6 The expected position on earmarked reserves at the end of 2010/11 relating to the General Fund is outlined below, with more detail on the larger reserves given in Appendix 5.

<b>Earmarked Reserves</b>	<b>Expected Balance 31 March 2011 £000</b>
Capital	1,206
Revenue	2,817
<b>Total</b>	<b>4,023</b>

Some of the reserves set aside for capital are for specific equipment replacement and are not yet due to be spent. The remaining capital funding has been set aside for future costs arising from the Accommodation project.

## 8 Risks to the Council's Financial Position

- 8.1 As with all types of forecasting, there are certain inherent risks that may affect the financial position of the Council over the forthcoming periods. These risks require that the Council maintains a sufficient level of general reserves.
- 8.2 The individual estimate reports to each Board have included a range of potential risks that could impact upon the budgetary position of services. In addition to these specific service risks, there are a number of risks that could impact more generally on the Council's financial position, and these are shown within the General Fund Summary report attached as Appendix 2. The major risks to the Councils budget are highlighted below:
- Changes in the financial markets, and changes to the expected cash flow of the Authority, which affect the investment income the Council can obtain.
  - Further deterioration in the economic position, which could lead to additional demand for Council services in areas such as benefits and homelessness, whilst reducing demand in income generating areas, such as planning and leisure services.

- A large proportion of revenue costs relate to the Councils workforce. Pay awards are negotiated nationally, and any variance from the increase assumed would impact on the financial position. In addition, a vacancy factor for staff turnover is included within the overall estimates. Should vacancies be less than expected, then additional costs will be borne by the Authority
- Any significant loss of the Council's workforce will impact on the services provided by the Council. Additional costs may be incurred where these are statutory functions.
- Recent analysis has highlighted the above inflationary increases in a number of cost areas faced by the Council, which are not matched by the increases in revenue the Council can generate. There is a risk that this mismatch will continue.
- Until the likely grant settlements for 2013/14 and 2014/15 are known there is a risk that the assumptions made on external funding could prove incorrect.
- If the Council opts to freeze council tax in 2011/12, there will be no immediate impact on its financial position, as support will be available from the government to cover the loss of a 2.5% increase. However after four years, the council may have to cover a shortfall of around £111,000 per annum from its revenue budget.

An overall risk assessment for 2011/12 has been completed to determine the minimum level of general reserve that the Deputy Chief Executive considers it is appropriate for the Authority to hold, and this is shown in Appendix 6. This is based on the expected or 'most likely' position and the assumption that not all risks will occur within the next year.

8.3 As can be seen, the balance between future risks and the adequacy of general reserves held by the Council is a key part in establishing a medium-term financial strategy. The level of balances is expected to remain above £1 million over the next four years, although careful monitoring of this will still be necessary. Although it would be possible for the Council to use earmarked reserves to cover unforeseen events, if a particularly serious situation arose, this should be used as a last resort. However, if a general reserve of £1 million is held, it is felt that this amount, together with other provisions, reserves and balances held by the Council, is adequate to protect the Council's financial position for both the forthcoming year and in the medium-term.

8.4 Although not all risks are likely to occur in 2011/12, there is a real possibility that the position could be worse than that anticipated. It could also be better. Best and worst case scenarios are indicated in Appendix 7, and show that in the event of the worst case scenario being realised in 2011/12, the Authority would have the opportunity to adjust its financial strategy, and manage any changes required. Budgets are monitored throughout the year, with the

budgetary position reported to Boards on a regular basis, so the Authority is in a good position to identify risks as they occur.

## 9 Council Tax Options

9.1 The Authority has estimated the Council Tax surplus and notified all major precepting authorities of the amounts they will receive. It has been estimated that North Warwickshire Borough Council will receive a sum of £72,880 for 2011/12. This will reduce the Council's use of balances.

9.2 As part of the finance settlement, the Government have announced that they will provide support to council's who freeze their council tax in 2011/12 at 2010/11 levels. This support would cover the cost of a 2.5% increase in Council Tax and would amount to £111,645 per annum for North Warwickshire. The support would be guaranteed for four years, after which time the Council may have to cover the ongoing shortfall of that level of Council Tax income lost as a result of the freeze in 2011/12.

9.3 The Authority used an increase of 2% when it was updating its financial strategy in September. An increase of 2.5% has been used in compiling the figures in this report.

9.4 Inflation has increased slightly in recent months, although the extent depends on the inflation index used. The two main indices for measuring household inflation are the Consumer Price Index (CPI) and the Retail Price Index (RPI). Both indices measure the average changes month to month in prices of a basket of consumer goods and services purchased in the UK. However, there are several differences between the two indices:

- CPI excludes Council Tax, mortgage interest payments and house prices, which are included in RPI
- The relative weightings given to items in the basket of goods for the two indices are different
- Different mathematical formulas are used for combining the prices collected for each item in the basket. This works in such a way that the average price for each item in the CPI is always lower than or equal to the average price for the same item within RPI

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

9.5 The latest figures at December 2010 for each of these indices is as follows:

- CPI 3.7%
- RPI-X 4.7%
- RPI 4.8%

9.6 The Council could choose not to accept support from the government and could opt for a different Council Tax increase. In general terms, a 1% increase

...

in Council Tax would generate around an additional £44,700, and would mean an additional £2.09 increase in Council Tax rates per annum.

- 9.7 A range of Council Tax increases is shown in Appendix 8, together with the resulting impact on balances. These use the 2010/11 actual Band D amount of £209.39 as a base, and are shown below, together with the impact on the level of balances.

<b>Increase on Band D %</b>	<b>Band D Council Tax Payable £</b>	<b>Cash Increase On 2010/11 £</b>	<b>Impact on Balances - CT £</b>	<b>Govt protection</b>	<b>Total Impact on balances</b>
Base 2010/11	209.39	-	(111,645)	111,645	-
0.5	210.44	1.05	(89,230)	-	(89,230)
1.0	211.48	2.09	(67,030)	-	(67,030)
1.5	212.53	3.14	(44,615)	-	(44,615)
2.0	213.58	4.19	(22,201)	-	(22,201)
2.5	214.62	5.23	-	-	-
3.0	215.67	6.28	22,414	-	22,414
3.5	216.72	7.33	44,829	-	44,829
4.0	217.76	8.37	67,030	-	67,030

- 9.8 There is no impact on balances if a 2.5% increase is chosen, as this is what has been assumed in the figures within this report. If Members choose to freeze Council Tax at 2010/11 levels, there will be no impact on balances as the government will provide funding equivalent to a 2.5% increase. If a lesser increase is chosen, there will be a reduction in balances as shown in the table above. If the Council opts to go for an increase in excess of 2.5%, there will be an annual improvement of balances by the amounts shown in the table above.

- 9.9 The Government wants to ensure that Council Tax payers are protected against authorities that reject the offer of funding equivalent to a 2.5% increase and impose excessive Council Tax rises. They plan to introduce powers for residents to veto excessive Council Tax increases through a local referendum. In the meantime, the Government will take capping action against councils that propose excessive rises.

## 10 Future Years Savings

- 10.1 Assuming a restriction on growth to £50,000 and the 2.5% Council Tax increase assumed in these figures, the Council will need to save a further £640,000 in 2012/13, £420,000 in 2013/14 and £410,000 in 2014/15. If additional growth or a Council Tax increase between 0 - 2.5% is approved, this will increase the savings target over those three years. Even with these savings, the Council will still be drawing £457,000 from balances in 2014/15, indicating that further savings will be required beyond 2014/15.
- 10.2 As savings are increasingly difficult to find, some early consideration has been given to possible areas where the savings for 2012/13 and future years may be found, as some of the areas will take a period of time to review. Savings



found will be brought in as early as possible, as the earlier this happens, the more beneficial the impact on our balances.

## 11 Council Tax Resolution

- ... 11.1 The draft Council Tax resolution is set out in Appendix 9, together with an explanation.

## 12 Manpower Estimate for the Year 2011/12

- ... 12.1 Within the Authority's revenue and capital estimates, allowances have been made for the required manpower provision. Appendix 10 sets out the manpower estimates for 2011/12, compared with 2010/11.

## 13 Delivering Value for Money Agenda

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

## 14 Conclusion

- 14.1 It is clear that whichever options in respect of growth and Council Tax increases are adopted, it will still be necessary to draw on reserves to meet the Council's budgetary requirement. However, current forecasts indicate that reserves will remain above the minimal acceptable level of £1 million by the end of 2014/15, although this is subject to the uncertainties inherent in budgetary forecasting, and subject to the level of Council Tax increase agreed.

- 14.2 However, there are a number of factors that could affect these forecasts.

- The Council currently has no external borrowing. However, there is an underlying borrowing requirement, which may increase costs in the future.
- The Council, through sound budgetary control, has always spent within its budget. This year our anticipated net expenditure is £597,520 less than our approved budget (a surplus of £231,700 in 2009/10), due to a zero pay award and 2010/11 savings found early.
- However, the ability to earn income from investments is uncertain at the moment. The Council is faced with the need to make further budgetary savings so that the Council can effectively manage its financial position. Undoubtedly this will continue in the future as new issues and initiatives emerge.

- 14.3 The options available to the Council to meet these future pressures are rather restricted: increases in Government funding or higher increases in Council Tax which can be mitigated by the identification of further savings than those included in the budget strategy. Rather than increases in government

funding, local authorities have been made aware of further reductions. Also as service delivery pressures increase, the options for savings decrease.

## 15 Report Implications

### 15.1 Financial Implications

15.1.1 As detailed in the body of the report.

### 15.2 Safer Communities Implications

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

### 15.3 Environment and Sustainability Implications

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

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

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

## Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date
Financial Strategy 2010/13	NWBC	Report to Executive Board	30 Sept 2009
2010/11 Finance Settlement	CLG	Government notification	January 2010

## SUMMARY OF REVENUE REQUIREMENTS

2010/2011 Gross Expenditure	2010/2011 Gross Income	2010/2011 Net Expenditure		2011/2012 Gross Expenditure	2011/2012 Gross Income	2011/2012 Net Expenditure
£	£	£		£	£	£
7,450,610	1,946,820	5,503,790	Community and Environment	7,327,570	1,874,430	5,453,140
1,061,230	564,560	496,670	Planning and Development	963,470	398,670	564,800
146,890	111,200	35,690	Licensing	153,160	125,150	28,010
22,903,880	18,849,550	4,054,330	Resources	23,530,000	20,083,200	3,446,800
556,260	53,130	503,130	Executive	530,810	12,300	518,510
9,397,780	9,397,780	0	Council Housing	10,190,250	10,190,250	0
24,850	0	24,850	Contingencies	69,890	0	69,890
75,000	0	75,000	Growth	50,000	0	50,000
0	100,000	-100,000	Interest on balances	0	100,000	-100,000
0	808,350	-808,350	Financing adjustment	0	801,890	-801,890
130,000	0	130,000	RCCO (Revenue Contribution to Capital Outlay)	130,000	0	130,000
<b>41,746,500</b>	<b>31,831,390</b>	<b>9,915,110</b>		<b>42,945,150</b>	<b>33,585,890</b>	<b>9,359,260</b>
0	17,310	-17,310	Use of balances	0	409,073	-409,073
<b>41,746,500</b>	<b>31,848,700</b>	<b>9,897,800</b>		<b>42,945,150</b>	<b>33,994,963</b>	<b>8,950,187</b>
0	0	0	Special items - Parish precepts	0	0	0
<b>41,746,500</b>	<b>31,848,700</b>	<b>9,897,800</b>		<b>42,945,150</b>	<b>33,994,963</b>	<b>8,950,187</b>
		-689,372	Revenue Support Grant			-1,013,070
		-4,747,439	NDR Distribution			-3,282,870
		-53,000	Surplus / Deficit on Collection Fund			-72,880
		<b>4,407,989</b>				<b>4,581,367</b>

**Agenda Item No**

**Resources Board**

**1 February 2011**

**Report of the  
Deputy Chief Executive**

**General Fund Revenue Estimates  
2011/12 – Summary**

**1 Summary**

- 1.1 This report covers the revised budget for 2010/11 and an estimate of expenditure for 2011/12, together with forward commitments for 2012/13, 2013/14 and 2014/15.

**Recommendation to the Board**

**That the following items be recommended to the Executive Board for consideration in setting the Council Tax of the Borough Council:**

- a The revised budget for 2010/11;**
- b To consider the growth item for 2011/12 totalling £11,000; and**
- c To approve the schedule of expenditure requirements totalling £9,359,260 for 2011/12.**

**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 Introduction**

- 3.1 This report summarises Board budgets and looks at the overall expenditure requirements of the Council. It should be noted that the Executive Board has not yet considered its spending requirements, so these figures could alter.

**4 The Council's Budget Requirement**

- 4.1 The Council's budget requirements are summarised below. Details of individual Board requirements are shown in Appendices A – E.

