

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

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

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

**25 JUNE 2012**

The Executive Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Monday 25 June 2012 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 Hayfield and Sweet and membership of the various Town/Parish Councils of Councillors Moore (Baddesley Ensor), Morson (Dordon), Phillips

(Kingsbury) and M Stanley (Polesworth) are deemed to be declared at this meeting).

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

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

5 **Capital Programme - 2011/12 Final Position** - Report of the Assistant Director (Finance and Human Resources)

**Summary**

The purpose of this report is to update Members on the final position of the 2011/12 Capital Programme and to highlight those schemes which have not progressed as quickly as expected and which are recommended to be carried forward into the 2012/13 Capital Programme.

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

6 **Capital Accounts 2011/12-** Report of the Deputy Chief Executive

**Summary**

The capital accounts for 2011/12 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

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

7 **Earmarked Reserves 2012/13** - Report of the Deputy Chief Executive

**Summary**

The Council holds a number of reserves to meet future expenditure, other than the General Fund and Housing Revenue Fund. This report informs Members of the balances on these reserves at 31 March 2012, subject to audit, and updates the proposed use of reserves in 2012/13.

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

8 **Annual Governance Statement 2011/12** - Report of the Deputy Chief Executive

**Summary**

The Annual Governance Statement sets out the arrangements the Council has put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the

management of risk. These ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for and is used economically, efficiently and effectively.

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

9 **Financial Statements 2011/12** - Report of the Deputy Chief Executive

**Summary**

The Annual Financial Statements have to be signed by the Responsible Financial Officer (RFO) by the end of June 2012. This report highlights the position on the General Fund and Housing Revenue Account, compared with the estimate position previously reported.

The accounts have not yet been audited, and may need some adjustment following the completion of the audit later in the year. The audited Statements will be presented at the September meeting of the Executive Board.

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

10 **Minimum Revenue Provision Policy Statement** - Report of the Deputy Chief Executive

**Summary**

This report proposes revised Minimum Revenue Provision Policy Statements for 2011/12 and 2012/13, in place of those previously approved by Council.

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

11 **Treasury Management Strategy Statement and Annual Investment Strategy 2012/12** - Report of the Deputy Chief Executive

**Summary**

This report proposes some revisions to the Treasury Management Strategy Statement and Annual Investment Strategy for 2012/13 previously approved by Council, to enable the implementation of the Local Authority Mortgage Scheme.

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

- 12 **Community Governance Review - Middleton** - Report of the Chief Executive

**Summary**

A request has been received from Middleton Parish Council for an increase in the number of Parish Councillors and the Board is invited to consider whether or not this Council undertakes a Community Governance Review.

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

- 13 **Police and Crime Panels** - Report of the Assistant Chief Executive and Solicitor to the Council **to follow**

**Summary**

This report informs Members of the Police and Crime Panels that will be established shortly in the County and seeks a recommendation on membership of that Panel.

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

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

- 14 **Budgetary Control Report 2012/13 Period Ended 31 May 2012** - Report of the Assistant Director (Finance and Human Resources)

**Summary**

The report covers revenue expenditure and income for the period from 1 April 2011 to 31 May 2012. The 2012/2013 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

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

- 15 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2011 – March 2012** – Report of the Chief Executive and the Deputy Chief Executive

**Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April 2011 to March 2012.

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

- 16 **Police Reform and Social Responsibility Act 2011** - Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

The report is to inform Members about progress with the implementation of the above legislation in amending the provisions of the Licensing Act 2003 and to ask the Board to agree to the necessary amendments to the Constitution.

The Contact Officer for this report is Stephen Whiles (719326)

- 17 **Membership of the Democratic Structures Task and Finish Group** - Report of the Chief Executive

**Summary**

The purpose of this report is to consider the membership of the Democratic Structures Task and Finish Group for the ensuing year.

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

- 18 **Minutes of the meeting of the Special Sub-Group held on 23 April and 15 May 2012** to be received and noted.

- 19 **Minutes of the Local Development Framework Sub-Committee held on 25 April and 17 May 2012** to be received and noted.

JERRY HUTCHINSON  
Chief Executive

## **Agenda Item No 5**

### **Executive Board**

**25 June 2012**

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

**Capital Programme - 2011/12  
Final Position**

## **1 Summary**

- 1.1 The purpose of this report is to update Members on the final position of the 2011/12 Capital Programme and to highlight those schemes which have not progressed as quickly as expected and which are recommended to be carried forward into the 2012/13 Capital Programme.

### **Recommendation to the Council**

- a That the Board notes the level of expenditure incurred (both actual and committed) to the end of March 2012 against the 2011/12 Revised Capital Programme;**
- b That the Board notes the schemes which have not progressed as expected during the year; and**
- c That both the committed expenditure and schemes which have not progressed during the year be agreed as slippage to be carried forward into the 2012/13 Capital Programme.**

## **2 The Current Position**

- 2.1 The Council's Revised Capital Programme for 2011/12, approved by this Board in February 2012, is set out in Appendix A. Also showing is the actual level of expenditure incurred on each scheme as at the end of March 2012.
- 2.2 The Appendix shows that the current level of actual expenditure incurred amounts to £2,420,947 against a revised programme total of £4,405,320, an initial under-spend of £1,984,373.

## **3 Outcomes from Capital Expenditure**

- 3.1 The £2.421m spent on capital schemes in 2011/12 has achieved a substantial level of outcomes, and some of these are highlighted in the following paragraphs.

- 3.2 2011-2012 saw the Housing Division return to traditional contract procurement after 4 years of partnering. Over the year tender estimates used for budget purposes have been changed to reflect actual tender prices. In some cases tender prices have been lower than expected. As a result there have been adjustments to allow increased spending in areas of work such as providing disabled adaptations to prevent a waiting list building up. There have been two large adaptations this year – one costing £12,514 and one at £20,956. The budget for roofing work was increased by the Resources Board. It has increased again to cover urgent work required to the communal room roof at Derek Avenue Dordon and the replacement of asbestos soffits and fascias. The need to focus the capital budget to meet the Decent Homes programme target by December 2010 meant that external works were not a priority. Having met the standard the opportunity was taken to use some of the budget to undertake catch up external works to ensure the Council's estates are in good order.
- 3.3 In terms of housing capital expenditure, key elements such as kitchens, bathrooms, boilers, roofing, windows and doors have been replaced during the year. Adaptations to a number of houses were made which has enabled disabled tenants to continue living in their current Council property. Improvements were started on 3 Community Centres situated on housing estates: at Eastlang Road, Fillongley, the kitchen previously used for the Meals on Wheels service is being converted into a flat, whilst at George Road, Water Orton and Monument View, Polesworth improvements are being made to update disability access. During the year, 4 new homes in which construction started during 2010/11 were completed and let to council tenants.
- 3.4 Responsibility for maintenance of the churchyard at the Parish Church in Fillongley passed to the Borough Council in January 2003 when it was closed as a burial ground by the Home Office. The Borough Council is liable for the costs of such maintenance and during the year the wall at the site needed rebuilding. Although there was no budget provision, funding came from earmarked reserves.
- 3.5 There have been some improvements in the Council's technology, with some upgrades of infrastructure and improvements put in place for the Council's email systems. In addition, some hardware and software has been replaced / upgraded including the purchase of new personal computers and server upgrades.
- 3.6 In terms of housing grants to the private sector, further improvements at 59 properties for disabled facility adaptations have been completed in 2011/12, along with 17 properties that have benefited from Decent Homes improvement schemes.
- 3.7 A transit van was replaced during the year, as was the Council's road sweeper and Land Rover.

- 3.8 Over 152 lifelines and 120 pendants have been purchased to replace ageing units in the homes of those who qualify for the Borough Care system, to ensure a consistent level of service. In addition to this, funding was used to replace the obsolete control centre call handling system.
- 3.9 The completion of the play areas at Old Arley and Sycamore Rd was funded from external grants received as part of the Playbuilder programme.
- 3.10 Urgent work to prevent the risk of flooding at the Kingsbury Link Business Park took place. This work was partially funded using earmarked reserves relating to the site.

#### **4 Committed Spend in 2011/12**

- 4.1 Of the capital programme under-spend of £1,984,373, there are commitments of £637,886 which will be required in 2012/13 to fulfil contracts let or to continue the progress of on going schemes. These amounts are shown in column (4) of Appendix A.