	<b>Approved Budget 2010/11</b>	<b>Revised Budget 2010/11</b>	<b>Original Estimate 2011/12</b>
<b>Net Board Expenditure</b>	<b>10,693,460</b>	<b>10,401,920</b>	<b>10,131,150</b>
Financing Adjustment	(808,350)	(1,094,330)	(801,890)
Investment Interest Income	(100,000)	(120,000)	(100,000)
Revenue Contribution to Capital Expenditure	130,000	130,000	130,000
<b>Net Expenditure Requirement</b>	<b>9,915,110</b>	<b>9,317,590</b>	<b>9,359,260</b>

4.2 The financing adjustment brings together other external charges for the use of capital, offset by notional capital charges incorporated within the spending services accounts.

## 5 Capital Charges

5.1 In providing services, the Council makes use of a wide range of assets, including buildings, vehicles and computer systems. Each service budget is charged with an amount that represents the cost to the Council of providing that asset, in the form of depreciation.

## 6 The Council's 2010/11 Estimated out-turn

6.1 The Council's revised net expenditure requirement for 2010/11 amounts to £9,317,590, which is £597,520 less than the approved estimate. The major changes in Board expenditure are:

6.2 There has been a significant reduction in employee costs. The main reasons for this are a zero pay award (provision for a 1.5% increase was included in the original budget); the deletion and freezing of posts; vacant posts for part of the year; and a reduction in recruitment activity.

(£400,790)

6.3 There has been an increase in the recovery of housing benefit overpayments.

(£135,430)

6.4 An underspend on concessionary fares is expected at the end of the year.

(£140,560)

6.5 There has been a reduction in the cost of the kerbside recycling contract, following the renegotiation of a new contract part way through the year. This is partially offset by an increase in the cost of the Building Control Partnership.

(£25,490)

6.6 There has been a reduction in income on a number of services, including leisure centres, planning control, cesspool emptying, domestic and trade refuse collection.

£85,450

- 6.7 There has been a reduction in the interest paid to the Housing Revenue Account for the balances that it holds, as they are lower than originally expected. In addition the Housing Revenue Account borrowed to fund capital expenditure in 2009/10, and is now paying the General Fund interest on that borrowing to compensate the General Fund for the loss of investment income.  
(£32,050)
- 6.8 The council's cashflow has been better than expected, enabling additional investment income to be earned.  
(£20,000)
- 6.9 An increase in contingencies relating to this Council's financial liability for the West Midlands Leader Board.  
£60,000

## 7 The Council's 2011/12 Expenditure Requirement

- 7.1 The Council's net expenditure requirement for 2011/12 amounts to £9,359,260, which is £555,850 less than the approved estimate for 2010/11 and £41,670 more than the revised estimate. The main variations between the 2011/12 original budget and the 2010/11 revised budget are set out below:
- 7.2 The impact of annual increments and provision for a pay increase for employees earning less than £21,000 per annum has been included within service budgets. Provision has also been made for those posts that were vacant in 2010/11 and for an increase of 1% in the superannuation rate. These increases have been partially offset by a reduction for the full year effect of some deleted and frozen posts, and a reduction in some agency budgets.  
£144,990
- 7.3 A net increase in the costs of Rent Allowances, Rent Rebates and Council Tax Benefits after taking the changes in the net subsidy payments, administration grants and benefit overpayments into account.  
£103,230
- 7.4 A one off sum has been included to cover the costs of the local elections, together with a provision for recurring growth of £50,000.  
£100,000
- 7.5 Payment of Non Domestic Rates on vacant industrial units, following the removal of the NDR exempt position previously available.  
£68,220
- 7.6 The cashflow benefits available to the authority in 2010/11 are not expected to continue, so investment income has been reduced to reflect this.  
£20,000

- 7.7 Concessionary Fares expenditure on bus travel will transfer to Warwickshire County Council from the beginning of April 2011. (€253,000)
- 7.8 Removal of growth which was approved for 2010/11 only. (€60,530)
- 7.9 A general increase in income from fees and charges, after allowing for known reductions in service income. (€58,740)
- 7.10 The full year effect of the saving obtained on the new recycling contract. (20,100)

## 8 Growth Items Contained Within the Estimates

- 8.1 The provision for ongoing growth included within the Council's Budget Strategy, approved in September 2010 by the Executive Board, was €50,000 for 2011/12. Only one bid for growth of €11,000 has been submitted:

- **Play Areas** – During 2010/11 the Council is refurbishing play areas at Sycamore Road, Kingsbury and Old Arley Recreation Ground through the use of the Playbuilder Fund. However this funds only the initial capital cost of the play areas, leaving this Council to pick up any ongoing revenue costs for maintenance and subsequent replacement. Providing for these will require the approval of additional funding of €5,000 for maintenance and €6,000 for future replacement.

This scheme contributes towards the Council's corporate priorities of: tackling health inequalities and improving well-being and leisure opportunities to all our citizens; and protecting and improving our environment.

## 9 Contingencies

- 9.1 The Council includes within its budget requirement an amount to cover future events and issues that may impact upon the finances of the Authority. For 2011/12 the amount included in the contingency totals €69,890. This is the same level as the 2010/11 revised estimate.

## 10 Performance Against Budget Strategy

- 10.1 In September, the Executive Board agreed the budget strategy that involved:
- Budget reductions of €280,000 for 2011/12, with an additional €590,000 in 2012/13, €320,000 for 2013/14 and €310,000 for 2014/15.

- Growth of £100,000 for 2011/12, of which £50,000 was recurring, with an additional £25,000 in 2012/13 and following years.

10.2 Following a preliminary assessment of the Comprehensive Spending Review in October / November, it was identified that the savings target of £1.5 million was expected to rise to around £2 million. This required savings of £380,000 in 2011/12, £590,000 in 2012/13, £520,000 in 2013/14 and £510,000 in 2014/15.

10.3 In total, savings or additional income of £489,145 have been identified and included within the 2011/12 budgets. These are detailed in Appendix G. A number of other potential savings have also been considered by service boards. If these are approved, a further £80,270 of savings will need to be included within these estimates.

10.4 The provision of £50,000 for ongoing growth items that has been included in the figures in this report is the same as the provision included within the strategy.

## 11 Predicted Use of Balances

11.1 The revised budget strategy from September 2010 envisaged the following use of balances over the next four years.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Use of Balances	506	213	304	452
<b>Level of Balances 31 March</b>	<b>2,160</b>	<b>1,947</b>	<b>1,643</b>	<b>1,191</b>

11.2 Each board has projected its expenditure requirements up to and including 2014/15, together with budget reductions, financing and other reductions. This has altered the use of balances expected over the next few years and is shown below:

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Use of Balances	409	392	309	457
<b>Level of Balances 31 March</b>	<b>2,542</b>	<b>2,150</b>	<b>1,841</b>	<b>1,384</b>

11.3 This predicted use of balances is based on the approved level of growth shown above in paragraph 10.1 and a 0% increase in council tax for 2011/12 and 2% for 2012/13, 2013/14 and 2014/15. Although balances are higher than included in the strategy, the Council has a risk it cannot currently quantify, around the reduction in external funding in the two later years, and a potential shortfall of £111,000 when the external support to compensate for the 0% council tax increase in 2011/12 disappears after 2014/15.

## 12 Risks to the Council



12.1 The key risks to the overall budgetary position of the Council are highlighted below:

- Changes to the expected cash flow of the Authority, leading to a reduction in investment income. A £1m change could reduce income by around £10,000 - £15,000.
- Further changes in interest rates would impact on investment income, and could be either beneficial or detrimental. The impact of a 1% change in interest rates could be around £30,000.
- A pay award of 0% has been assumed in preparing the budgets. Any settlement above or below this would affect the financial position of the Authority. A ½% variation would equate to £41,920.
- A vacancy factor of £80,000 has been included within the overall estimates. Should vacancies be less than expected, then additional costs will be borne by the Authority.
- There is a requirement for all authorities to set planning control fees locally from 1 October 2011. If planning control income does not improve, additional costs will be borne by the Council, unless some action is taken to reduce the outstanding financial commitments previously covered by PDG.
- Council expenditure on housing benefit is significant, although the majority is recouped through grant. Increased take up of benefit could impact on the costs of the Council, as in addition to the small proportion paid for by the Council, there could be a need to increase the staff to cover the additional workload. If existing staffing levels were retained, a dip in performance would be likely, which could reduce the grant able to be reclaimed. There is also a risk that the level of recovery of overpayments could be affected by the current economic downturn.
- Transport fuel and utilities prices have seen significant fluctuations over recent times, and this is still a possibility.
- A reduction of 1% in the collection of income from fees and charges could increase the costs of the Council by £18,860.
- The current economic situation could have an increasing impact on the industrial rent income that the Council can obtain. In addition, the NDR exempt period on vacant commercial properties will no longer apply in 2011/12, so any prolonged vacancies will impact directly on the Council's costs.
- The economic situation could also impact on other Council services such as Homelessness, with increased demand leading to additional expenditure.

- The Council is promoting recycling activities across the Borough. If take up increases significantly, this could add to the costs of the service.
- Limited budgetary provision is available for one off spending on areas such as public enquiries on planning, unadopted roads and contaminated land issues.
- Reduction or cessation of grants received for Community Development work could impact on the ability of the Council to meet some corporate priorities, as could failure to secure funding for the Branching Out Bus in future years.

... 12.2 A risk analysis of the likelihood and impact of the risks identified above are included in Appendix F.

### 13 Consultation with Non-Domestic Rate Payers

13.1 A meeting with Non-Domestic Rate Payers was held on 31 January and their comments will be reported to the Executive Board.

### 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.

#### 14.3 Risk Management Implications

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

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

### Background Papers

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

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

## NORTH WARWICKSHIRE BOROUGH COUNCIL

## COMMUNITY AND ENVIRONMENT BOARD

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Description	Actual 2009/2010 £	Approved Budget 2010/2011 £	Revised Budget 2010/2011 £	Original Budget 2011/2012 £
Pitches and Pavilions	44,441	50,070	45,900	45,840
Polesworth Sport Centre	83,077	85,590	85,150	80,290
Arley Sports Centre	121,712	131,490	122,380	120,250
Coleshill Sport Centre	86,639	95,310	131,370	115,250
Atherstone Leisure Complex	263,720	234,910	241,450	240,490
Memorial Hall	75,546	80,530	75,150	75,750
Public Health	(75,771)	53,200	63,710	64,470
Commercial Pollution Control	199,291	238,290	188,190	210,420
Domestic Refuse Collection	863,134	929,480	923,180	994,410
Trade Refuse Collection	(29,495)	(38,720)	(18,080)	(18,710)
Cesspool Emptying	(61,110)	(56,440)	(51,370)	(59,430)
Recycling	330,054	368,710	348,240	276,760
Animal Control	35,784	41,830	37,860	39,450
Abandoned Vehicles	943	1,490	1,580	1,630
Amenity Cleaning	638,243	693,180	678,170	696,200
Unadopted Roads	6,181	7,180	7,180	7,380
Drain Unblocking Service	26,860	29,700	29,850	30,270
Street Furniture	9,443	10,000	10,340	9,890
Atherstone Market	1,747	3,590	3,610	3,720
Parks, Playing Fields and Open Spaces	394,645	376,390	353,980	383,480
Play Areas	99,295	121,260	128,270	129,770
Public Health (Control of Disease) Act 1984 Burials	1,615	70	70	70
Sustainable Communities	2,700	2,790	2,790	2,790
Consultation	2,837	16,840	16,840	17,340
Corporate Policy	15,338	23,670	23,670	24,310
Rural Regeneration	19,993	41,960	9,450	9,570
Landscape	8,464	8,760	8,550	8,810
Marketing and Market Research	7,655	8,040	8,040	8,270
Support to Voluntary Organisations	110,256	151,300	144,940	106,490
Young People and Intergeneration	31,603	40,570	40,090	40,520
Community Development Environment	26,696	29,470	28,960	29,020
Social Inclusion and Art	6,884	10,480	10,360	10,660
Social Inclusion and Sport	32,419	35,450	35,010	35,050
Community Development Health Improvement	14,149	20,130	21,780	17,200
Community Development Safer Communities	49,079	52,070	51,480	52,780
Activities 4 U	185	-	40	-
Allotments and Biodiversity	19,981	20,310	20,310	20,900
Smoke Free Organisation Grant	-	-	-	-
Community Award Scheme	-	5,000	5,000	-
More Time to Play	-	-	-	-
Sports Club Development Officer Programme	(225)	-	160	170
Local Nature Reserves	-	-	-	-
<b>Net Controllable Expenditure</b>	<b>3,464,008</b>	<b>3,923,950</b>	<b>3,833,650</b>	<b>3,831,530</b>
<b>Departmental Support</b>	<b>626,245</b>	<b>627,280</b>	<b>593,750</b>	<b>598,870</b>
<b>Central Support</b>	<b>673,643</b>	<b>645,280</b>	<b>616,730</b>	<b>639,360</b>
<b>Capital</b>	<b>547,738</b>	<b>380,240</b>	<b>392,160</b>	<b>383,400</b>
<b>Net Expenditure</b>	<b>5,311,634</b>	<b>5,576,750</b>	<b>5,436,290</b>	<b>5,453,160</b>

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

<b>Description</b>	<b>Actual 2009/2010 £</b>	<b>Approved Budget 2010/2011 £</b>	<b>Revised Budget 2010/2011 £</b>	<b>Original Budget 2011/2012 £</b>
Planning Control	112,584	94,810	96,010	147,870
Building Control (Non Fee Earning)	87,758	51,510	62,910	54,570
Conservation and Built Heritage	7,510	10,190	10,150	27,590
Planning Delivery Grant	(34)	-	-	-
Local Land Charges	(57,321)	(49,300)	(37,710)	(31,180)
Street Naming and Numbering	(210)	(210)	(3,240)	(3,340)
<b>Net Controllable Expenditure</b>	<b>150,287</b>	<b>107,000</b>	<b>128,120</b>	<b>195,510</b>
<b>Departmental Support</b>	<b>130,195</b>	<b>149,460</b>	<b>126,980</b>	<b>128,140</b>
<b>Central Support</b>	<b>234,872</b>	<b>218,470</b>	<b>220,690</b>	<b>220,520</b>
<b>Capital Charges</b>	<b>20,631</b>	<b>21,740</b>	<b>20,630</b>	<b>20,630</b>
<b>Planning and Development Board Total</b>	<b>535,985</b>	<b>496,670</b>	<b>496,420</b>	<b>564,800</b>

## NORTH WARWICKSHIRE BOROUGH COUNCIL

## LICENSING COMMITTEE SUMMARY

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Description	Actual 2009/2010 £	Approved Budget 2010/2011 £	Revised Budget 2010/2011 £	Original Budget 2011/2012 £
Licensing Authority	(44,054)	(41,220)	(44,400)	(43,520)
Licences and Registration	(12,224)	(8,600)	13,180	13,190
Hackney Carriages	(22,981)	(10,230)	(26,330)	(27,370)
Gambling Act Authority	(10,600)	(9,060)	(9,420)	(9,420)
<b>Net Controllable Expenditure</b>	<b>(89,859)</b>	<b>(69,110)</b>	<b>(66,970)</b>	<b>(67,120)</b>
<b>Departmental Support</b>	<b>23,878</b>	<b>50,430</b>	<b>47,460</b>	<b>47,270</b>
<b>Central Support</b>	<b>38,206</b>	<b>49,570</b>	<b>49,040</b>	<b>47,860</b>
<b>Capital Charges</b>	<b>5,780</b>	<b>4,800</b>	<b>-</b>	<b>-</b>
<b>Licensing Committee Total</b>	<b>(21,995)</b>	<b>35,690</b>	<b>29,530</b>	<b>28,010</b>

## NORTH WARWICKSHIRE BOROUGH COUNCIL

## RESOURCES BOARD (REMAINING)

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Description	Actual 2009/2010 £	Approved Budget 2010/2011 £	Revised Budget 2010/2011 £	Original Budget 2011/2012 £
Cost of Democratic Services	416,839	452,360	432,090	430,440
Election Expenses	5,783	4,760	4,760	54,890
Registration of Electors	14,787	15,350	15,140	15,580
Non Domestic Rates	(87,301)	(57,320)	(67,670)	(56,690)
Council Tax Collection	(53,129)	21,470	1,780	(10,700)
Investors in People	-	1,930	1,930	1,930
Finance Miscellaneous	16,379	30	3,660	30
Compensation and Pension Increases	144,558	147,500	141,000	141,000
Assisted Car Purchase	(26)	-	(130)	(130)
Minor Works	46,069	4,640	4,640	2,100
Electricity at Work	48,957	20,860	20,020	17,290
Efficiencies and Value for Money	-	2,340	2,340	2,340
Finance Unused Land	-	-	-	-
Corporate and Democratic Core	38,104	48,620	31,500	39,080
Unallocated Central Support Services	-	195,940	100,970	138,310
External Funding Consultants	4,171	3,800	4,650	-
Coleshill Shops and Flats	(65,745)	(65,590)	(65,550)	(69,480)
The Arcade, Atherstone	(4,038)	(4,300)	(2,500)	4,200
The Pavilions, Holly Lane	(67,112)	(63,090)	(65,560)	(62,980)
Carlyon Road Industrial Estate	(108,116)	(113,070)	(115,610)	(115,360)
Innage Park Industrial Estate	(71,672)	(69,950)	(61,730)	(9,810)
Polesworth Workspace Units	(6,807)	(6,900)	(7,420)	(7,200)
The Bear and Ragged Staff	(12,981)	(12,960)	(12,730)	(12,700)
Football Stadium	-	-	(10)	-
Homeless Persons	32,945	40,920	41,470	40,140
Public Conveniences	14,933	25,500	32,710	15,460
Fillongley Kitchens	(870)	(840)	(350)	-
Customer Contact	14,634	25,740	19,720	20,500
Rent Allowances	12,351	45,310	(81,890)	3,230
Housing Benefit Administration and Rent Rebates	(14,024)	5,610	(14,550)	(11,480)
Concessionary Fares	258,091	414,290	270,670	21,920
Non Domestic Rates - Discretionary Relief	15,962	22,150	22,150	22,810
Council Tax Benefits	(77,452)	(44,450)	(66,690)	(55,350)
Car Parks	52,970	39,790	46,560	47,900
Business Improvement District	-	-	-	-
Warwickshire Direct Partnership	11,522	-	-	-
Environmental Sustainability	5	-	-	-
Private Sector Housing Assistance	23,127	26,200	30,550	30,910
CCTV	2,133	3,770	300	880
Community Support	410,061	464,060	447,390	447,060
Coleshill Market Town	-	-	-	-
North Warwickshire LEADER Partnership	-	-	14,220	14,390
Polesworth Better Welcome	-	-	-	-
Coleshill Better Welcome	-	-	-	-
Narrowing the Gap	-	-	-	-
Branching Out Bus	(1,188)	-	140	140
North Arden Heritage Trail	7,086	110	110	-
<b>Net Controllable Expenditure</b>	<b>1,021,006</b>	<b>1,594,580</b>	<b>1,128,080</b>	<b>1,100,650</b>
<b>Recharged to Services</b>	<b>(86,426)</b>	<b>(79,070)</b>	<b>(101,310)</b>	<b>(101,730)</b>
<b>Departmental Support</b>	<b>979,469</b>	<b>967,090</b>	<b>961,760</b>	<b>904,410</b>
<b>Central Support</b>	<b>1,501,206</b>	<b>1,470,390</b>	<b>1,396,500</b>	<b>1,392,740</b>
<b>Capital</b>	<b>720,388</b>	<b>484,950</b>	<b>774,190</b>	<b>506,790</b>
<b>RESOURCES BOARD (REMAINING) TOTAL</b>	<b>4,135,643</b>	<b>4,437,940</b>	<b>4,159,220</b>	<b>3,802,860</b>

## NORTH WARWICKSHIRE BOROUGH COUNCIL

## RESOURCES BOARD (RECHARGED)

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Description	Actual 2009/2010 £	Approved Budget 2010/2011 £	Revised Budget 2010/2011 £	Original Budget 2011/2012 £
Chief Executive	196,213	222,120	220,190	222,960
Assistant Chief Executive (Community Services)	1,286,554	1,317,450	1,283,300	1,269,540
Assistant Chief Executive and Solicitor to the Council	1,367,696	1,442,770	1,350,730	1,405,810
Deputy Chief Executive	4,478,474	4,573,850	4,376,480	4,431,310
Building Maintenance Fund	277,190	281,540	278,210	283,180
Council Offices	322,791	310,360	319,660	324,560
Central Telephones	36,181	37,080	36,850	37,370
Recruitment	25,104	52,970	34,850	35,900
Printing and Copying	69,426	75,970	72,970	74,250
Training	30,829	129,050	40,730	120,540
Depot and Stores	61,461	60,330	65,860	67,750
Postage and Franking	94,605	92,200	87,300	80,050
Central Services	306,737	301,100	287,130	289,200
Information Services	895,691	893,010	894,800	875,900
Procurement	60,633	62,470	62,550	63,530
Staff Welfare	26,549	32,410	30,560	24,220
Transport Management Account	603,697	616,290	612,910	629,510
<b>Net Controllable Expenditure</b>	<b>10,139,832</b>	<b>10,500,970</b>	<b>10,055,080</b>	<b>10,235,580</b>
<b>Recharge to Services</b>	<b>(13,235,874)</b>	<b>(13,595,790)</b>	<b>(12,973,590)</b>	<b>(13,154,310)</b>
<b>Central Support</b>	<b>2,221,973</b>	<b>2,209,820</b>	<b>2,100,370</b>	<b>2,090,890</b>
<b>Capital</b>	<b>874,070</b>	<b>895,000</b>	<b>818,140</b>	<b>827,840</b>
<b>Resources Board (Recharged) Total</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>



## NORTH WARWICKSHIRE BOROUGH COUNCIL

## EXECUTIVE BOARD SUMMARY

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Description	Actual 2009/2010 £	Approved Budget 2010/2011 £	Revised Budget 2010/2011 £	Original Budget 2011/2012 £
Housing Strategic Service Review	(912)	1,040	1,040	1,040
Corporate Communication - Leader	-	-	25,000	25,000
Corporate Communication	80,280	80,540	54,600	55,780
Community Strategy	37,427	33,500	37,730	38,320
Greenspace Strategy	-	-	-	-
Communication Group	383	1,570	1,570	1,620
Emergency Planning	15,702	16,980	16,980	15,490
North Warwickshire Local Development Framework	51,620	77,140	76,050	124,880
Support to Parishes	9,963	10,610	10,610	10,930
<b>Net Controllable Expenditure</b>	<b>194,463</b>	<b>221,380</b>	<b>223,580</b>	<b>273,060</b>
<b>Departmental Support</b>	<b>157,778</b>	<b>154,570</b>	<b>138,250</b>	<b>147,170</b>
<b>Central Support</b>	<b>119,471</b>	<b>127,180</b>	<b>101,770</b>	<b>98,280</b>
<b>Capital Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXECUTIVE BOARD TOTAL</b>	<b>471,712</b>	<b>503,130</b>	<b>463,600</b>	<b>518,510</b>

## APPENDIX F

### RISK ANALYSIS

	Likelihood	Potential Impact on Budget
Loss of investment income – cashflow - interest rates	Low Medium	Low Medium
Lower vacancies than expected	Medium	Medium
A pay award higher than included in the budget	Medium	Medium
The level of planning fees declining	Medium	Medium
Reduction in Benefit Subsidy due to increased Local Authority error	Low	Medium
Fall in the level of recovery of housing benefit overpayments	Low	Medium
Increases in fuel and utilities	Low	Low
Reduction in the level of income collected	Medium	Medium
Additional NDR payments on vacant commercial properties	Medium	Low
Increased demand for Council Services, such as homelessness	Medium	Low
Additional take up on recycling, leading to increased costs	Low	Medium
Need for one off spending on areas such as public enquiries on planning, unadopted roads and contaminated land issues	Low	Medium
Reduction or cessation of grants received for Community Development work and Failure to secure funding for the Branching Out Bus in future years	Low	Medium

Description	2011/12
A review of the Central Services team identified a redundancy opportunity with a typist. This was agreed by Resources Board and took place in May 2010	£19,020
Telephony - The new contract with Global Crossing should deliver savings over the next three years through tariff reductions.	£2,000
Telephone Equipment- there has been a regular underspend on the replacement equipment budget over the last few years	£400
Stationery- Implementation of a new contract should deliver savings	£2,000
Reduction in the equipment maintenance for small print finishing equipment	£300
Stop Document Exchange Post contract for sending and receiving certain mail. There are only low volumes of mail and service users have not identified any problems with stopping the service.	£1,000
Reduce Information Service divisional budgets on books, subsistence, travel and professional support . Limit overtime working so only critical work is done out of hours (eg. office moves would be done in work time). Reduce the equipment available for other Divisions	£2,010
Find cheaper ways of providing internet access for staff working at home and for use at sheltered dwellings.	£1,000
Printer Consumables spend has decreased significantly due to the use of fewer large printers.	£5,000
Canceling software maintenance contracts, where we could use free or cheaper packages, which have now become available	£12,310
Telephony - improved tariffs have been obtained for mobiles.	£2,000
Emergency Planning - reduce the payment made to the Emergency Planning Unit at WCC.	£2,000
Online resources available through the Legal Shared service will allow a reduction in lawtel subscriptions	£1,500
The Law Society have reduced the cost of public sector practising certificates	£1,820
The Council looks to engage the public in the development of the Community Strategy. This will reduce the capacity to buy in outside help and printing for things like the partnership days.	£2,000
Following a number of changes to licencing matters, licensing income has settled at a higher level than has previously been assumed in the budget.	£11,440
Revised work schedules to reduce mileage undertaken by staff within the Assistant Chief Executive and Solicitor to the Council's (ACE&StC's) Division	£1,100
Closure of the creche and the re-utilisation of the space released to generate income, has been approved by Community & Environment Board	£18,000
The introduction of the new kerbside recycling contract has already started to generate this saving.	£60,000
The kennel contract within the Dog Control service has been retendered, giving a saving.	£2,460
Within the Public Health budget, reduce the contingency provision for work carried out in default on private sector properties (generally expenditure is recovered from the owners).	£3,000
The redevelopment of Meadow Street for supported housing will provide an alternative to bed and breakfast accommodation, allowing the budget for B&B to be reduced.	£1,090
Use other means of obtaining information, to allow a reduction in the books/ journals used by the Revenues & Benefits Division.	£410
Withdraw from the IRRV forum service.	£1,000
Change the issue of reminder notices sent out by Revenues and Benefits from 1st class to 2nd class post. This will require a minor adjustment to recovery cycles.	£1,000
Delete overprovision in the concessionary travel subsidy budget	£5,080
Delete the conference budget within the Revenues and Benefits Division	£660
Senior Management Restructure - removal of a Director post with subsequent structure changes to reallocate work	£77,650
Internal Audit. Amendments to staffing and counter fraud arrangements	£18,685
Reduce provision for Member training, travel and subsistence to reflect actual expenditure in previous years.	£10,620
A small minor works budget has been held centrally to avoid individual budgets within services for one-off type work. There has been little use of this fund in the last couple of years, so delete the budget.	£2,540