#### **5 Schemes / Expenditure Delayed**

- 5.1 There is still a need for capital expenditure shown in column (5) of Appendix A. The housing improvement works at Piccadilly did not take place during the year due to capacity restraints. Officers are requesting that the allocation approved in 2011/12 is carried forward into 2012/13 to allow the work to take place. In addition to this the contractor who the authority was in partnership with for the building of 25 council properties across the borough has made a claim for extra costs. Although the final settlement has yet to be determined, officers are requesting that the remaining budget be carried forward in to 2012/13 in order to cover any potential cost.
- 5.2 Some schemes have been delayed until refurbishment work of the Council Offices has begun. This includes the allocations for a new telephone system and switch gear, as it would be more practical to carry out the work required when other work on the building is being undertaken. Similarly, only essential work has been undertaken on the electrical installation. This is to ensure that resources are used as effectively as possible. Expenditure on Equalities Act work has also been limited, in case some of the resources available are needed for work at the Council House in the future.
- 5.3 The allocation for the Arcade has not yet been used, Members have agreed to dispose of the property, however the need for work on the building still exists. Officers are requesting that the allocation is carried forward in order to carry out any urgent remedial works if the disposal is delayed. Officers are also requesting that the allocation approved for the Leisure Booking System is carried forward, to allow a full business case to be evaluated.
- 5.4 There are balances on the allocation for funding Disabled Facility Grants, and a larger balance on the allocation for private sector Decent Homes Standard work. A significant amount of funding is received from the Government



towards disabled facilities grants.. Spend directly correlates to assessments made by Occupational Therapists and averages around 60 annually. New systems of work mean that assessments are being acted upon more quickly. To support the new systems of work and in recognition of the level of grant funding received from Government it is proposed that the budget underspend by carried forward.

- 5.5 The Private Sector Team constantly endeavours to find alternative funding to support residents to meet the decent homes standard in their homes. External funding of around £100,000 was accessed during 2011/2012 to help with fuel poverty initiatives. In addition residents used the Kick-Start equity release scheme to secure over £30,000 in loans to provide for essential home repairs. This has protected the capital budget available for decent homes work in the private sector, leaving an underspend. The Council's policy has moved from awarding grants to providing loans in order to make best use of available funds. However the current financial climate and the need to bring empty homes back into use is likely to see additional pressure on these funds. For this reason, whilst the team will continue to take every opportunity to access external funding, the proposal is made to carry forward the budget underspend in order to meet the Council's objectives for empty homes and the condition of properties in the private sector

## **6 Report Implications**

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

- 6.1.1 The actual level of expenditure incurred up to the end of March 2012 amounts to £2,420,947, which is £1,984,373 below the full year budget. However, of the capital programme under-spend, there are commitments of £637,886 which will be required in 2012/13 to fulfil contracts let or to continue the progress of on going schemes. In addition, Members are also requested to carry forward schemes totalling £1,282,497, where expenditure has been delayed in 2011/12.

### **6.2 Sustainability Implications**

- 6.2.1 Expenditure incurred as part of the Council's Capital Programme enables the Council to continue to deliver a range of services to the people of North Warwickshire which contributes towards improving the quality of life for the communities of North Warwickshire.

### **6.3 Risk Management Implications**

- 6.3.1 If the financial provision requested is not carried forward, the achievement of some of the Council's objectives may be at risk.

## 6.4 Equalities Implications

6.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing separate duties relating to race, disability and gender equality. The capital programme includes some provision for improving accessibility as previously required under the Disability Discrimination Act. The DDA defines discrimination in a number of ways and outlines four specific types of discrimination: direct discrimination, failure to make reasonable adjustments, disability-related discrimination and victimisation.

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

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
1	Management Team	Board Report - Proposed 3 Year Capital Programme	Feb 12

	(1)	(2)	(3)	(4)	(5)
<b>Expenditure Proposals</b>	<b>2011/12 Revised Budget</b>	<b>Actuals as at end March 2012</b>	<b>Variance to Revised Budget</b>	<b>Committed Variance to cfwd into 2012/13</b>	<b>Schemes to be carried forward into 2012/13</b>
<b>HRA Assets</b>					
Kitchens and bathrooms	121,580	67,223	(54,357)	54,357	-
Windows and Doors	456,390	143,093	(313,297)	313,297	-
Piccadilly	70,000	-	(70,000)	-	70,000
Heating Systems	556,430	307,314	(249,116)	20,001	-
Electrics	114,000	110,518	(3,482)	-	-
Community Centres	106,620	65,099	(41,521)	40,652	-
Roofing	194,800	242,660	47,860	-	-
Profit and Overheads	2,310	2,312	2	-	-
Loft Insulation	48,360	29,516	(18,844)	18,844	-
Chimney Stacks	25,500	10,906	(14,594)	-	-
Aerials	1,500	4,526	3,026	-	-
External Works	38,000	56,369	18,369	-	-
Housing Staffing	114,740	114,440	(300)	-	-
Disabled Facility Adaptations (C/H)	175,000	293,193	118,193	-	-
New housebuild programme	289,620	155,449	(134,171)	30,735	103,436
Garage Refurbishments	8,000	19,561	11,561	-	-
Coleshill Shops	9,000	8,957	(43)	-	-
Fire Alarms	2,500	13,830	11,330	-	-
<b>HRA TOTAL</b>	<b>2,334,350</b>	<b>1,644,966</b>	<b>(689,384)</b>	<b>477,886</b>	<b>173,436</b>
<b>GENERAL FUND Assets</b>					
Equalities Act	351,250	-	(351,250)	-	351,250
Electrical Work To Council Premises	21,490	-	(21,490)	-	21,490
Renewal of Play Areas	-	19,817	19,817	-	-
The Council House Electrical Installation	52,010	-	(52,010)	-	52,010
WDP	10,350	9,300	(1,050)	-	-
Leisure Equipment	20,000	21,560	1,560	-	-
Borough Care System Replacement	50,000	47,865	(2,135)	-	-
Fillongley Church Yard Wall	40,000	33,341	(6,659)	-	-
Accommodation Project	50,000	-	(50,000)	-	50,000
Improve Arcade	193,000	-	(193,000)	-	193,000
ICT Infrastructure Development	20,000	21,406	1,406	-	-
ICT hardware & software purchase	35,000	32,571	(2,429)	-	-
ICT Backup and disk recovery	30,000	-	(30,000)	-	-
ICT EDRMS	6,140	4,018	(2,122)	-	-
Leisure Booking System	50,000	-	(50,000)	-	50,000
IT Exchange Upgrade	-	15,442	15,442	-	-
New telephone system	65,000	-	(65,000)	-	65,000
New switch gear	55,000	-	(55,000)	-	55,000
Capital Salaries - Management	7,040	6,470	(570)	-	-
Decent Homes Assistance-Temp Officer	25,060	32,449	7,389	-	-
Decent Homes (Private Sector)	225,270	22,595	(202,675)	50,000	151,132
Home Safety Check Scheme	7,500	7,211	(289)	-	-
Kingsbury Links Drainage Work	92,000	79,563	(12,437)	-	-
Payment Management System	80,000	-	(80,000)	80,000	-
Vehicle Renewal Scheme	111,460	99,460	(12,000)	-	-
Disabled Facilities Grants-Private Sector	443,800	292,737	(151,063)	30,000	120,179
Home Improvement Agency	11,600	12,600	1,000	-	-
Comm Supp - Lifelines	18,000	17,576	(424)	-	-
<b>Total</b>	<b>4,405,320</b>	<b>2,420,947</b>	<b>(1,984,373)</b>	<b>637,886</b>	<b>1,282,497</b>

## **Agenda Item No 6**

### **Executive Board**

**25 June 2012**

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

#### **Capital Accounts 2011/12**

### **1 Summary**

- 1.1 The capital accounts for 2011/12 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

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

**That the methods of funding to meet capital expenditure incurred in 2011/12 be approved.**

### **2 Capital Expenditure and Financing**

- 2.1 Capital expenditure incurred by the Council in 2011/12 totalled £2,389,558. In addition, an amount of expenditure relating to 2010/11, totalling £294,398, remained un-funded from the previous financial year. The method by which these amounts have been financed is shown in Appendix A. The Authority has used a variety of sources, including prudential borrowing, capital receipts, capital and revenue grants, the major repairs allowance, revenue and earmarked reserves. Capital creditors 2011/12 are amounts relating to the 2011/12 financial year, which were not paid before the year end and therefore will not be financed until 2012/13. In preparing the funding statement, the effect on resources has been taken into account, and this is explained below.

- 2.2 In order to maximise the resources available to the Council, all of the capital grant received from the Department for Communities and Local Government towards disabled facilities grants, have been used within the financial year. Some of the grant received in previous years from the Regional Housing Pot has also been used for private sector housing. A number of other sources of funding were used, which include: income from earmarked reserves previously approved by Members, revenue contributions to capital expenditure, and the Major Repairs Allowance.

- 2.3 It has been necessary to use some capital receipts to fund some of the programme in 2011/12. In line with the Capital Strategy approved by this Board in February, some prudential borrowing has been undertaken by the General Fund.

2.4 The accounts of the Authority will not be audited until August. Any adjustments to the funding statement will be reported to this Board following the conclusion of the audit.

### **3 Report Implications**

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

3.1.1 The funding of the 2011/12 programme is consistent with the strategy approved by the Council, to use some receipts for General Fund schemes and to maximise the resources available for the overall programme.