Description	2011/12
Corporate subscriptions have been reduced to reflect a lower charge from the West Midlands Leader Board.	£5,200
The Council to move from TNT post to a Birmingham City Council post contract (agreed at Resources Board).	£8,000
Reduce the blackberries used in the Information Services Division by 2. This would mean that there are no 'spare' devices to lend to other Divisions.	£500
The renegotiation of the Council's computer disaster recovery contract through joint working with Solihull MBC has delivered a saving.	£2,600
Maintain consistent recovery of rent allowance over payments.	£30,000
Reduction in the cost of auditing Housing Benefit Subsidy, due to additional work undertaken by Revenues and Benefits.	£5,000
Reduce recruitment budget. Revised advertising arrangements and reduced recruitment activity have led to a reduction in spend in this area.	£18,400
A licence for external funding software is no longer required, as this information is being obtained from other sources.	£3,800
Occupational health is used in managing some sickness absence. If greater emphasis is placed on targeting the remaining provision, the impact of reducing budget provision should be small.	£5,000
Update the recharge of external audit costs and bank charges to the HRA, to reflect current costs	£23,010
Divisional Salary Savings - potential savings which would require changes to ways of working and some reductions in service	£25,060
Removal of the System Support Manager post	£47,040
Reduction in the contingencies provision	£21,850
Saving on External Audit fees	£12,480
Reduction in the training budget	£12,110
<b>Overall Total</b>	<b>£489,145</b>

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Reduction in the training budget	£12,110
<b>Overall Total</b>	<b>£489,145</b>

## SAVINGS PROPOSALS TO SERVICE BOARDS

Description	2011/12	Board	Service Board
<b>C&amp;E Board</b>			
The Corporate Policy budget is to support initiatives from the crime and disorder partnership plan, the equality plan and other corporate initiatives. This reduction can be accommodated without impacting on current activity levels.	£5,000	C&E	√
The Council has already been changing the way it consults with the public. This saving will reduce the capacity to use external companies to carry out consultation and will require greater use of the Peoples Panel and other consultation methods.	£10,000	C&E	√
Reduce the provision for professional services within Parks and Playing Fields. This will impact on the Council's ability to improve grounds maintenance standards and deliver priorities.	£12,260	C&E	√
Remove the allotment budget, as no further schemes have currently been identified for implementation	£10,160	C&E	√
Cease funding for the Rural Enterprise Development.	£3,750	C&E	√
Reduce the grant to WCAVA in proportion to the target saving the Council is looking for.	£2,690	C&E	√
Freeze grant to NWCAB at 2010/11 cash limits.	£946	C&E	√
Close partnership working has taken place with Warwickshire Wildlife Trust over the past few years. It is not anticipated that the removal of the subscription to WWT will damage the working relationship.	£300	C&E	√
Social Inclusion and Sport - This is a proportionate reduction in the support to the Coventry, Solihull and Warwickshire Sport Partnership. The CSWSP has previously enabled investment into the Borough.	£700	C&E	√
Social inclusion and Sport - the provision of term time coaches to schools would generate income.	£2,000	C&E	√
The Community Development post dealing with Social Inclusion and Art has been frozen, so the use of existing budgets is reliant on other members of staff being able to initiate projects. Removal of the budget will impact on the services the Community Development Team can offer, but to a lesser extent with the frozen post.	£7,270	C&E	√
The new recycling service should increase awareness and participation, reducing the need for a promotional budget.	£5,000	C&E	√
<b>Sub Total - C&amp;E</b>	<b>£60,076</b>		

## RESOURCES BOARD

Withdraw the uniform allowance for Contact Centre staff and revert back to staff wearing smart business wear and name badges.	£1,210	Res	
Increase the level of court costs charged to business ratepayers who pay late.	£1,730	Res	
Annual increase in council tax costs - £10 in 11/12, £5 in the following 2 years.	£12,000	Res	
Corporate subscriptions have been reviewed and this saving is partly rationalising the subscriptions made and partly reflecting a lower charge from the West Midlands Leader Board.	£3,250	Res	
Stop the provision of leaving do's for long serving members of staff.	£2,000	Res	
<b>Sub Total - Resources</b>	<b>£20,190</b>		

## OVERALL TOTAL

£80,266

## EARMARKED RESERVES

Purpose of Reserve	Balance March 2011 £000
<b>Revenue Reserves</b>	
<b>Leasing</b> – Leases for a number of vehicles were only finalised after the vehicles were already in use. This meant that charges included within the revenue account in the first year of operation covered a different period to the actual leasing payment made. The difference was set-aside in this reserve, to cover the outstanding costs at the end of the lease, arising from the timing difference.	52
<b>Training</b> – These funds have been set aside to provide resources for one off training requirements in the future, for both staff and members.	56
<b>Invest to Save</b> – This reserve is to provide ‘pump priming’ for the initial costs that arise from new initiatives, which will ultimately reduce existing costs. Savings achieved will be used to repay the contribution from the Reserve, so that other services will have similar opportunities to implement new schemes.	204
<b>Approved growth not yet spent</b> – to cover Corporate Communications, Borough Care, Parish Plans, Environmental Issues, Business Improvement work and other one off growth items	263
<b>Contingencies</b> – to cover possible costs arising from contaminated land issues, a sum held in case the Council goes above its VAT de minimis level, as this will mean that not all VAT can be reclaimed, a sum for concessionary fares in case the outcome of the judicial review is unfavourable, provision for emergency planning issues and a sum on benefits to cover possible loss of grant following audit.	342
<b>Consultation</b> – for consultation with residents of the Borough and service users. The requirement to consult varies from year to year and the reserve allows fluctuations between years to be managed, without affecting other revenue expenditure.	43
<b>Planned Work</b> - the Council has set priorities and initiatives where work is planned and may have been started, but has not yet been completed. Provision has been made from existing budgets to fund this work in future periods. This includes work on Community and Economic Development Schemes, Green Space Strategy, Area Forums, Amenity Cleaning, Refuse Collection and Recycling.	371
<b>Audit</b> – As the authority does not have the capacity in house to cover computer audit work, provision has been set aside to allow the employment of external auditors. In addition the reserve includes provision to cover current audit arrangements where payments are still outstanding.	38
<b>Planning Delivery Grant</b> – to cover timing variations in recruitment to posts under the Planning Delivery Grant. Also timing variations in planning capital schemes funded by Planning Delivery Grant	37
<b>External Grants Received</b> – Resources received towards specific projects, such as homelessness, anti-fraud initiatives, Wellness Matters, the crime and disorder strategy, Sports Club Officer, Arts Development, Homelessness, Community Development, Environmental Sustainability, Smoke Free Grant and the Branching Out Bus, which will be spent in future years	617
<b>Frozen posts</b> – As part of the financial strategy, some posts have been frozen where possible when they have become vacant. Some funding has been set aside to cover any short term additional costs that may be incurred in covering peaks in workload.	120



## EARMARKED RESERVES

Purpose of Reserve	Balance March 2011 £000
<b>Local Development Framework</b> – planning fees over an agreed base position have been set aside for future expenditure on the Local Development Framework	416
<b>Energy reserve</b> – A contingency sum held in case of increasing utility costs in the future.	71
<b>Maintenance of Assets</b> – To cover future maintenance requirements on some council owned assets	44
<b>Human Resources</b> – This is held to cover specialist employment law advice that may be required from time to time.	50
<b>Other</b> – A number of other reserves are held to cover areas such as potential redundancy costs, additional pension costs and Sickness fund	93
<b>Capital Reserves</b>	
<b>Equipment Replacement</b> – These funds are earmarked for the future replacement of leisure equipment, environmental health equipment, CCTV equipment, Play Area equipment, Refuse Freighters and the replacement of PC's.	596
<b>General Fund Capital</b> - Some funding has been set aside for capital spending, including the accommodation project	610

## COUNCIL WIDE - RISK ANALYSIS

	Likelihood	Provision
Additional in-year budget allocation	High	50,000
Income Generation – decrease in fees and charges of 5% (5% = approx £94,300k)	Medium	47,150
Pay award above budget provision (0.5%) (£42,360 overall or £36,425 GF only)	Low	3,640
Lower vacancies than expected (provision for vacancies = £80k)	Medium	40,000
Investment Income – loss of cash flow (£2m @ 1.5% = £30k)	Medium	15,000
Investment Income – fall in interest rates (£6.0m @ 0.5% = £30k)	Medium	15,000
Impact of future legislation	Medium	50,000
Further Public Inquiries (potential £30k)	Medium	15,000
Housing Benefit – reduction in reimbursement (approx £18.41m @ 5%= £920k)	Low	92,000
Possibility of overspending the agreed budget by 1% (Gross Expend = £32.755m)	Low	32,750
Urgent work to Council buildings (£200k)	Medium	100,000
Risk of litigation/ Investigation costs	Low	50,000
Contaminated Land	Medium	30,000
Increasing cost of Recycling	Low	5,000
Housing Benefit – Local Authority error & Overpayments (£394K)	Low	39,400
Increased cost of maintaining mechanical equipment	Medium	20,000
Agency Labour costs (£120k)	Medium	60,000
Additional Maintenance on Refuse Fleet	Medium	10,000
Additional costs on fuel and utilities	Medium	20,000
NDR payments of vacant Industrial Units (£66k)	Medium	33,000
General Contingency		300,000
<b>Total</b>		<b>1,027,940</b>

## Likelihood of Risk

High	100%
Medium	50%
Low	0 –10%

## ALTERNATIVE SCENARIOS – GENERAL BALANCES

## Best Case

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Estimated use of balances</b>	<b>409</b>	<b>392</b>	<b>309</b>	<b>457</b>
Reduced pay award of 0.5%	-	-	(36)	(36)
Additional staffing vacancies	(20)	(20)	(20)	(20)
Improvement in letting of industrial units	(33)	(33)	(35)	(40)
Additional income from services	(47)	(47)	(47)	(47)
Recovery of benefit overpayments better than anticipated	(39)	(39)	(39)	(39)
1% increase in investment rates	(30)	(27)	(30)	(30)
Improvement in cashflow	(12)	(17)	(27)	(32)
<b>Potential Use of/ (Cont to) Balances</b>	<b>228</b>	<b>209</b>	<b>75</b>	<b>213</b>
<b>Potential Balances at Year End</b>	<b>2,723</b>	<b>2,514</b>	<b>2,438</b>	<b>2,225</b>

## Worst Case

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Estimated use of balances</b>	<b>409</b>	<b>392</b>	<b>309</b>	<b>457</b>
Increased pay award by 0.5%	-	36	36	36
Lower vacancies than expected	40	40	40	40
Additional vacancies at industrial estates	33	33	35	40
Increase in fuel and utility costs	50	50	50	50
Further loss of income from services	47	47	47	47
Additional maintenance needed on Council Assets	100	100	100	100
Additional recycling take up, increasing costs	5	5	5	5
Increase in LA error on benefits, reducing the subsidy received	45	45	45	45
Recovery of benefit overpayments worse than anticipated	30	30	30	30
1% decrease in investment rates	30	27	30	30
Poorer cashflow	12	17	27	32
<b>Potential Use of/ (Cont to) Balances</b>	<b>810</b>	<b>831</b>	<b>763</b>	<b>921</b>
<b>Potential Balances at Year End</b>	<b>2,141</b>	<b>1,310</b>	<b>547</b>	<b>(374)</b>



**COUNCIL TAX INCREASES**

	Original 2010/11	2011/12	2011/12	2011/12	2011/12	2011/12	2011/12	2011/12	2011/12
Council Tax - Band D	209.39	210.44	211.48	212.53	213.58	214.62	215.67	216.72	217.76
Council Tax Increase		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%