3.1.2 The Council currently holds usable capital receipts of £4,304,782. Grant funding and reserves of £1,763,000 remain largely to be used for the housing new build, the private sector housing programme, and the future replacement of play areas and other assets. In addition, £1,614,206 is held within the Major Repairs Reserve for future spending on maintaining the council's housing stock. All of these funds have been earmarked to finance the Council's long-term capital programme.

#### **3.2 Environment and Sustainability Implications**

3.2.1 The Council invests in new and existing assets to enable the provision of services to continue to be delivered to the people of North Warwickshire.

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

3.3.1 The proposed funding arrangements contribute towards the Council's priority of maximising its resources.

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

### **Background Papers**

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

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

## EXPENDITURE FOR CAPITAL PURPOSES &amp; METHOD OF FUNDING 2011/12

Description	2010-11 Creditors	2011-12 Spending	TOTAL	Prudential Borrowing	BCA DFG & Reg Hsg Pot	Capital Receipts	Grants	Cont'ns	MRA	Revenue Contribution GF	Earmarked Reserves	Capital Creditors 2011/12	TOTAL
Kingsbury Links Land Drainage	-	79,563.40	79,563.40	54,000.00							-	25,563.40	79,563.40
<b>Infrastructure</b>	<b>-</b>	<b>79,563.40</b>	<b>79,563.40</b>	<b>54,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,563.40</b>	<b>79,563.40</b>
Computer	-	66,373.66	66,373.66	-	-	6,657.00	-	-	-	33,795.00	-	25,921.66	66,373.66
Vehicles & Equipment (including Borough Care and Leis)	130,249.63	206,278.46	336,528.09	45,460.03	-	90,505.61	101,595.00	13,000.00	-	79,990.00	-	5,977.45	336,528.09
<b>Vehicles, Plant &amp; Equipment Total</b>	<b>130,249.63</b>	<b>272,652.12</b>	<b>402,901.75</b>	<b>45,460.03</b>	<b>-</b>	<b>97,162.61</b>	<b>101,595.00</b>	<b>13,000.00</b>	<b>-</b>	<b>113,785.00</b>	<b>-</b>	<b>31,899.11</b>	<b>402,901.75</b>
<b>Intangible Assets</b>	<b>-</b>	<b>7,064.00</b>	<b>7,064.00</b>	<b>-</b>	<b>-</b>	<b>7,064.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,064.00</b>
<b>G.F. CAPITAL ASSET TOTAL</b>	<b>130,249.63</b>	<b>359,279.52</b>	<b>489,529.15</b>	<b>99,460.03</b>	<b>-</b>	<b>104,226.61</b>	<b>101,595.00</b>	<b>13,000.00</b>	<b>-</b>	<b>113,785.00</b>	<b>-</b>	<b>57,462.51</b>	<b>489,529.15</b>
Fillongley Church Yard Wall	-	33,340.75	33,340.75								33,340.75		33,340.75
DHS / DFG's	81,325.00	367,592.43	448,917.43	-	121,493.69	34,458.74	269,870.00	-	-	-	-	23,095.00	448,917.43
<b>G.F. DEFERRED CHARGES</b>	<b>81,325.00</b>	<b>400,933.18</b>	<b>482,258.18</b>	<b>-</b>	<b>121,493.69</b>	<b>34,458.74</b>	<b>269,870.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,340.75</b>	<b>23,095.00</b>	<b>482,258.18</b>
Heating	2,910.00	329,219.61	332,129.61	-					217,960.49			114,169.12	332,129.61
Windows	51,780.37	46,197.19	97,977.56						53,412.74			44,564.82	97,977.56
Fire Doors		107,670.66	107,670.66						107,670.66				107,670.66
Electrics		118,643.99	118,643.99						118,643.99				118,643.99
External Works		60,904.30	60,904.30						60,904.30				60,904.30
Aerials		4,858.10	4,858.10						4,858.10				4,858.10
<b>Roofs</b>	<b>23,125.00</b>	<b>259,176.30</b>	<b>282,301.30</b>						<b>204,502.05</b>			<b>77,799.25</b>	<b>282,301.30</b>
DFG's		314,761.89	314,761.89						301,147.48			13,614.41	314,761.89
Kitchens/Bathroom		70,916.45	70,916.45						23,769.86			47,146.59	70,916.45
Garages		20,949.26	20,949.26						20,949.26				20,949.26
Community Centres		69,800.32	69,800.32						11,800.32			58,000.00	69,800.32
Wall build - Coleshill		9,590.51	9,590.51						9,590.51				9,590.51
Prelims	1,471.85	597.18	2,069.03						2,069.03				2,069.03
Overheads	2,359.37	1,714.39	4,073.76						4,073.76				4,073.76
Chimney stacks		12,269.46	12,269.46						12,269.46				12,269.46
Fire Alarms		14,845.76	14,845.76						14,845.76				14,845.76
Loft Insulation		31,780.72	31,780.72						23,402.92			8,377.80	31,780.72
Existing Properties	81,646.59	1,473,896.09	1,555,542.68	-	-	-	-	-	1,191,870.69	-	-	363,671.99	1,555,542.68
New build	1,176.98	155,449.16	156,626.14				149,587.14		-			7,039.00	156,626.14
<b>COUNCIL DWELLINGS</b>	<b>82,823.57</b>	<b>1,629,345.25</b>	<b>1,712,168.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,587.14</b>	<b>-</b>	<b>1,191,870.69</b>	<b>-</b>	<b>-</b>	<b>370,710.99</b>	<b>1,712,168.82</b>
<b>GRAND TOTAL</b>	<b>294,398.20</b>	<b>2,389,557.95</b>	<b>2,683,956.15</b>	<b>99,460.03</b>	<b>121,493.69</b>	<b>138,685.35</b>	<b>521,052.14</b>	<b>13,000.00</b>	<b>1,191,870.69</b>	<b>113,785.00</b>	<b>33,340.75</b>	<b>451,268.50</b>	<b>2,683,956.15</b>

**Agenda Item No 7**

**Executive Board**

**25 June 2012**

**Report of the  
Deputy Chief Executive**

**Earmarked Reserves 2012/13**

**1 Summary**

- 1.1 The Council holds a number of reserves to meet future expenditure, other than the General Fund and Housing Revenue Fund. This report informs Members of the balances on these reserves at 31 March 2012, subject to audit, and updates the proposed use of reserves in 2012/13.

**Recommendation to the Council**

**To approve the reserves held at 31 March 2012 and the planned use of reserves in 2012/13.**

**2 The Purpose of Holding Reserves and Funds**

- 2.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes and at 31 March 2012 these totalled £6.542 million. These reserves are held for a number of purposes, and in broad terms can be split into the following categories:

- External funding which has been received for specific activities, which has not been spent in the year of receipt;
- Growth approved, which has not yet been spent;
- Resources set aside as contingency sums;
- Resources set aside for general capital spending or the replacement of specific assets; and
- Funding earmarked for other reasons, such as timing differences, to smooth expenditure between years, or to progress specific projects.

... Appendix A sets out in more detail the purpose and amount of these reserves held.

### **3 Movement on Revenue Reserves in 2011/12**

- 3.1 During 2011/12, expenditure of £4.612 million was funded from revenue reserves, whilst income of £5.420 million went into reserves. In Appendix A the reserves are grouped into the categories highlighted in paragraph 2.1, and each of these categories is dealt with below.
- 3.2 The major use of 'reserves holding external funding for specific activities' related to the use of financial inclusion funding to support the BOB bus and other work around benefit take up and the use of the remainder of the Planning Delivery Grant to cover existing staff commitments. Some other spending was on the progression of community development schemes and work on maintaining open space at Dosthill. Reserves of £62,377 are no longer needed and, as agreed at the September meeting of this Board, these have been transferred into the General Fund balance. Grant and other external funding going into these reserves amounted to £144,817 at the end of the year, with the majority relating to funding obtained for homelessness schemes. Other funding set aside related to community development initiatives, risk management work and elections.
- 3.3 There was no use of reserves from 'approved growth not yet spent'. Demand for further work on parish plans has not materialised to date, and work relating to the Borough Care service is still at the review stage, whilst work undertaken on Community Hubs during the year related to research and consultation. Some reserves are no longer needed, and £35,357 was transferred into the General Fund balance as agreed in September. During the year, the majority of income set aside related to HS2 and the future implementation of Outreach and Access to Services.
- 3.4 There has been some movement on contingency sums held within reserves. The contingency for contaminated land was used to fund some work. The funding held to cover claims on concessionary fares from the bus operator is no longer needed. Some of this has been used to increase the VAT contingency, as the Council's potential liability has risen if we exceed our partial exemption level. Funding included in previous years for the repayment of benefit subsidy is not needed, so this amount has been used to set up a contingency to cover the uncertainty around future resource reviews.
- 3.5 Within 'Other reserves', spending amounted to £2.818 million. Of this £2.523 million related to spending on repairs and maintenance on the Council's housing stock. Other significant spending related to area forum grants, work on allotments and the church wall at Fillongley, building maintenance work and the Local Development Framework. A review of these reserves identified £113,680 which was no longer required. A new reserve for one off growth items was set up for £100,000, with the remaining funds transferred to general balances. Contributions into these reserves amounted to £2.759 million in total. Again the largest element of this related to the annual contribution of £2.463 million going into the Housing Repairs Fund. Other amounts set aside into reserves related to repayments into the New Initiatives from services, funding for Area Forum Projects where a commitment has been given to local



community groups, provision for the use of consultants for Coleshill Leisure Centre and contributions into the sickness and training funds.

#### **4 Movement on Capital Reserves in 2011/12**

4.1 During the year, income of £2,075 million went into reserves held for capital purposes. The majority of this, £1.749 million, related to the Major Repairs Allowance. Approved funding of £113,829 has also been set aside from revenue for the future replacement of General Fund assets. The opportunity has also been taken to set aside some additional resources for future capital projects.

4.2 Within the year reserves of £1.313 million were used, with £1.192 million from the Major Repairs Allowance used to maintain council housing and £0.121 million funding from the Regional Housing Pot for private sector properties.

#### **5 Proposed Use of Reserves in 2012/13**

5.1 The use of some reserves in the current year is unknown, due to uncertainty over the outcome and timing of some projects, for example, the work on environmental issues.

5.2 However, the main expenditure expected to be funded from reserves in the current year is indicated below:

- Expenditure on the Council's housing stock, using the Housing Repairs Reserve (revenue)
- Projects will be progressed where specific funding has been received, eg homelessness, community development initiatives and the maintenance of land assets
- The training reserves held for Staff and Member training may be needed to supplement the annual budget provision, depending on the development programme compiled
- Funding set aside for grounds maintenance will be used to progress the Green Space Strategy action plan, including work on areas such as allotments and nature reserves
- Some reserves held for community projects, such as the BOB bus, community hubs, health and wellbeing and crime prevention will be utilised.
- Specialist employment advice and external investigators will be used, if necessary, to progress Human Resources issues
- Work on the Local Development Framework will progress in line with the approved timetable

- The insurance and sickness reserves will be used as and when they are needed
- Capital reserves will be used to support the agreed capital programme

## **6 Assessment of Risk when Establishing Earmarked Reserves**

- 6.1 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Those established to manage the receipt of grant are generally clear-cut, as expenditure is matched very specifically to the income available.
- 6.2 Reserves set up to manage timing differences similarly lead to little risk. Funds set aside for expected shortfalls are used to manage the risk to the base budget and are estimated using the best available information and with a view to the anticipated timeframe involved. For example, the VAT reserve held has been increased to ensure that it would cover the VAT that could not be recovered, should the Authority exceed its exempt limit, for one year. This would allow corrective action to be taken in a planned way.
- 6.3 The use of the HR reserve is monitored throughout the year, due to some significant spend in the past. However there has been no use of this reserve in 2011/12. Given the incompleteness of information and uncertainties around council tax localisation and the transfer of business rates to local authorities, a new reserve has been set up, which will give some funding to cushion any unexpected changes to how the schemes will operate.

## **7 Report Implications**

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

- 7.1.1 Although the Council holds a number of additional reserves, these are earmarked for particular purposes. Some resources have been set aside to deal with new initiatives, but these will only provide one-off funding for schemes.

### **7.2 Safer Communities Implications**

- 7.2.1 Funds held will contribute to meeting the objectives of the Council's priority of working with partners to tackle crime and anti social behaviour.

### **7.3 Environment and Sustainability Implications**

- 7.3.1 These funds contribute to the ongoing provision of Council services, but are one-off contributions to meet the costs of expenditure incurred.

### **7.4 Equality Implications**

7.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing separate duties relating to race, disability and gender equality. The individual use of the reserves will need to include assessment of the equality implications and any adverse impacts which may arise. The uses of reserves identified in Appendix A will include a number of positive contributions in terms of the equality duty including the community and economic development projects, homelessness, benefits and outreach and access to services.

**7.4 Risk Management Implications**

7.4.1 The Council assesses the risks involved in setting up any earmarked reserves, and agrees action, where appropriate.

**7.5 Links to Council’s Priorities**

7.5.1 The use of reserves assists the Council on maximising its use of resources.

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

## EARMARKED RESERVES FOR REVENUE PURPOSES

## EXTERNAL FUNDING RECEIVED FOR SPECIFIC ACTIVITIES

Purpose of Reserve	Balance March 2011 £000	Cont'n to Reserve	Use of Reserve	Balance March 2012 £000
<b>Community and Economic Development Projects</b> – funding received for sport, health, crime and disorder, economic development and other community projects.	293	47	93	247
<b>Planning Delivery Grant</b> – Grant received from the government towards the provision of the planning service, which is earmarked to fund ongoing staff commitments.	40		40	-
<b>Homelessness</b> – towards homeless schemes within the Borough	71	59		130
<b>Flood Recovery</b> – to be used for the alleviation of flood damage	5		5	-
<b>Environmental Sustainability</b> - received towards work on climate change	55			55
<b>Smoke Free Projects</b> – to assist the implementation of smoke free legislation	21		21	-
<b>Risk Management</b> – an amount received from Zurich Municipal for risk management initiatives	39	20	4	55
<b>Benefits</b> – for benefits initiatives and to promote anti fraud campaigns	162		56	106
<b>Maintenance of Assets</b> – commuted sums received towards the maintenance of open space	31		6	25
<b>RIEP grant</b> – to be used for system review work	7			7
<b>Local Nature Reserve</b> – funding to progress the establishment for Local Reserves	27			27
<b>Other</b> – a third edition of North Talk and funding for the Building Control Partnership	8	19		27
<b>TOTAL</b>	<b>759</b>	<b>145</b>	<b>225</b>	<b>679</b>

APPROVED GROWTH NOT YET SPENT

Purpose of Reserve	Balance March 2011 £000	Contribution to Reserve	Use of Reserve	Balance March 2012 £000
<b>Outreach and Access to Services</b> –funding set aside for community projects	50	52		102
<b>Borough Care</b> - one-off funding approved for the expansion of the service, not yet used.	35			35
<b>High Speed 2</b> – one off funding approved for costs associated with HS2	-	100		100
<b>Parish Plans</b> - support to enable parishes to produce their own plans. Progress on this scheme has been slower than anticipated.	25	10		35
<b>Environmental Issues</b> – approved funding which hasn't yet been used, due to lack of capacity / the need to identify a specific agenda	40	3	10	33
<b>Business Improvement Districts</b> - Funding set aside to cover a Business Improvement District scheme, if there is sufficient interest from the business community.	17		17	-
<b>Other</b> – approved for land drainage work, flexible working and a wellness centre.	10	1	8	3
<b>TOTAL</b>	<b>177</b>	<b>166</b>	<b>35</b>	<b>308</b>

CONTINGENCIES

Purpose of Reserve	Balance March 2011 £000	Contribution to Reserve	Use of Reserve	Balance March 2012 £000
<b>Contaminated Land</b> – in the event that the Council has to deal with contaminated land issues, there is no provision in the base budget. This contingency would enable some work to take place.	60		10	50
<b>VAT</b> – If the Council goes above its de minimis level, it will not be able to reclaim all its VAT. The reserve has meant that provision is not needed in the annual revenue budget.	50	40		90
<b>Emergency Planning</b> – under-spends against the annual budget have been set aside to build up a small contingency.	14			14
<b>Benefits</b> – this provides cover in case the Council has to repay a proportion of the grant income received towards benefit payments.	133		133	-
<b>Concessionary Fares</b> – in case the outcome of the judicial review is unfavourable.	78	10	78	10
<b>Land Charge Refunds</b> – following a change in VAT rules, there may be a requirement to repay some VAT to residents.	35			35
<b>Resource review</b> – in case costs change when further detail of the schemes are known	-	225		225
<b>TOTAL</b>	<b>370</b>	<b>275</b>	<b>221</b>	<b>424</b>