Council Tax Base	21,216.92	21,346.99	21,346.99	21,346.99	21,346.99	21,346.99	21,346.99	21,346.99	21,346.99
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<b>Net Expenditure</b>	<b>9,915</b>	<b>9,359</b>	<b>9,359</b>	<b>9,359</b>	<b>9,359</b>	<b>9,359</b>	<b>9,359</b>	<b>9,359</b>	<b>9,359</b>
External Funding	(5,437)	(4,296)	(4,296)	(4,296)	(4,296)	(4,296)	(4,296)	(4,296)	(4,296)
Collection Fund (Surplus)/Deficit	(53)	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)
Council Tax	(4,442)	(4,492)	(4,514)	(4,537)	(4,559)	(4,581)	(4,604)	(4,626)	(4,648)
<b>Use of Balances</b>	<b>(17)</b>	<b>498</b>	<b>476</b>	<b>453</b>	<b>431</b>	<b>409</b>	<b>386</b>	<b>364</b>	<b>342</b>

Balances 1 April 2011	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951
Use of Balances	(498)	(476)	(453)	(431)	(409)	(386)	(364)	(342)	
Balances 1 April 2012	2,453	2,475	2,498	2,520	2,542	2,565	2,587	2,609	
Use of Balances	(483)	(460)	(437)	(414)	(392)	(369)	(346)	(324)	
Balances 1 April 2013	1,970	2,015	2,061	2,106	2,150	2,196	2,241	2,285	
Use of Balances	(402)	(379)	(355)	(332)	(309)	(285)	(262)	(239)	
Balances 1 April 2014	1,568	1,636	1,706	1,774	1,841	1,911	1,979	2,046	
Use of Balances	(551)	(528)	(504)	(480)	(457)	(433)	(409)	(386)	
Balances 1 April 2015	1,017	1,108	1,202	1,294	1,384	1,478	1,570	1,660	

**COUNCIL MEETING – 23 FEBRUARY 2011**

**General Fund Revenue Estimates 2011/12 and  
Setting the Council Tax 2011/12**

**Item – Executive Board**

**RECOMMENDATION**

- a** That ongoing growth items totalling £ xx,xxx and one off growth items total £xx,xxx for 2011/12 be approved (Appendix A);
- b** That the savings reduction in 2011/12 of £489,145 be approved;
- c** That the revised revenue estimate for the year 2010/11 and the revenue estimate for 2011/12 be approved (Appendix B);
- d** That the preferred Council Tax option for 2011/12 be a xxx % increase on Band D;
- e** That the Director of Resources comments on the minimum acceptable level of general reserves be noted (Appendix C);
- f** That the manpower estimate for the year 2011/12 be approved (Appendix D).
- g1** That it be noted that in January 2011, the Council calculated the following amounts for the year 2011/12, in accordance with regulations made under Section 33(5) of the Local Government Act 1992:-
  - a** £21,346.99 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities' (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year.
  - b** The figures shown in Column B of Appendix E, being the amounts calculated by the Council in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
- g2** That the following amounts be calculated by the Council for the year 2010/11, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
  - a** £xxxxxxx being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.
  - b** £xxxxxxx being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.
  - c** £xxxxxxx being the amount by which the aggregate at g2a above exceeds the aggregate of g2b above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
  - d** £xxxxxxx being the aggregate of the following sub-clauses:-
    - i** £xxxxxxxxx being the sum which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates;

- ii £xxxxxxx being the sum which the Council estimates will be payable for the year into its General Fund in respect of Revenue Support Grant; and
  - iii £xxxxxxx being the amount of the sums which the Council estimates will be transferred in the year from the Collection Fund from its General Fund, in accordance with Sections 97(4), 97(3), 98(4) and 98(5) of the Local Government Finance Act, 1988 and any amounts pursuant to the direction under the sub-section which is contained in the Collection Fund (Council Tax Benefit)(England) Direction 1999.
- e £xxxxxx being the amount at g2c above, less the aggregate amount at g2d above, all divided by the amount at g1a above, calculated in accordance with Section 22(1) of the Act, as the basic amount of its Council Tax for the year.
- f £xxxxxxx being the aggregate amount of all the special items referred to in Section 34(1) of the Act, shown in column A of Appendix E.
- g £xxxxxxx being the amount of g2e above, less the result given by dividing the amount at g2f above by the amount at g1a above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- h The basic amounts of its Council Tax for dwellings in those parts of its area to which one or more special items relate, calculated by the Council in accordance with Section 34(3) of the Act, shall be the amounts shown in column C of Appendix E (being the amounts of the special item or items relating to dwellings in those parts of the Council's area) plus the amount in g2g above.
- i The amounts shown in Appendix F given by multiplying the amounts at g2g or g2h above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in the proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

**g3 That it be noted that for the year 2011/12 Warwickshire County Council and Warwickshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-**

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Warwickshire CC								
Warwickshire Police Auth.								

**g4 That having calculated the aggregate in each case of the amounts g2i and g3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2010/11 for each of the categories of dwellings shown in Appendix F.**

## **Explanation of Clauses within the Tax Setting Resolution**

### Calculation of Council Tax Base

(Paragraph g1a and b)

- 1 The Council has calculated the amount of £21,346.99 as its Council Tax base for 2011/12, together with a schedule, setting out the Council Tax base for each parish within the Authority's area, which is shown attached in column B of Appendix E.

### Budget Requirement

(Paragraph g2a, b and c)

- 2 It is necessary to state the amount required in respect of expenditure which is known as the budget requirement of the Authority. This figure also includes the total amount of parish precepts for the area. Appendix B details each element shown in the sub-clauses, together with the original revenue estimates for the year 2011/12.

### Amount to be Paid into the General Fund

(Paragraph g2d)

- 3 The figures shown here are the amounts of grants from Central Government in respect of National Non-Domestic Rates and Revenue Support Grant, adjusted by any surplus or deficit in respect of:
  - i The Council Tax Collection Fund : Any surplus or deficit is shared between Warwickshire County Council, Warwickshire Police Authority and North Warwickshire Borough Council. The estimate is calculated as at 17 January or the next working day and for 2011/12 it has been estimated that a surplus of £xxxxx would be achieved and therefore Warwickshire County Council would receive £xxxxxx, Warwickshire Police Authority would receive £xxxxxx and North Warwickshire Borough Council would receive £xxxxxx.

### Calculation of Council Tax Amount

(Paragraph g2e)

- 4 The Billing Authority is required to show the Council Tax Band D amount based on the total budget requirement (including the parish precepts).

### Parish Precepts

(Paragraph g2f)

- 5 The amount shown is the total amount of parish precepts.

### Calculation of Council Tax Amount (Non-Parish Areas)

(Paragraph g2g)

- 6 The Billing Authority is required to show the Band D amount for the Billing Authority only and this is achieved by deducting the parish precept from the budget requirement and dividing the result by the total tax base.

### Setting the Council Tax Amount for each Parish

(Paragraph g2h)



- 7 The Billing Authority is required to calculate and set the Band D amount for each parish and these are shown in column C of Appendix E attached to the report.

Setting the Billing Authority's and Parish Council's Council Tax for each Band  
(Paragraph g2i)

- 8 The legislation states that the amount in respect of each Band for both the district and parish should be resolved. These figures are given in Appendix F.

Warwickshire County Council and Warwickshire Police Authority Council Tax Amounts  
(Paragraph g3)

- 9 The resolution is required to recognise that the County Council and Police Authority have set charges and issued precepts for the area and these are shown as charges for each Band.

Setting the Council Tax Amounts for the Whole Area

- 10 The final part of the resolution is the Authority declaring the Council Tax for each part of its area and the figures by band and Parish are illustrated within Appendix G.

**MANPOWER BUDGET**

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

	<b>2010/11 Estimate (original) FTE</b>	<b>2011/12 Estimate FTE</b>
Monthly Paid	<b>368</b>	<b>363</b>
<b>Total</b>	<hr/> <b>368</b> <hr/>	<hr/> <b>363</b> <hr/>

## **Agenda Item No 13**

### **Executive Board**

**7 February 2011**

### **West Midlands Councils - Constitution**

## **Report of the Chief Executive**

### **1 Summary**

- 1.1 The purpose of this report is to update Members on changes to the Constitution of West Midlands Councils (formerly West Midlands LGA), to recommend the endorsement of the Constitution and to seek authority for the Deputy Chief Executive, in consultation with the Leader of the Council, to settle past pension liabilities.

#### **Recommendation to the Council**

- a That the Council endorses the Constitution of West Midlands Councils; and**
- b That the Deputy Chief Executive, in consultation with the Leader of the Council, be authorised to settle past pension liabilities.**

### **2 Background**

- 2.1 A number of changes have taken place at a regional level over the last two or three years with the abolition of the Regional Assembly, constitutional change and significant downsizing of staffing at the West Midlands LGA (now West Midlands Councils), together with associated changes such as the closure of the Government Office for the West Midlands and the imminent abolition of Advantage West Midlands.
- 2.2 During 2010, West Midlands Leaders agreed that there was still the need for a reduced regional presence and, as a result, West Midlands Councils was formed, with the officer core being downsized to focus on its traditional employers/HR role and on managing European funding issues but on a smaller scale. Subscriptions levels were also reduced at the same time from £13,035 in 2010/11 to £7,821 in 2011/12.
- 2.3 A new Constitution is being recommended to all West Midlands Councils. In general terms, this Council, as a small shire district, has always been entitled to one vote and to be represented at meetings by the Leader or named substitute and this remains the case in the proposed Constitution, as set out in Appendix A to this report.
- ...

- 2.4 As a result of the reduction in size of the organisation, West Midlands Councils has decided that it is no longer sustainable for it to be an 'employing body' for pension purposes and Birmingham City Council has agreed to become the host employer for existing staff.
- 2.5 Because of this, West Midlands Councils has to settle all past pension liabilities. These are estimated at £6 million, subject to final actuarial determination, which equates to an estimated liability of £54,545 for North Warwickshire Borough Council, as reported to the last meeting of the Board.
- 2.6 This Council has two options to meet its liability:-
- Option A To make a single payment in full settlement to the West Midlands Pension Fund based on the share of the final actuarial assessment as at 31 March (to be paid on invoice during 2011/12 following a further and final actuarial review in May/June 2011); or
- Option B Elect to remain a party to an assignment of the existing Admission Agreement, which will recover the liability (ie relevant share thereof) over a period of 25 years in line with all other scheduled bodies.
- 2.7 In brief, the choices are a one-off payment or to meet the costs over 25 years.
- 2.8 This Council has to specify which option it wishes to exercise and it is recommended that the Deputy Chief Executive be authorised to agree this, in consultation with the Leader of the Council.

### 3 Report Implications

#### 3.1 Finance and Value for Money Implications

- 3.1.1 Provision has been made within the revised 2010/11 budget, contained in another report on this agenda, to cover the one off payment if that proves to be the preferred option.

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

# WEST MIDLANDS COUNCILS

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## CONSTITUTION

JANUARY 2011

**1. Title**

West Midlands Councils (WMC).

**2. Membership**

All principal Councils in the West Midlands area shall be eligible for membership of West Midlands Councils.

**3. Purpose**

To support, represent and promote the collective interests of the local authorities in the West Midlands area and the communities they serve.

**4. Objectives**

- 4.1 To provide a resource to enable, facilitate and coordinate regional, sub regional and local activity, where collective working will add value.
- 4.2 To provide value added services to member organisations in support of organisational development and improvement activities.
- 4.3 To provide a focus for local authority activity and engagement to deliver against priorities set by West Midlands Councils.

**5. Representation at meetings of the Full Council**

- 5.1 Local Authorities in membership of WMC may be represented at its meetings by their Leader or their duly nominated substitute and the meetings of the Leaders shall be called the Full Council (or such other name as the Leaders shall from time to time determine).
- 5.2 The Leader of each authority or their duly nominated substitute shall exercise the number of votes allocated to the authority indicated in Annex 1.
- 5.3 The Full Council may agree for other persons to attend and/or speak at its meetings, but such persons shall not be eligible to vote at any meetings of the Full Council.
- 5.4 A Leader ceasing to be a Leader of the nominating local authority automatically ceases to be a member of the Full Council.
- 5.5 Substitutes for appointed representatives may be made providing notice is given before the meeting.

**6. Voting**

- 6.1 In the event of a vote being necessary at a meeting of the Full Council, the voting scheme at Annex 1 will be used in conjunction with the voting protocols at Annex 2 and the Standing Orders of the WMC at Annex 3.

- 6.2 The person presiding at any meeting of the Full Council shall not, in the case of an equality of votes, have any casting vote in addition to any vote he or she may be entitled to give as a member of the Full Council.

## **7. Meetings of the Full Council**

- 7.1 The Full Council shall hold an Annual General Meeting, normally in July, to conduct the following business:-

- (a) Election of the offices of Chair and Vice Chairs and the appointment of other lead members;
- (b) Agreement of Constitutions of Member Groups, their membership and Terms of Reference;
- (c) Establishment of, and amendments to Standing Orders and Scheme of Delegation if required;
- (d) Receive annual report(s);
- (e) Agree a schedule of meetings for the ensuing year;
- (f) Approve the Financial Statements for the previous financial year and appointment of auditors;

and at least one further meeting, no later than the last day of January each year, unless otherwise agreed by the Chair and at least one Vice Chair, to consider the work plan, budget and subscriptions for the ensuing financial year.