OTHER

Purpose of Reserve	Balance March 2011 £000	Contribution to Reserve	Use of Reserve	Balance March 2012 £000
<b>Local Development Framework</b> –Planning fee income rose significantly in 2006/07 to support additional spending on planning and the Local Development Framework, in place of the PDG grant previously received. Some of this income was set aside to cover future expenditure. A revised grant scheme from 2008/09 onwards, rewards the Council for having completed specified pieces of work, and this has enabled the contribution in the year.	439		14	425
<b>Housing Repairs Fund</b> – The Council undertakes general repairs and maintenance on its housing stock and this fund contributes to the costs of these repairs.	111	2,463	2,523	51
<b>New Initiatives / One off growth</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. Some funding has also been set aside for one off growth items.	267	129		396
<b>Community and Economic Development Schemes</b> - funding set aside for social inclusion schemes involving sport, art and health. Also to be used to complete Crime and Disorder initiatives such as Communities Against Drugs.	25		10	15
<b>Green Space Strategy</b> – Some funding set aside to enable tree works and a review of the grounds maintenance service. The remainder to progress actions identified within the Green Space Strategy action plan.	175	16	47	144
<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.	39			39
<b>Maintenance of Council Assets</b> – the Council has to carry out revenue repairs and maintenance on an ongoing basis to its property, vehicles and other facilities. Funds have been set aside to provide funding for unexpected and non-regular repairs.	60		23	37
<b>Cover for Frozen Posts</b> – in light of the current financial strategy, the decision was taken to freeze vacant posts, unless services could demonstrate the need for immediate replacement. However if the decision to freeze posts causes unexpected issues, there may be a need to bring in at least temporary cover.	119		19	100
<b>Purpose of Reserve</b>	<b>Balance</b>	<b>Contribution</b>	<b>Use of</b>	<b>Balance</b>

	<b>March 2011 £000</b>	<b>to Reserve</b>	<b>Reserve</b>	<b>March 2012 £000</b>
<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		38	-
<b>Training</b> – The maintenance of this reserve has allowed fluctuations in annual training to be managed, so that training and development is provided when required rather than when funding is available.	68	29		97
<b>Consultation</b> – There is continuing pressure to consult 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 spending.	43			43
<b>Amenity Cleaning</b> – Additional provision approved for this service has not been spent to date, and has been set-aside to cover future work.	49			49
<b>Senior Management Restructure</b> – to fund one-off costs arising from the restructure.	33		33	-
<b>Recycling</b> – to cover additional costs that may arise from some recycling activities	43		15	28
<b>Human Resources</b> – funding to cover the cost of employment law specialists and external investigators is needed on an ad hoc basis.	50			50
<b>Area Forums</b> – Funds held by area forums, which have not yet been allocated.	51	9	40	20
<b>Insurance</b> – to cover the additional excess costs borne by the Council, as a result of increasing the levels, to take advantage of lower premiums	40		14	26
<b>Miscellaneous</b> – This covers a number of small reserves which do not fall into the other categories, including the sickness fund, flexible working, clean neighbourhoods	137	113	32	218
<b>Housing Act Advances</b> – income set aside to cover the costs of administering housing act advances over the full life of the mortgages approved	15		10	5
<b>TOTAL</b>	<b>1,802</b>	<b>2,759</b>	<b>2,818</b>	<b>1,743</b>

## EARMARKED RESERVES FOR CAPITAL PURPOSES

### CAPITAL SPENDING / ASSET REPLACEMENT

Purpose of Reserve	Balance March 2011 £000	Contribution to Reserve	Use of Reserve	Balance March 2012 £000
<b>GF Capital</b> – this reserve is used to fund capital expenditure on General Fund schemes, eg works on Council buildings or the replacement of software.	941	206		1,147
<b>Play Area Replacement</b> – revenue funding is set aside each year, to ensure there are sufficient resources to replace the refurbished play areas in the future	140	37		177
<b>Equipment Replacement</b> - This sum has been earmarked for the future replacement of PCs, leisure equipment and CCTV equipment.	100	56		156
<b>Vehicle Replacement</b> – some funding has been set aside for the replacement of the refuse vehicles originally purchased by WCC	75	15		90
<b>Pool Reserve (Lottery)</b> – as part of the award of lottery funding towards the refurbishment of Atherstone Pool, the Council agreed to set aside some funds on an annual basis towards the replacement of the plant within the facility	99	12		111
<b>Regional Housing Pot</b> – external funding has been received from the Government Office towards housing schemes within the Borough, such as Decent Homes work on private sector properties	214		121	93
<b>Major Repairs Reserve</b> – The Government has made a Major Repairs Allowance available to the Council which is ring fenced to fund capital expenditure on the Council's Housing Stock.	1,057	1,749	1,192	1,614
<b>TOTAL</b>	<b>2,626</b>	<b>2,075</b>	<b>1,313</b>	<b>3,388</b>



## Agenda Item No 8

### Executive Board

25 June 2012

Report of the  
Deputy Chief Executive

Annual Governance Statement  
2011/12

## 1 Summary

- 1.1 The Annual Governance Statement sets out the arrangements the Council has put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. These ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for and is used economically, efficiently and effectively.

### Recommendation to the Council

- a That the Annual Governance Statement for 2011/12, attached as Appendix A, is approved; and
- b That the improvement plan, attached as Appendix B, is approved and progress against the plan is reported to Board.

## 2 Background

- 2.1 The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, in relation to the publication of a statement on internal control.
- 2.2 The Council has also reviewed the Chartered Institute of Public Finance Association (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government (2010), to ensure its financial management arrangements conform to the governance requirements of the CIPFA Standard.

## 3 Review of the Effectiveness of Internal Audit

- 3.1 The Council has a system of Internal Control, to which the internal audit system contributes significantly. The internal audit section is responsible for the provision of much of the system, although some responsibilities are

carried out by others. Fraud work is carried out within the Revenues and Benefits Division and through external consultants (CEAC), and a specialist contractor is used for IT audits. All of these also contribute to internal audit within the Authority.

- 3.2 The position of the Council against the CIPFA Code of Practice for Internal Audit was assessed as part of the 2006/07 Statement of Internal Control, and has been revisited on an annual basis since then. Steps have been taken to improve the internal audit function over the last couple of years, and all actions identified as part of the assessment have been implemented.

#### 4 **2011/12 Annual Governance Statement**

- ... 4.1 The Statement (Appendix A) presented to Members this evening for approval sets out how the Council meets the following principles:

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of Members and Officers to be effective; and
- Engaging with local people and other stakeholders to ensure robust public accountability.

- 4.2 Members are kept informed throughout the year about the various areas that make up the system of internal control. Much of this information comes through Board reports. All Boards receive progress reports on the service areas that come within their remit. Higher level reports include progress against the Corporate Plan and budgetary control reports. However, other more detailed reports are used to deal with specific areas, such as Treasury Management performance and progress on improving play areas. Progress against the 2011/12 Corporate Governance Action Plan is shown in Appendix B.
- ...

- 4.3 Responsibility of monitoring against corporate activity has also been assigned to individual boards, for example, the Executive Board considers the outcomes of the work of the external auditors. Following a review of the Council's decision making process, some changes to the Constitution were agreed. For example, Human Resource matters have been moved to the

Special Sub Group, to allow a deeper consideration of this element of the Council's work.

4.4 Where appropriate, all Members are involved in major reviews. Other means are also used to monitor the activity of the Council, such as the Leaders' Liaison Group. In addition, Members are involved in areas such as appeals, and can ensure that agreed policies are being adhered to.

4.5 In reviewing the corporate governance arrangements, a number of areas have been highlighted for further action. These are summarised in the action plan, attached as Appendix C.

...

4.6 Once approved by this Board, the Statement will need to be signed by the Leader of the Council and the Chief Executive.

## **5 Report Implications**

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

5.1.1 The governance arrangements put in place by the Council ensure that its financial position is safeguarded and that only approved expenditure is incurred on behalf of the Council and income is only generated for goods and services it actually provides.

### **5.2 Legal and Human Rights Implications**

5.2.1 The governance arrangements put in place by the Council ensure that its legal position is safeguarded, it complies with relevant laws and regulations and that expenditure is lawful.

### **5.3 Environment and Sustainability Implications**

5.3.1 As part of the Council's governance arrangements, there is a requirement for Officers and Members to consider the environmental impacts and sustainability of decisions taken.

### **5.4 Human Resources Implications**

5.4.1 There are systems in place which ensure that health and safety considerations are taken into account, along with legal requirements. The Council also has a number of policies which set out expected standards of behaviour for both Officers and Members.

### **5.5 Risk Management Implications**

5.5.1 The Council manages its risks by having good internal control mechanisms in place. The improvements identified in the statement for the future will strengthen these mechanisms.

## 5.6 Equalities Implications

5.6.1 As part of the Council's governance arrangements, there is a requirement for Officers and Members to consider the equalities implications of decisions taken.

## 5.7 Links to Council's Priorities

5.7.1 The governance arrangements ensure that the achievement of the Council's priorities is monitored on a regular basis, and action taken where this is appropriate.

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

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### Annual Governance Statement

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

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

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

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

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

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

The system of internal control is a significant part of that framework and is designed to manage risks at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance statement has been in place at North Warwickshire Borough Council for the year ended 31 March 2012 and up to the date of approval of the statement of accounts.

#### **The governance framework**

The Council assesses the needs of the area through the Sustainable Community Strategy process and work with the North Warwickshire Community Partnership. Full consultation is carried out with stakeholders, as part of the annual review. This Community Strategy is used to inform the Council's Corporate Plan, which provides clear links on how the achievement of Council priorities assists in the delivery of community objectives. Other mechanisms are also

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used and an example of these is the range of partnerships across Warwickshire, which is playing an increasing part in influencing the work of the Council. As consultation is part of these mechanisms, and as these are ongoing, they also require the Council to be accountable for the actions they have taken over time.

The Corporate Plan is approved before the start of each year and identifies the headline targets for the coming year, which are supported by greater detail within individual service plans. During the year progress against these targets is collected and reported to senior managers, Management Team and to service boards, along with performance indicator information. A final position is collated at the year of the year, which is again reported to Members and is also published on the Council's website. The Council also has comprehensive forecasting and budgeting procedures. Periodic and annual review of financial reports, indicate financial performance against forecasts for all of the Council's spending. Summary information is also published.

As well as monitoring achievement of identified outcomes, the Council wants to ensure that an acceptable quality of service is provided. It ensures this in a number of ways: obtaining user feedback, through independent inspection and audit and through system reviews. During 2011/12, the Council has used Lean System reviews to re-examine the provision of a number of service areas in Housing, Streetscape, Revenues and Benefits and Leisure Services. However this does not prevent the Council from looking for efficiencies on an ongoing basis. A pilot scheme for Disabled Facility Grants was run during the year, in conjunction with other partners, to assess the efficiencies which could be gained from joint working. This worked well and will be explored further in the coming year.

The Council ensures that it is operating efficiently by specifying the different roles and responsibilities of both Councillors and Officers. The remit of each decision making Board is set down in the constitution, along with the roles of individual Councillors. The Council does not have an Audit Committee, but instead divides the core functions between the Executive Board and the Resources Board. The constitution also outlines the responsibilities of senior officers, and areas where they have been given delegated powers. Employee contracts include job descriptions, and these give the detail of individual roles, for all employees. The Council uses an appraisal system to set specific targets for individual staff on an annual basis. These targets reflect their Division's targets in the Corporate Plan and the Divisional Service Plan and are subject to a six monthly review. A more cost effective service is provided by appropriately trained staff and the appraisal system is also used to assess the training and development needs of individual employees, and ensure that they have the skills and abilities to carry out the tasks required. Where a shortfall is identified, this is addressed through the annual training plan. The Council uses a workforce plan to plan more rigorously for future staffing requirements. This projects future service needs and the workforce that would be needed for their delivery. The Plan was updated during 2011/12.

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

The Council expects its Members and officers to maintain appropriate standards of conduct and behaviour. These are set down in codes of conduct, standing orders, financial regulations, policies and processes, which are regularly reviewed. Compliance is monitored on an ongoing basis, and supplemented by information through the complaints and complements procedure and confidential reporting policy. To assist with monitoring, a register of interests is maintained for both Members and officers. Non compliance by

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employees is dealt with through the Council's disciplinary procedure and by Members by the Standards Committee (Member arrangements will change in 2012/13).

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

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

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

## **Review of effectiveness**

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

To ensure that the governance framework remains effective, senior officers and Members have reviewed individual elements of the framework. The use of Portfolio Groups has been reviewed, along with how they have worked in practice. As a result some amendments have been made to the Constitution which reduce the number of Portfolios, set up Housing and Safer Communities Sub Committees, change the reporting requirements on Human Resources to Special Sub Group and transfer the responsibility for three portfolio areas to the Vice Chairs of Community and Environment and Resources Boards. Members have also chosen to continue with the Member advisory sub-committee to assist in the development of the Local Development Framework. In addition to the above, some other work has been undertaken by the Council's statutory officers, leading to a revision of Risk Management Strategy and the Treasury Management Strategy.

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Scrutiny arrangements have also been reviewed, and processes were updated. A decision was taken to continue with the use of task and finish groups to look at a number of key issues, where this was appropriate. During the year, a number of areas were examined: the use and retention of the Council's industrial premises, recycling arrangements, the dog warden service and community involvement.

The work undertaken by Internal Audit has enabled the Head of Audit to conclude that the Council has a range of appropriate strategies, policies, procedures and protocols to address the corporate governance agenda. Progress has been made with the implementation of the Corporate Governance Action Plan approved last year, although some areas still require completion. The section continued to coordinate work under the National Fraud Initiative, ensuring that all areas are followed up. Specialist counter-fraud consultants and external IT auditors have been used to supplement the work carried out by the section, enabling greater assurance to be placed on the results.

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

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

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

## **Significant governance issues**

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

- Review of the Payments Management system and subsequent approval to replace the Payments Management Application to ensure PCI DSS compliance is achieved as required in 2012
- ICT disaster recovery arrangements were tested successfully in January 2012-05-15
- Regular inspections of vulnerable sites are undertaken by Leisure Facility and Facilities Management staff
- An independent annual safety inspection continues to be undertaken on all sites and an improved quarterly inspection regime has been introduced (including for a number of parish council play spaces)
- The provisions of the Section 11 Audit Action Plan are being implemented and progress is reported to Extended Management Team. Child Protection training continues to be delivered to relevant staff throughout the Authority
- The driver's handbook was revised and reissued to coincide with driver training
- The computerised risk assessment system for Health and Safety risks has been rolled out



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- Work has been carried out on the move to self financing for the HRA, including as assessment of borrowing options and an update of the 30 year business plan
- Service managers were supported in the management of sickness absence, to ensure that it is managed consistently and effectively
- Planning procedures were updated to align with new legislation and case law
- The Building Control partnership was reviewed by the Steering Group
- There was regular testing of out of hours and emergency procedures
- Response rates to complaints and Freedom of Information requests were monitored
- Value for Money in housing management and maintenance was assessed through the House Mark benchmarking club
- A review of the delivery of Disabled Facility Grants has enabled service improvements which are providing better performance and resilience

Further actions will be taken in 2012/13, including:

- Work to minimise the ICT and Telephony risks which will arise during the Accommodation Project
- Seek approval for updated Contract Standing Orders and ensure relevant staff are briefed
- To undertake a corporate audit of risk assessments using the HARRIET system
- To review and update the Treasury Management Strategy and Treasury Management Practices, in light of the authorities changing needs following the implementation of Self Financing for the HRA
- Ensuring that any changes to planning fees are properly introduced
- On conclusion of the systems thinking review of Grounds Maintenance, determine how best to resources the Landscape Management section, including the need to effectively manage the Borough Council's tree stock
- Review Borough Care and community Support to improve the service and address resilience issues
- Pre-implementation planning and financial modelling for Council Tax localisation and retention of business rates to reduce the risks associated with proposed changes in legislation
- Continuation of the project management approach on the capital scheme of works for the Council House, in order to minimise risks

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

**Signed:**.....

Leader & Chief Executive

**On behalf of North Warwickshire Borough Council**

## APPENDIX B

### CORPORATE GOVERNANCE ACTION PLAN 2011/12

Action	Responsible Officer	Date Due	Progress
Review, and where appropriate, make interim arrangements to revise the Council's priorities and key actions	CE	September 2011	Completed
Review the Council's constitutional arrangements relating to Boards including the role of Portfolio Groups and Portfolio Holders.	ACE & StC	September 2011	Completed
Obtain the views of the Independent Remuneration Panel on Members' Allowances, for any proposed changes to Member roles	AD (F&HR)	September 2011	In Progress
Review the consultation strategy	ACE & StC	December 2011	Deferred to allow Scrutiny involvement
Delivery of targets within the financial strategy	DCE	Feb 2012	Completed
Risk Management training for Officers	AD (F&HR)	March 2012	Completed
Update and deliver the training plan for Members	ACE & StC AD (F&HR) SH – P	March 2012	In progress
Carry out agreed VFM work	AD's / Service Heads	March 2012	Housing and Licensing reviews completed
Update the Workforce Plan	AD (F&HR) / AD's / SH's	March 2012	In progress

## APPENDIX C

### CORPORATE GOVERNANCE ACTION PLAN 2012/13

Action	Responsible Officer	Date Due
Obtain the views of the Independent Remuneration Panel on Members' Allowances, for the proposed changes to Member roles	AD (F&HR)	June 2012
Review the consultation strategy	ACE & StC	December 2012
Delivery of targets within the financial strategy	DCE	Feb 2013
To roll out e learning for agreed staff on equality and diversity, health and safety, data protection, customer service, fraud awareness, FOI and safeguarding adults	AD (F&HR)	March 2013
Update and deliver the training plan for Members	ACE & StC AD (F&HR) SH – P	March 2013
Carry out Systems reviews for Grounds Maintenance and Planning	AD's / Service Heads	March 2013
Update the Workforce Plan	AD (F&HR) / AD's / SH's	March 2013

## **Agenda Item No 9**

### **Executive Board**

**25 June 2012**

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

#### **Financial Statements 2011/12**

### **1 Summary**

- 1.1 The Annual Financial Statements have to be signed by the Responsible Financial Officer (RFO) by the end of June 2012. This report highlights the position on the General Fund and Housing Revenue Account, compared with the estimate position previously reported.
- 1.2 The accounts have not yet been audited, and may need some adjustment following the completion of the audit later in the year. The audited Statements will be presented at the September meeting of the Executive Board.