- 7.2 Other meetings of the Full Council may be held as required.
- 7.3 An Extraordinary Meeting of the Full Council must be called by the Host Chief Executive (the Chief Executive of the host employer council, or their nominee) at any time, subject to receipt of a request in writing from the authorities in membership of the WMC holding not less than 1/3 of the votes. Such a request shall specify the business to be considered at the meeting.

## **8. Elected Officers of West Midlands Councils**

- 8.1 The Full Council shall elect a Chair and three Vice Chairs (including one that is representing District Councils) for a two year period, subject to annual review.
- 8.2 The Chair shall preside at meetings of the Full Council provided that if the Chair is absent from a meeting one of the Vice Chairs will preside. If the Chair and Vice Chairs are all absent from a meeting the Full Council shall elect another member to preside at the meeting.

## **9. Member Steering Group**

- 9.1 There shall be a Member Steering Group responsible for the effective strategic and operational management of all WMC business including related special interest group activity. The Steering Group shall also provide the mechanism for effectively engaging the three main political groups in the West Midlands.
- 9.2 The Member Steering Group will consist of a Leader, and named deputy who shall also be a Leader, from each of the sub regions as defined by WMC at a full council meeting. Where appropriate the Chair and Vice Chairs of the WMC will automatically become the sub regional representative. Membership will also include a nominee, and named alternate, of each of the three main political groups (Conservative, Labour and Liberal Democrat Group).

## **10. Annual Meeting for all Elected Members**

- 10.1 There shall be at least one meeting per year to which all elected members should be invited.

## **11. Political Groups**

- 11.1 WMC secretariat will facilitate meetings of the three main political groups (Conservative, Labour and Liberal Democrat) as required and in particular; on the day and before the start of a Full Council meeting and on the day and before the start of the Annual Meeting for all elected members.

## **12. Other Member Arrangements**

- 12.1 The Full Council will determine other member arrangements as deemed appropriate for the conduct of its business and which it may vary from time to time.
- 12.2 The Full Council may establish Member Groups considered necessary either on a permanent or ad hoc basis and determine their membership and Terms of Reference. The appointed Chair of a Member Group will be required to report back to the Member Steering Group.
- 12.3 Any elected member of any member authority may be appointed to sit on a Member Group in accordance with the relevant appointment process. Due regard should be given to ensuring as far as is practicable, that Member Groups reflect the necessary skills and expertise required for their particular purpose.
- 12.4 The Full Council may co-opt to the membership of Member Groups, without voting rights, any person with specialist skills or experience in order to more effectively pursue its purpose and objectives.

## **13. Conduct of Business**

- 13.1 Notice of meetings shall be given by the Host Chief Executive. The period of notice for meetings of the Full Council shall be 28 clear days.
- 13.2 An Agenda for meetings of the Full Council shall be determined by the Chair of the Chief Executives Task Force in consultation with the WMC Chair and shall be circulated not less than 5 working days before a Full Council meeting, specifying the business to be transacted.
- 13.3 A quorum for the Full Council shall be members representing local authorities in membership of WMC holding at least 1/3 of the votes capable of being cast. The Quorum for other Member Groups shall be 1/3 of the appointed membership.
- 13.4 The Host Chief Executive, in consultation with the Chair may, in cases of urgency, act on behalf of the Full Council in pursuance of its objectives and current policies, providing that the Full Council is advised in writing/by email of such actions.
- 13.5 The Full Council shall determine other procedural matters by adopting such Standing Orders and Schemes of Delegation as it deems necessary.

## **14. Corporate Responsibilities and Sub-Regional Groupings**

- 14.1 The Full Council shall act, wherever possible, on the basis of consensus and views expressed by elected officers of WMC shall reflect this approach. Where voting is necessary, it shall be in accordance with the scheme and protocols at Annexes 1 and 2. Dissenting views may be recorded in the minutes.
- 14.2 The Full Council may make such appointments to outside bodies as it thinks fit and keep a record of these appointments. All appointments shall be reviewed on an annual basis.
- 14.3 The Full Council may establish or recognise other groupings for any other purposes it deems necessary.

14.4 At the date of enactment of this constitution there exists one Special Interest Group, West Midlands in Europe (incorporating West Midlands European Centre) based in Brussels which is managed by the Members Steering Group and supported by a European Advisory Panel.

#### **15. Staff and Advisers**

- 15.1 The WMC may appoint such staff, through the host employer Council, as may be determined necessary to fulfil its responsibilities.
- 15.2 The Full Council and Member Steering Group will receive advice and support from the Host Chief Executive on operational matters.
- 15.3 The Chief Executives' Task Force is responsible for advising West Midlands Councils and its Member Steering Group on matters of strategic importance.

#### **16. Amendments to the Constitution**

16.1 The Constitution and operating protocols of WMC may be amended by a simple majority of those present and voting, with the exception of items relating to purpose, objectives, the nature of the subscription scheme, voting allocations and dissolution which must be the subject of a 2/3 majority of the votes capable of being cast by those Councils in membership of WMC at that time.

#### **17. Finance and Administration**

- 17.1 Subscriptions paid by Authorities in membership of WMC shall be determined on the basis of a scheme approved by the Full Council.
- 17.2 A budget and related subscriptions for the ensuing financial year shall be presented to a meeting of the Full Council for approval.
- 17.3 WMC may not invest, lend or borrow money or acquire or dispose of land and buildings without obtaining specific approval at a meeting of the Full Council.
- 17.4 The Full Council shall approve a Scheme of Delegations and Authorisations for the financial management of its business.
- 17.5 WMC's financial year shall run from 1 April to 31 March.
- 17.6 All subscriptions shall become due on 1 April in every year. The Full Council shall have the power to terminate the membership of any member authority whose subscription is not paid by 1 September of that year after a demand in writing has been sent to that member authority. Notwithstanding the subscription shall remain duly payable and furthermore the rules of resignation shall also apply to the termination of membership by WMC.
- 17.7 The financial statements of WMC (including all funds held by or on behalf of WMC) shall be prepared annually and shall be subject to external audit.

#### **18. Liabilities**

- 18.1 Each constituent authority, by accepting membership of WMC, undertakes jointly with each of the other constituent authorities whilst it is in membership, to underwrite any liabilities that are not ultra vires and may be incurred in the name of the WMC and with WMC's authority.
- 18.2 A statement of liabilities will be included in the annual Financial Statements of the WMC.
- 18.3 Liabilities that may be realised during the life of the organisation will be met by authorities in membership in accordance with their proportion of the overall subscription base applicable at that time.



## **19. Resignation**

19.1 Any member authority wishing to terminate its membership of WMC shall:

- give not less than 12 months' notice in writing to the Host Chief Executive to expire on 31 March in any year;
- meet the cost of determining their share of liability at the point of termination
- shall be required to pay their share of liability to WMC within 6 months of the final day of membership

19.2 Such share of liability shall be calculated on the last day of the authority's period of membership (31 March) and be in accordance with the agreed method as set out in Clause 18.3 above.

19.3 Any member authority shall, upon ceasing to be a member of WMC, forfeit all right to and claims upon WMC and its property and funds.

19.4 WMC will deposit any resignation liability payments in its bank accounts and any motion to use liability deposits shall require at least 3/4 of the votes capable of being cast.

## **20. Dissolution**

20.1 A motion for the dissolution of WMC must be approved by 3/4 of the votes capable of being cast by local authorities in membership of WMC.

20.2 The Full Council shall appoint a liquidator.

20.3 The apportionment of any remaining assets or liabilities shall be in accordance with the agreed method as set out in Clause 18.3 above.

20.4 Every effort will be made to ensure that staff displaced to a new body taking over the responsibilities of WMC shall either be assimilated into the new body or into member authorities on terms no less favourable than their current appointments, or have their appointment terminated in accordance with contractual arrangements.

**WEST MIDLANDS COUNCILS****Voting Structure**

<b>Authority</b>	<b>Vote</b>	
Worcestershire CC	6	
Worcester DCs (6 x 1 vote each)	<u>6</u>	12
Herefordshire Unitary	4	4
Shropshire Unitary	6	6
Telford and Wrekin Unitary	3	3
Staffordshire CC	8	
Staffordshire DCs (8 x 1 vote each)	<u>8</u>	16
Stoke-on-Trent Unitary	5	5
Warwickshire CC	5	
Warwickshire DCs (5 x 1 vote each)	<u>5</u>	<u>10</u> 56
Birmingham	20	
Coventry	7	
Dudley	7	
Sandwell	7	
Solihull	4	
Walsall	6	
Wolverhampton	5	56
		<u>112</u>

## VOTING PROTOCOLS FOR WEST MIDLANDS COUNCILS

### 1. Voting Principle

- (i) Voting strengths relate to the authorities and therefore mechanisms should be flexible enough to enable authorities with multiple votes to maximise their vote when required.

### 2. Voting protocols

#### (a) Representation and Voting

- (i) These protocols will apply to meetings of the Full Council and to such Member Groups or representations on other bodies determined by the Full Council, as the Full Council may from time to time decide. "One member one vote" will apply to other meetings.
- (ii) Each authority shall have the number of votes identified in Annex 1 to be exercised by the Authority leader or their duly nominated representative.
- (iii) Votes are not transferable between authorities and may not be exercised by officers.
- (iv) For each meeting the secretariat shall maintain a named votes list showing the names of the members entitled to be present at that meeting and the votes attached to each.
- (v) Substitutions are allowed with an automatic transfer of the voting allocation attached to the member being substituted, subject to the secretariat being notified of such substitutions before the start of each meeting.

#### (b) Voting Procedure

- (i) The Chair initially to seek approval to motions by voice agreement.
- (ii) If the indication by voice is not clear the Chair may, or if requested by any member, shall seek a show of hands.
- (iii) If, because of the multiple vote arrangements, on a show of hands the decision remains in doubt, the Chair may, or if requested by a number of members equivalent to 10 votes must, initiate a named vote where the secretariat uses a voting list which indicates the voting members and the numbers of votes each has at that meeting. In these circumstances decisions will be based on a majority of the votes cast in accordance with the voting totals.

**STANDING ORDERS FOR THE REGULATION OF PROCEEDINGS  
AND BUSINESS OF WEST MIDLANDS COUNCILS**

**1. Meetings of the Full Council**

- 1.1 The Full Council shall meet not less than twice a year, one of which shall be designated the Annual General Meeting, to be held not more than 15 months and not less than nine months after the preceding Annual General Meeting.
- 1.2 Notice of the date, time and venue shall be sent to members not less than 28 calendar days before each meeting.
- 1.3 An agenda specifying the business to be transacted shall be sent to members not less than 5 working days before each meeting.
- 1.4 No other business except as specified in the agenda shall be transacted except with the approval of a majority of votes present at that meeting.
- 1.5 Extraordinary meetings of the Full Council may be called at the request of the Chair, or in his/her absence one of the Vice Chairs, or by request in writing to the Host Chief Executive signed by members representing at least 20 votes and giving the purpose of the meeting. The Chair, or in his/her absence one of the Vice Chairs, may agree in exceptional circumstances that the period of notice of date, time and venue for extraordinary meetings be less than 28 days

**2. Quorum**

- 2.1 No business shall be transacted at any meeting of the Full Council unless members representing at least 38 votes (representing one third of all votes) are present at that meeting.

**3. Chair**

- 3.1 Meetings of the Full Council shall be presided over by the Chair, or in his/her absence one of the Vice Chairs.
- 3.2 In the absence of the Chair or Vice Chairs another member of the Full Council may be chosen as Chair, for any particular meeting, by the majority of the votes present at that meeting.
- 3.3 The decision of the Chair of any Full Council meeting on all points of procedure and order, and interpretation of Standing Orders, is final.
- 3.4 In Standing Orders, 5, 6, 8, 10, 11 and 12 reference to the Chair shall mean the Chair of the meeting in question.

**4. Attendance Record**

- 4.1 At every meeting of WMC each member shall enter his or her name in an attendance book, or on such other form of record provided by the secretariat from which attendance of members will be recorded.

**5. Minutes**

- 5.1 The minutes of the previous meeting of WMC sent to members with the agenda will be taken as read.

5.2 Any motion or discussion on the minutes can only relate to their accuracy. Subject to such motions or discussions, the Chair shall sign the minutes as a correct record.

## **6. Order of Business**

6.1 The order of business at WMC meetings shall normally be as listed on the agenda but the Chair may, at his/her discretion, alter the order in which business is taken at the meeting.

## **7. Motions not requiring notice**

7.1 The following motions may be moved without notice:-

- (a) Appointment of Chair and Vice Chairs of WMC
- (b) Appointment of a Chair for the meeting;
- (c) Relating to the accuracy of the minutes, closure, adjournment, order of business, or next business;
- (d) Appointment of any Member Group or Lead Member for any purpose;
- (e) Appointment of members of WMC to other bodies;
- (f) Adoption of reports and recommendations of, Member Groups or Officers and any consequential resolutions;
- (g) Amendment to recommendations of Member Groups or Officers;
- (h) Leave be given to withdraw motions;
- (i) Amendment to motions;
- (j) A motion to exclude the public;
- (k) By the Chair;
- (l) Suspending Standing Orders.