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

**That the position on the General Fund and Housing Revenue Account at 31 March 2012 be noted.**

### **2 Introduction**

- 2.1 The publication of the Financial Statements is a statutory requirement, with a statutory timetable. For the 2011/12 financial year, the Authority is required to prepare its accounts by 30 June and to publish them by 30 September.
- 2.2 In line with previous years, the Council's external auditors, PricewaterhouseCoopers plan to audit the Financial Statements during August, to allow them to present their conclusions in the annual audit letter which will come to the September meeting of the Board.
- 2.3 The accounts are closed on the best information available at the end of March, which in some instances requires the use of estimates. As the auditors are required to look at transactions that have taken place since the end of the year, and in some instances agree adjustments to the Statements, the Statements are expected to change following the audit.

### **3 Changes in the 2011/12 Financial Statements**

- 3.1 Local authorities are required to prepare their financial statements in line with the latest Accounting Code of Practice. There are only limited changes required for the 2011/12 statements, and the main change affecting this Council is the requirement to account for Heritage Assets. This means that the civic regalia has been valued and included within assets.

3.2 As part of the move to Self Financing commencing in April 2012, the Council had to pay £59 million over to the government on 28 March 2012. This will be included in loans outstanding on the balance sheet at the end of the year.

#### 4 **2011/12 Activity**

##### 4.1 **General Fund Revenue Account**

4.1.1 The original budget for the General Fund set in February 2011 anticipated a use of balances of £419,378. Despite reductions in some areas of income, a revised budget was approved in February 2012, which anticipated a reduced use of balances of £307,178. The main reasons for the reduced use were detailed in the 'General Fund Revenue Estimates 2012/13 and Setting the Council Tax 2012/13' report to Executive Board. They included: a significant reduction in employee costs, an increase in the recovery of housing benefit overpayments, increased income in a number of areas including the receipt of New Homes Bonus and additional investment income from beneficial cashflow. All of these reductions more than covered the loss of service income for leisure centres and planning control, a supplementary estimate relating to the investigation of options for replacement leisure provision in Coleshill and increased costs in the kerbside recycling contract, higher transport fuel and an increase in the number of wheeled bin replacements.

4.1.2 The actual position on the General Fund at the end of the financial year was better than that anticipated in the revised estimate. Some of this improvement related to earmarked reserves no longer required which this Board agreed to put back into general balances at its September meeting. Given other improvements in the revenue position, the opportunity has been taken to put £200,000 into the earmarked reserve held for future capital spending. Even after this transfer, a contribution of £203,487 has been made into the General Fund balance. The main improvements from the revised estimate are:

- MRP has not been set aside in the year, due to the additional provision made in previous years. More detail is given in a separate report on the agenda.  
(£180,980)
- Additional salary vacancies, lower recruitment costs and a reduction in the use of agency staff.  
(£40,280)
- Additional investment income was generated, as a result of the continued improved cash flow position and some contingency funds included within the revised estimate were not required.  
(32,490)
- Additional income was obtained from planning fees, due to an increase in fee earning activity in the latter part of the year.  
(£81,800)

- There was an under spend on premise costs relating to NDR, Utility costs and maintenance agreements across the various industrial estates and leisure centres during the year.  
(£36,050)
- Under spends on consultation activity, community development activity, the democratic process, emergency planning and NDR discretionary relief.  
(£91,100)
- Additional income was obtained from legal costs as part of council tax collection, as well as reduced costs for the bailiff service used in recovery action. There was also greater recovery of benefits that had been overpaid.  
(£31,400)

4.1.3 In addition to the movements highlighted above, there have been a number of movements into and out of earmarked reserves. These movements allow timing issues to be dealt with, for example, if grant income is received late in the year, the expenditure will not take place until the following year. It also allows some services, such as Building Maintenance, to operate as a fund where this is more practical.

4.1.4 It was not possible to spend the approved budget in some budget areas, due to either lack of some staff capacity, or because preparatory work was needed. This affected areas such as: the Green Space Strategy, a range of community development schemes and energy saving initiatives. Earmarked reserves have been used to ensure that the schemes can be completed in the current year.

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

4.2.1 The original budget for the HRA set in February 2011 anticipated a surplus in the year of £193,240. However, this was revised in the budget approved in February 2012, which anticipated a surplus of £210,810. The reasons for this change were detailed in the HRA estimate report taken to Resources Board, with the main changes being additional rental income, interest on balances and lower capital charges partially offset by reduction in supporting people grant and provision for bad debts.

4.2.2 The actual position on the HRA is better than anticipated in the revised budget, with a surplus of £618,211 put into balances. Expenditure on capital is lower than estimated, as no repayment is needed for prudential debt which had previously been provided for within the estimates. Other reductions relate to no revenue contributions to capital, additional service charge income and rental income. These have been offset slightly as the cost of taking out PWLB debt for Self Financing was paid for in 2011/12, rather than in 2012/13, an increase in the bad debt provision and a reduction in interest on balances due to lower interest rates.

4.2.3 The HRA holds a separate Housing Repairs Fund. This is used to cover the costs of day-to-day repairs and maintenance, including any deficit on the operation of Housing Direct Works (HDW). There was a deficit on HDW of £47,857 during the year, which has been charged into the Repairs Fund. The balance on the Fund at the end of the year amounted to £51,613, which is available for the coming year.

## 5 Report Implications

### 5.1 Finance and Value for Money Implications

5.1.1 The actual position reported for both the General Fund and Housing Revenue Account for 2011/12 impacts upon future years. The General Fund is better than predicted when setting the 2012/13 budget. However, significant pressures for increased costs in future years continue, together with a lot of uncertainty over future funding arrangements. Although the Council has a number of additional reserves, these are earmarked for particular purposes. Savings will still be needed in order to preserve the level of general balances, whilst at the same time maintaining the quality of services and coping with additional responsibilities.

5.1.2 The position on the Housing Revenue Account is better than predicted when setting the 2012/13 budget, which is beneficial given the move to Self Financing.

### 5.2 Environment and Sustainability Implications

5.2.1 The Council has remained within its overall budgets for the 2011/12 year. This will assist in allowing the Council to manage its expected shortfall in resources, and minimise disruption to essential services.

### 5.3 Risk Management Implications

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

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

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date
Executive Board	Sue Garner	General Fund Budget and Setting the Council Tax 2012/13	Feb 2011
Resources Board	Nigel Lane	Housing Revenue Account Estimates 2012/13	January 2011

## **Agenda Item No 10**

### **Executive Board**

**25 June 2012**

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

#### **Minimum Revenue Provision Policy Statement**

### **1 Summary**

- 1.1 This report proposes revised Minimum Revenue Provision Policy Statements for 2011/12 and 2012/13, in place of those previously approved by Council.

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

- a That the amended Minimum Revenue Provision Policy Statement for 2011/12, set out in Appendix A, be approved; and**
- b That the amended Minimum Revenue Provision Policy Statement for 2012/13, set out in Appendix B, be approved.**

### **2 Introduction**

- 2.1 The Council is required to set aside an amount of funding each year from its revenue budget in order to cover the cost of borrowing used to fund capital expenditure. Since 2007/08, each Local Authority has a duty to make an amount of Minimum Revenue Provision (MRP) which it considers to be prudent, with the responsibility for approving an annual policy statement falling to the Full Council.
- 2.2 MRP Statements for 2011/12 and 2012/13 were approved by Council in February 2011 and February 2012 respectively.

### **3 Recent Work On MRP**

- 3.1 Part of the work required for Housing Self Financing required the authority's debt to be split between the Housing Revenue Account and the General Fund. In doing this split, the opportunity was also taken to revisit the level of MRP that the Authority currently makes from the General Fund.
- 3.2 The capital finance regulations which previously prescribed the calculation of MRP were very complex, and still have a bearing on the current calculations of MRP.



- 3.3 The change in the regulations in 2004 required an authority's debt to be calculated in a different way. The intention was that no Authority should have to set aside more MRP under the new system than they had to under the old system. An 'adjustment A' was included in the new formula for MRP to remove any increase.
- 3.4 In practice local authorities had a lot of problems with the adjustment A calculation, and authorities were allowed to ignore it from 2007/08 if it gave an adverse impact on their MRP calculation. This was the case for North Warwickshire, and the calculation excluded the adjustment A from 2007/08 onwards.
- 3.5 Under the current MRP regulations, the authority is only required to make what it considers to be a prudent amount of MRP. As the adjustment A led to additional MRP being set aside in 2004/05 and the two following years, the amounts that would reasonably have been required without it have been calculated. These calculations show that more provision was made in those years than was prudently required. In addition, Sector has advised that a deferred premium currently included in the Authority's calculation of debt should be taken out.