7.2 All other motions will require fourteen clear days notice to the Host Chief Executive unless agreed by the Chair or in his/her absence one of the Vice Chairs and will be included upon the agenda for the meeting

## **8. Rescission of Preceding Resolutions**

8.1 Resolutions passed by the Full Council within the previous six months cannot be rescinded, nor can a notice or amendment to the same effect as one which has previously been decided against within the preceding six months be proposed. This Standing Order shall not apply to motions moved by other Member Groups.

## **9. Rules of Debate**

9.1 A motion or amendment, other than motions to adopt reports and recommendations of Member Groups or Officers, shall not be discussed nor recorded in the minutes of the meeting unless it is proposed and seconded by members of the Full Council.

9.2 An amendment to a recommendation or other motion must be either:-

- (i) to leave out words;

- (ii) to leave out words and to insert or add others, or
- (iii) to insert or add words.

Any such amendment must not have the effect of introducing a new proposal into, or negating, the original motion.

- 9.3 Whenever an amendment has been moved and seconded, no second or subsequent amendment can be moved until the previous amendment has been disposed of, although notice of any number of amendments can be given without speaking to them.
- 9.4 If an amendment is rejected, other amendments may be moved on the original motion. If an amendment is carried, the motion as amended will become the substantive motion upon which any further amendment may be moved.
- 9.5 An amendment or other motion may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Full Council meeting.
- 9.6 The proposer of a motion may, with the consent of the Full Council meeting, alter a motion if the alteration is one which could have been moved as an amendment thereto.
- 9.7 No member shall address the meeting more than once on any question but the proposer of a motion or an amendment has the right of reply at the close of the debate, with the proposer of the original motion having the final right of reply before the amendment is put to the vote. Neither may introduce any new matter in exercising the right of reply.
- 9.8 When seconding a motion a member may reserve his/her speech until a later period of the debate.
- 9.9 When speaking, members must address the Chair. However, when the Chair rises no member may continue speaking. The debate will only continue when the Chair resume his/her seat.
- 9.10 The Chair will determine the order of priority of speakers on any matters.
- 9.11 Without the consent of the Full Council meeting, which shall be given or refused without debate, no speech by the proposer of a motion or amendment shall exceed ten minutes in length and no other speech shall exceed five minutes in length.
- 9.12 No member, unless rising on a point of order or personal explanation, may interrupt the speech of another member, nor impute motives or use offensive expressions to any member or officer.
- 9.13 A member may rise to a point of order or on a personal explanation, but a personal explanation must be confined to some material part of a former speech by that member at the same meeting which may have been misunderstood.

## **10. Voting**

- 10.1 If the Chair considers that the question has been sufficiently discussed he/she will put the motion to the vote.
- 10.2 Every question shall in the first instance be determined by voice "aye" or "no" but the Chair may, and if the question be challenged must, take a show of hands. If members entitled to cast 10 or more votes and representing at least two constituent authorities rise and demand a division then the names for and against shall be taken down in writing and entered in the minutes and the question shall be determined by the total votes cast having regard to the number of votes each member is entitled to cast in accordance with the voting protocols of WMC.

10.3 Where, immediately after a vote is taken and it is not taken down in writing in accordance with (10.2) above, and any member present at the meeting so requests, a record shall be made in the minutes of the meeting of whether the member voted for or against the motion or whether the member abstained from voting.

10.4 In the event of equality of voting the Chair shall not have a second or casting vote in addition to any vote to which he or she may be entitled as a voting member.

#### **11. Adjournment by Chair**

11.1 The Chair may adjourn the meeting for as long as he/she wishes and any business not conducted at that time will be considered at the next meeting.

#### **12. Notices**

12.1 All notices and communications required by these Standing Orders to be sent or delivered may be sent by post or by agreement by electronic means, and any such notice or communication shall be deemed to be received on the day on which in the ordinary course of first class post it would be received or on the day it was transmitted electronically.

#### **13. Variations and Revocation of Standing Orders**

13.1 Any motion to vary or revoke these Standing Orders shall, when proposed and seconded, be referred to the Steering Group without debate or discussion and shall be reported upon by that Steering Group to the next ordinary meeting of WMC.

#### **14. Suspension of Standing Orders**

14.1 Any of the preceding Standing Orders (other than Standing Order 13) may be suspended at any meeting of WMC, as regards any business on the agenda for such meetings, providing the majority of the votes present at the meeting so decide.

## **Agenda Item No 14**

### **Executive Board**

**7 February 2011**

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

#### **The Future of Planning Policy**

### **1 Summary**

- 1.1 This report outlines the proposed changes to the planning regime and gives a suggested work programme.

#### **Recommendation to Council**

- a That the report be noted, and**
- b That a detailed work programme is developed with the LDF Advisory Panel to prepare a draft Borough Plan by October 2011.**

### **2 Consultation**

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

- 2.1.1 The contents of the report were discussed with the LDF Advisory Panel and their comments will be verbally brought back to Board.

### **3 Introduction**

- 3.1 A number of changes have already been proposed to the planning regime with the introduction of self setting fees for planning control, changes to permitted development. The biggest changes to date are being proposed through the introduction of the Decentralisation and Localism Bill. The Bill was published on 13 December 2010. There are other provisions in the bill which may impact on the planning side but this report concentrates on the planning implications of the Bill. These other issues include:

- Governance (Part 1; Chapter 3)
- Standards (Part 1; Chapter 5)
- Provisions on local government finance, including business rates (Part 3)
- The powers of elected Mayors outside London (Volume II, Chapter2)
- Local referenda (Part 4 Chapter 1)
- The Community Right to Challenge (Part 4 Chapter 3) and
- Assets of Community Value (Part 4 Chapter 4)



The Bill is currently out for consultation and is explained in more detail below. Regulations will be subsequently published to put meat on the bones of the proposals within the Bill. These may start to be published from June 2011.

#### 4 Decentralisation and Localism Bill

4.1 The table below gives a summary of the changes affecting both planning policy and development management.

<b>Planning Policy</b>	
<i>Regional Spatial Strategy</i>	to be abolished
<i>Infrastructure Planning Commission</i>	to be abolished
<i>Local and Neighbourhood Planning System</i>	<ul style="list-style-type: none"> <li>• There will be statutory local plans and within that context, Neighbourhood Plans</li> <li>• Neighbourhood Plans will be a part of the development plan, but will not be “Development Plan Documents”</li> <li>• Designated bodies such as Town and Parish Councils and neighbourhood forums will be allowed to prepare Neighbourhood Plans</li> <li>• Where there are no Parish or Town Councils, the local authority will adjudicate on the boundary of the plan that a neighbourhood forum wants to prepare</li> <li>• Where there are no Parish or Town Councils, the local authority will be responsible for designating the formation of a Neighbourhood Forum. The basic criteria for these are that they should have at least three residents as members, be open to all residents and have a constitution.</li> <li>• Recognised that not all areas will want to do a Neighbourhood Plan and, therefore, there will not be a statutory duty to prepare one – but there will be a right to do so (a ‘right to plan’).</li> <li>• A local planning authority will have a duty to provide support to neighbourhoods undertaking planning, including technical support and the arranging, and holding, of the independent examination and the referendum.</li> <li>• Not clear whether those preparing a plan – or the local planning authority - will be required to consult on it.</li> </ul>

	<ul style="list-style-type: none"> <li>• Neighbourhood Plans will undergo an independent examination, checking whether the Neighbourhood Plan is in conformity, or aligns, with: <ul style="list-style-type: none"> <li>○ The strategic content of the local plan</li> <li>○ The National Planning Framework or other national guidance;</li> <li>○ The presumption in favour of sustainable development;</li> <li>○ European Directives;</li> <li>○ National and international designations (e.g. Ramsar sites);</li> <li>○ Neighbouring neighbourhood plans.</li> </ul> </li> <li>• Subject to passing the independent examination, the plan will be put to a local referendum and will be 'approved' if more than 50 per cent of those voting do vote for it.</li> <li>• If the referendum is positive, then the local authority will have to adopt the Neighbourhood Plan.</li> <li>• The Local Plan will take on a strategic role and will contain e.g. housing numbers, strategic infrastructure etc. The Neighbourhood Plan will have to accommodate these strategic proposals – and can accommodate more if they want to (but not less e.g. housing than is specified in the local plan).</li> <li>• Neighbourhood Forums (potentially very small groups of people) may designate areas where 'Neighbourhood Development Orders' will apply – areas where certain types of development will no longer require planning permission or where different planning rules will apply, including the granting of outline permission subject to conditions to be approved by the local planning authority. Where a scheme is brought forward by a community group itself, the group may seek an NDO giving it a community right to build. This too will be subject to a referendum but a local authority can refuse to accept it if it is contrary to, for example, national or international environmental designations.</li> </ul>
<i>Resources for Neighbourhood Planning</i>	<p>The Bill makes it clear that the funding for neighbourhood planning will come from those developments that gain permission through being part of a Neighbourhood Development Order. There may also be possible financial assistance by the Secretary of State.</p>
<i>Neighbourhood Development Orders</i>	<ul style="list-style-type: none"> <li>• Any body that is entitled to initiate a neighbourhood plan may also make a neighbourhood development order (NDO). An NDO grants planning permission in relation to a particular neighbourhood area for specific classes of development. It requires support from more than 50% of voters in a referendum. There are excluded development categories from</li> </ul>

	<p>designation under a NDO which include county matters, waste development, Annex 1 environmental assessment applications, and other development that is prescribed.</p> <ul style="list-style-type: none"> <li>The body which makes such an order is either a Parish Council or a neighbourhood forum (a body designated by the local planning authority, subject to meeting criteria of purpose, open membership, containing at least 3 residents and with a written constitution). There must be only one such body for any neighbourhood area, as designated by the LPA. After 5 years the designation of the forum ceases.</li> </ul>
<i>A Duty to Cooperate</i>	<ul style="list-style-type: none"> <li>The Bill does not appear to apply the Duty to Co-operate to the need to reach agreement on policy, on joint-working or on, for example, joint funding but focuses on a duty to respond when consulted and to provide information when requested.</li> <li>It is not clear from the Bill to whom this duty will apply but states that persons will be prescribed.</li> </ul>
<i>General Power of Competence</i>	The Bill will give local authorities a General Power of Competence, allowing them to do anything which is not specifically prohibited by law.
<i>Community Infrastructure Levy</i>	<ul style="list-style-type: none"> <li>The Bill contains Clauses that deal with the evidence base for the setting of CIL and the powers of the independent inspector.</li> <li>It also allows for regulations to specify the transfer of CIL receipts from the charging authority to other persons. This Clause is explained in a DCLG statement on CIL which says that:  “The Government will require charging authorities to allocate a meaningful proportion of their levy revenues raised in each neighbourhood back to that neighbourhood ...”</li> </ul>
<b><i>Development Management</i></b>	
<i>A duty on developers to consult</i>	The Bill shifts the duty to consult on to the applicant for applications for planning consent and those made in the context of a development order.
<i>Predetermination</i>	<p>This Clause needs to be read in conjunction with a statement issued by DCLG (<a href="http://www.communities.gov.uk/news/corporate/1768609">http://www.communities.gov.uk/news/corporate/1768609</a>) which says that:</p> <p>These proposed legislative changes will mean councillors can be very clear and discuss freely their view and voting intention and publicise their views as they see fit. However, councillors must be prepared to listen to arguments and evidence before making their decision. These changes will reduce the threat of challenge</p>

<p><i>Enforcement</i></p>	<ul style="list-style-type: none"> <li>• Gives local planning authorities powers to decline to deal with the “twin-tracking” of retrospective planning applications and appeals against enforcement notices.</li> <li>• Allows enforcement action to be taken where the normal time limits for taking action have expired, but where the breach of control was concealed.</li> <li>• Raises the maximum penalties for certain offences.</li> <li>• Gives certain additional powers for LPAs to take direct action against unauthorised advertisements and the defacement of buildings.</li> </ul>
<p>Community Right to Buy</p>	

## 5 Observations

- 5.1 There is no provision in the Bill for the National Planning Policy Framework (NPPF). There is still a commitment to do this but not through statute. Planning legislation already allows the Secretary of State to issue guidance to which local planning authorities must have regard. There is currently a consultation requesting suggestions as to what should be included in the new NPPF
- 5.2 It is welcomed that there is clarity as to the Regional Spatial Strategy being finally formally abolished.
- 5.3 It is clear that a strategic planning policy document for the Borough is still required in some form. This could be developed by the Council or in partnership with other authorities. For example, a Joint Core Strategy could cover the LEP area. A further report will be brought to members to discuss this issue once the situation is clearer. In the meantime, it is recommended that work on a Borough-wide Plan continues.
- 5.4 The introduction of Neighbourhood Plans appears very complex and there are a number of questions which remain unanswered. For example it is unclear the status of Neighbourhood Plans. Standards of probity that apply to elected members apply equally to the representatives of Community Forums as well as a duty to consult on those preparing Neighbourhood Plans and Development Orders. Neighbourhood plans are to be recognised by the Borough Council, as long as they fit in with the wider strategic plan for the area. Any group of individuals (a minimum of 3 residents) can join together to create a neighbourhood forum, which the Council has a duty to recognise and they can prepare a neighbourhood plan, which again if it fits with the strategic plan has to be recognised. It would appear that businesses cannot create a neighbourhood even in a predominantly business orientated area.
- 5.5 In the short term it is unclear what help is required by the Borough Council or if a fee could be charged by the planning policy team to provide support and guidance to the neighbourhoods. This then leads to questions over the

neighborhoods being able to afford to create these plans. Within Neighbourhood Plan it can state what development will be allowed and if a development is proposed that fits with this plan no planning application to the Borough Council is required. Qualifying bodies are unlikely to have access to the expertise and resources to see through the process of designation and properly administer applications in such an area. It is unclear where this leaves Local Development Orders and if you can have NDO's without a Neighbourhood Plan. In the long term this will have implications on the number of fee paying planning applications submitted to the Borough Council. It is important that if these are to work that there is sufficient resources and expertise are available to all communities to participate in neighbourhood planning and the designation of Development Orders.

- 5.6 In relation to the duty to co-operate there are already numerous examples of joint working in spatial planning including the preparation of joint Local Development Framework core strategies; Sub-regional working and sub-regional strategies. There must be some doubt as to whether the Duty, as defined in the Bill, will have the effect of encouraging local authorities to work together to help deliver priorities that cannot be delivered within a single authority's area, nor of resolving conflicts when they are unable to be resolved by the councils themselves, as the Bill does not define a failure to co-operate, nor, does it specify any sanctions for failure to co-operate or define bodies which may be responsible for encouraging, monitoring and taking action on co-operation.
- 5.7 The duty of applicants to carry out consultation should be welcomed and has been encouraged by officers for some time. However the proposals leave a number of questions:
- How, and by whom, will it be judged as to whether the duty has been fulfilled satisfactorily?
  - Will it be accompanied by a power to refuse to accept applications on which consultation is deemed inadequate;
  - Will it replace or run in parallel with existing regulations/practice on notification?
- 5.8 In relation to the Community Infrastructure Levy the Borough Council is not yet a formal charging authority. As part of the Borough-wide Plan an Infrastructure Delivery Plan will be required. This will give the evidence as to what levy could be set. It is clear that Neighbourhood Plans could also provide evidence by which a community's priorities for spending CIL are established. The issue of a 'meaningful proportion' of the sum raised is directed to communities then this may have implications on the proportion of CIL spent on strategic infrastructure. For example improvements to the A5 may be seen as a strategic priority for CIL but not by the Neighbourhood Plan. A balance would need to be struck when introducing the levy.
- 5.9 There is concern that the clause in the Bill relating to predetermination will fail without greater clarity being given as to what actions on the part of an elected representative would constitute evidence of having a closed mind. Until that is established, this offers no further assistance to guide Councils as to the

appropriate early involvement of elected representatives in planning discussions.

- 5.10 Local Enterprise Partnerships (LEPs) are not to have a statutory purpose. The Government do not intend to define local enterprise partnerships in legislation. Governance structures will need to be sufficiently robust and clear to ensure proper accountability for delivery. Partnerships will differ across the country in both form and functions in order to best meet local circumstances and opportunities. A partnership may need legal personality or a specified accountable body in some circumstances, such as if it wished to own assets or contract to deliver certain functions. The Constitution and legal status of each partnership will be a matter for the partners, informed by the activities that they wish to pursue.
- 5.11 There were indications that a presumption in favour of sustainable development would be introduced through the Bill but it is now likely to be stated in the proposed National Planning Policy Framework. T). The Bill will, therefore, be deficient if it includes this presumption without defining the term in statute in a way that embraces the implications of climate change – at least as embodied in current legislation. Also it is important that the presumption in favour of sustainable development does not overrule the presumption in favour of the development plan.

## **6 Evidence base**

- 6.1 As Members are aware the previous LDF system relied heavily on evidence to prove why policies are developed and implemented in certain ways. This has not changed with the proposed changes. With the proposed loss of the Regional Spatial Strategy there are now no other policy documents setting out a regional or sub-regional stance and also perhaps more importantly paying for evidence to be provided. It will be important that work is carried out to ascertain what the future requirements for housing and employment will be. It is proposed that as part of the work programme that this is explored.

## **7 Next Steps**

- 7.1 It is clear from the Bill that the Borough will require a Strategic Planning document and it is recommended that a Draft Plan be brought back to Board in the Autumn with an aim to consult over the winter. Some of the legislative changes should be clearer by this stage.

## **8 Report Implications**

### **8.1 Resource Implications**

- 8.1.1 The full extent of the resource implications are unclear at the present time. The new system of neighbourhood plans could be resource intensive with very little opportunity to seek payment. Once there is a greater clarity on this matter a further report will be brought back to Members.

## 8.2 **Environment and Sustainability Implications**

- 8.2.1 Although the full implications of the proposed changes to the planning policies and regime are not fully defined at this stage the changes will influence how sustainable communities are developed in the future. The influence that sustainable community strategies will play in the future needs to be confirmed together with greater clarity about how the planning regime will work in the future.

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

**Agenda Item No 15**

**Executive Board**

**7 February 2011**

**Report of the  
Assistant Director (Housing)**

**Local Investment Plan – to deliver  
Affordable Housing**

**1 Summary**

- 1.1 This report sets out a Local Investment Plan to deliver affordable housing for Members' consideration.

**Recommendation to the Council**

**That the Local Investment Plan be considered and endorsed.**

**2 Consultation**

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

- 2.1.1 The Housing Portfolio Holder Group considered the Local Investment Plan at its meeting on 19 January 2011. They support the aims of the Plan.

**3 Background**

- 3.1 The Council has a duty to act to provide housing in its Borough which provides for a range of housing needs. As part of its strategic enabling role it is expected to work in partnership to attract funding to deliver affordable housing. This could be for rent or low cost home ownership.

...

- 3.2 A report is attached which was submitted to the Resources Board on 1<sup>st</sup> February 2011.

- 3.3 The Executive Board is asked to consider the report and endorse the Warwickshire Local Investment Plan.

- 3.4 The draft Local Investment Plan for Warwickshire can be viewed via the following link:-

[http://www.northwarks.gov.uk/site/scripts/meetings\\_info.php?meetingID=125](http://www.northwarks.gov.uk/site/scripts/meetings_info.php?meetingID=125)

**4 Report Implications**

**4.1 Finance and Value for Money Implications**

- 4.1.1 There are no financial implications directly arising out of this report. However funding new affordable homes or bringing empty homes back into use does have a significant cost. These costs are met through government grant,



borrowing, providing land at less than market value and through revenue streams where appropriate.

#### 4.2 **Legal and Human Rights Implications**

4.2.1 There is no legal requirement to provide a Local Investment Plan. However the Council does have obligations both in Housing and Planning legislation to ensure that it provides suitable housing for its residents. The Plan is a pragmatic way of setting out how we will act to meet those obligations.

#### 4.3 **Environment and Sustainability Implications**

4.3.1 The provision of affordable housing is a key contribution towards ensuring sustainable communities and this is reflected in the Developing Healthier Communities priority of the North Warwickshire Sustainable Communities Strategy 2009 – 2026. The new arrangements for the Local Investment Plan will provide a framework for the partnership approach towards this. By bringing more empty properties back into use this will also contribute positively to sustainability.

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

4.4.1 The Council has a corporate priority to provide more affordable homes in the Borough to address housing need.

The Contact Officer for this report is Angela Coates (719369).

### **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>

**Report of the  
Assistant Director (Housing)**

**Local Investment Plan – to deliver  
Affordable Housing**

**1 Summary**

- 1.1 This report sets out a Local Investment Plan to deliver affordable housing for Members' consideration.

**Recommendation to the Resources Board**

- a That the Local Investment Plan be considered and approved with any amendments proposed; and**
- b That the Plan be submitted to the Executive Board for approval.**

**2 Consultation**

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

- 2.1.1 The Housing Portfolio Holder Group considered the Local Investment Plan at its meeting on 19 January 2011. Their comments will be shared at the meeting.

**3 Background**

- 3.1 The Council has a duty to act to provide housing in its Borough which provides for a range of housing needs. As part of its strategic enabling role it is expected to work in partnership to attract funding to deliver affordable housing. This could be for rent or low cost home ownership.
- 3.2 In 2007 the Council commissioned a Housing Market Assessment in partnership with neighbouring local authorities. The Assessment indicated that in order to meet housing need for affordable housing the Council needed to be delivering an additional 281 homes a year. Since 2009 the Council has delivered 124 additional affordable homes with grant funding from the Homes and Communities Agency.
- 3.3 The Housing and Regeneration Act 2008 introduced changes to the regulation of all social housing providers – local authorities and housing associations. It split financial regulation from the oversight which is concerned with service delivery. The former was undertaken by the newly formed Homes and Communities Agency and the latter by the Tenant Services Authority.

- 3.4 The Homes and Communities set out its new role by proposing a new way of working with local authorities. Traditionally the Housing Corporation (which was replaced by the Homes and Communities Agency) had an emphasis on working directly with housing associations to deliver affordable homes with local authorities being asked to give support for schemes. The new agency proposed to put local authorities at the forefront of development programmes through an agreed Local Investment Plan and a legally binding Local Investment Agreement. The latter was intended to connect the Plan to a funding commitment for Social Housing Grant which is the Government grant which has traditionally supported the development of affordable homes.
- 3.5 A high profile pilot project was undertaken to test out the new way of working and Local Investment Plans were developed by authorities such as Solihull, Coventry, Telford and Wrekin, Manchester and Hull. As a result of these pilots a template was drafted which Local Investment Plans were expected to follow.
- 3.6 From April 2012 the Tenants Services Authority will no longer exist and the Homes and Communities Agency will be undertaking all regulatory oversight of social housing providers. They will also continue with their role of working with local authorities to provide affordable homes but it will have an emphasis on enabling. One of the reasons for this is that the Agency itself will be much reduced in size and the funding streams to provide new homes are changing. Central Government provision of Social Housing Grants will be significantly reduced. (For the year 2010-11 £2.7b is available nationally. For the period 2011-15 £4.5b will be available nationally.) The reliance on Social Housing Grant to provide affordable housing is replaced by an emphasis on use of land owned by the public sector, Housing Associations using revenue streams by increasing their rents to 80% of market rents and cross subsidising schemes as well as borrowing.
- 3.7 The Homes and Communities Agency continues to promote the production of a Local Investment Plan as an indication of how partners (the Agency, local authorities and housing associations) will work together to address housing need for affordable housing. However it is not only concerned with developing new homes but picks up on the new Government's agenda with regard to making the best use of current stock – including empty homes in the private sector. When the proposal to develop Local Investment Plans was first introduced there was an intention to have a Plan for two tier authorities and then a district level on with a Local Investment Agreement attached. The proposal is now to have a high level Plan only.

#### **4 Local Investment Plan for Warwickshire**

- 4.1 The draft Local Investment Plan for Warwickshire can be viewed via the following link:-

[http://www.northwarks.gov.uk/site/scripts/meetings\\_info.php?meetingID=125](http://www.northwarks.gov.uk/site/scripts/meetings_info.php?meetingID=125)

- 4.2 The Plan captures information from other documents (for example Housing Market Assessments, strategy documents and Local Strategic Partnership priority documents) aims to set the housing context for Warwickshire as a whole. It gives a perspective from each of the five Warwickshire districts, the County Council and the Homes and Communities Agency. It sets out how we will act individually and in partnership to address housing need.
- 4.3 The plan is intended to provide clarity about the relationship between local authorities, their housing association partners and the Homes and Communities Agency. The main body indicates strategic issues and direction and the appendices provide important information about development schemes which each local authority would like to progress in the next 4 years. This clarity will allow the Homes and Communities Agency to provide strategic and financial support for local authorities.
- 4.4 The Local Investment Plan has been drafted at a time of change in how affordable homes will be planned for strategically and funded in the future. For this reason this draft Plan will be refreshed and updated in April 2011 and fully reviewed after 12 months.

## **5 Report Implications**

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

- 5.1.1 There are no financial implications directly arising out of this report. However funding new affordable homes or bringing empty homes back into use does have a significant cost. These costs are met through government grant, borrowing, providing land at less than market value and through revenue streams where appropriate.

### **5.2 Legal and Human Rights Implications**

- 5.2.1 There is no legal requirement to provide a Local Investment Plan. However the Council does have obligations both in Housing and Planning legislation to ensure that it provides suitable housing for its residents. The Plan is a pragmatic way of setting out how we will act to meet those obligations.

### **5.3 Environment and Sustainability Implications**

- 5.3.1 The provision of affordable housing is a key contribution towards ensuring sustainable communities and this is reflected in the Developing Healthier Communities priority of the North Warwickshire Sustainable Communities Strategy 2009 – 2026. The new arrangements for the Local Investment Plan will provide a framework for the partnership approach towards this. By bringing more empty properties back into use this will also contribute positively to sustainability.

#### 5.4 Links to Council's Priorities

- 5.4.1 The Council has a corporate priority to provide more affordable homes in the Borough to address housing need.

The Contact Officer for this report is Angela Coates (719369).

#### 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