#### **4 Local Authority Mortgage Scheme (LAMS)**

- 4.1 The Resources Board are recommending the implementation of a LAMS to assist first time buyers to full Council. If this is approved, MRP should not be required as any deposit made by the Council should be returned. Arrangements to cover any potential defaults are covered in the full report on the LAMS. A paragraph has been included within the MRP Policy Statements to cover this.

#### **5 Conclusion**

- 5.1 It is proposed therefore that an adjustment should be made in the 2011/12 accounts to reduce the over provision made since 2004/05 as a result of the adjustment A and the inclusion of the deferred premium.
- 5.2 The MRP required for 2011/12 amounts to £129,487. As additional provision made in earlier years amounts to £296,509, no MRP will be needed in 2011/12. It is also proposed to take account of the remaining provision made early, when calculating MRP to be set aside in future years.
- 5.3 The MRP Policy statements for 2011/12 and 2012/13 will need to reflect the proposed action, so amended policy statements are attached as Appendices A and B.

#### **6 Report Implications**

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

6.1.1 Removing the deferred premium from the calculation of debt will reduce the amount of MRP by around £9,380 per annum. The MRP made early as a result of the Adjustment A amounts to £230,852. Between 2004/05 and 2010/11, additional MRP of £296,509 was set aside from the General Fund.

6.1.2 As the MRP requirement for 2011/12 amounts to £129,487, less than the early provision already made, no additional MRP will need to be set aside in 2011/12. This will reduce the early provision to £167,022, which can be taken into account when setting aside amounts in the future for MRP.

## 6.2 Risk Management Implications

6.2.1 Provision for the repayment of debt has been made earlier than necessary, so reducing MRP in the current and future years will not put the authority in a worse position than they would have been in, had they set aside revenue when required.

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

### Background Papers

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

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
Resources Board – agenda item 14	Assistant director (Finance & HR)	Board Report	28 April 2008
Resources Board – agenda item 17	Deputy Chief Executive	Board Report	1 February 2011
Resources Board – agenda item 18	Deputy Chief Executive	Board Report	30 January 2012

## Minimum Revenue Provision Policy Statement 2011/12

The Council implemented the new MRP Guidance in 2008/09, and have assessed their Minimum Revenue Provision since then 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. In particular, the council are satisfied that the guidelines for their annual amount of MRP set out within this Policy Statement will result in their making the requisite prudent provision that is required by the Guidance.

The MRP for the financial year 2008/09, and thereafter, will continue to be charged at the rate of 4%, in accordance with the recommendations and intent of Option 1<sup>1</sup> and the discretion available under the Guidance.

The revised MRP liability for 2011/12 represents a reduction from the amount of debt liability that would otherwise have been applied. The reasons for this are explained below.

In subsequent financial years, further amounts of new capital expenditure may continue to be charged at the rate of 4%, and added to the above mentioned base CFR amount, up to an amount equivalent to the Council's annual SCER allocation. The expenditures ranking for this method of charge will be assessed on an a cumulative basis, where appropriate, rather than confined to individual financial years. To the extent that expenditures cannot be treated in this manner, they will be subject to MRP principles outlined in Option 3<sup>2</sup>.

Also, application of this provision will be on a discretionary basis, in that any utilisation of the continuing 4% option is entirely discretionary, and may if necessary be "stored up" until a later financial year.

The Council will treat all expenditures as not ranking for MRP until the year after scheme or asset to which they relate is completed and/or brought into use, rather than confine this approach solely to expenditures treated for MRP purposes under Option 3.

What is meant by this is that it is considered both proper and prudent to adopt the uncompleted scheme aspect as recommended under the heading of Option 3 for all expenditures, in recognition of the fact that there is essentially no difference in MRP charging terms between any new capital expenditures.

In cases where new capital expenditure is incurred in relation to an existing asset or similar, MRP will be spread over a period which reflects the life/beneficial use of the associated asset or item.

These periods are determined for MRP purposes only, and the Council may account for depreciation of assets under SORP over different periods, after having had regard to the different conditions that may apply to these for accounting purposes.

The spreading of the MRP charge under the estimated life period approach will be carried out in an aggregate manner, as details of individual schemes, whilst required for supporting information purposes in the year for which MRP liability is first being assessed, have no

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<sup>1</sup> Option 1 – for debt which is supported by the Government. This is subject to a 4% charge per annum.

<sup>2</sup> Option 3 – provision to repay borrowing is made over the estimated life of the asset.

beneficial purpose thereafter. Schemes/expenditures will accordingly be grouped within differing life periods where such apply.

The Council also determines that available resources for financing capital expenditure, such as capital receipts, will be applied to new capital expenditure in a manner that is considered appropriate in any financial year. For example, it will not be considered imprudent to apply such resources in the first instance to expenditures that have a shorter estimated lifespan, as the process for allocating either actual resources, or treatment under the various options, can only operate on a selective basis, as envisaged by the Guidance.

When adopting this aspect of the recommendations contained within Option 3, the Council may, where applicable, treat any new capital expenditures/schemes which are both commenced and finalized within the financial year as having been financed from any associated grants, s.106 monies, or similarly earmarked funds. This is however entirely at their discretion. In cases where expenditure is incurred on only part of a scheme which is not completed by the year end, any grant or similar financing resources will either be allocated to other new expenditures under delegated powers, or carried forward for MRP purposes, as necessary or appropriate.

Final decisions regarding the manner in which such resources are deemed to be allocated to schemes will be taken under delegated powers.

Estimated life periods will also be taken under delegated powers. In the case of new capital expenditure in respect of land, it is considered that the recommended life period of 50 years contained within the Guidance does not adequately reflect a realistic life period, which is considered to be at least as great as would be the case if a building were to be placed upon it. The Council are aware when approving this that the Guidance recommends only that the life period should bear some relation to that over which the asset is estimated to provide a service.

To the extent that expenditures are not on the creation of an asset, and are of a type that are subject to estimated life periods that are referred to in the Guidance, these periods will generally be adopted by the Council. However, in the case of long term debtors arising from loans or other types of capital expenditure made by the Council which will be repaid under separate arrangements (such as long term investments), the Authority will give separate consideration as to whether a Minimum Revenue Provision will be made. The Council are satisfied that a prudent provision can be achieved after exclusion of these capital expenditures from the MRP requirements.

In view of the variety of different types of capital expenditure incurred by the Authority, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefits 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.

The determination as to which schemes shall be deemed to be financed from available resources, and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

## APPENDIX B

### Minimum Revenue Provision Policy Statement 2012/13

The Council implemented the new MRP Guidance in 2008/09, and have assessed their Minimum Revenue Provision since then 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. In particular, the council are satisfied that the guidelines for their annual amount of MRP set out within this Policy Statement will result in their making the requisite prudent provision that is required by the Guidance.

The MRP for the financial year 2008/09, and thereafter, will continue to be charged at the rate of 4%, in accordance with the recommendations and intent of Option 1<sup>3</sup> and the discretion available under the Guidance.

The revised MRP liability for 2012/13 represents a reduction from the amount of debt liability that would otherwise have been applied. The reasons for this are explained below.

In subsequent financial years, further amounts of new capital expenditure may continue to be charged at the rate of 4%, and added to the above mentioned base CFR amount, up to an amount equivalent to the Council's annual SCER allocation. The expenditures ranking for this method of charge will be assessed on an a cumulative basis, where appropriate, rather than confined to individual financial years. To the extent that expenditures cannot be treated in this manner, they will be subject to MRP principles outlined in Option 3<sup>4</sup>.

Also, application of this provision will be on a discretionary basis, in that any utilisation of the continuing 4% option is entirely discretionary, and may if necessary be "stored up" until a later financial year.

The Council will treat all expenditures as not ranking for MRP until the year after scheme or asset to which they relate is completed and/or brought into use, rather than confine this approach solely to expenditures treated for MRP purposes under Option 3.

What is meant by this is that it is considered both proper and prudent to adopt the uncompleted scheme aspect as recommended under the heading of Option 3 for all expenditures, in recognition of the fact that there is essentially no difference in MRP charging terms between any new capital expenditures.

In cases where new capital expenditure is incurred in relation to an existing asset or similar, MRP will be spread over a period which reflects the life/beneficial use of the associated asset or item.

MRP life periods will be as follows:

These periods are determined for MRP purposes only, and the Council may account for depreciation of assets under SORP over different periods, after having had regard to the different conditions that may apply to these for accounting purposes.

The spreading of the MRP charge under the estimated life period approach will be carried out in an aggregate manner, as details of individual schemes, whilst required for supporting information purposes in the year for which MRP liability is first being assessed, have no

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<sup>3</sup> Option 1 – for debt which is supported by the Government. This is subject to a 4% charge per annum.

<sup>4</sup> Option 3 – provision to repay borrowing is made over the estimated life of the asset.

beneficial purpose thereafter. Schemes/expenditures will accordingly be grouped within differing life periods where such apply.

The Council also determines that available resources for financing capital expenditure, such as capital receipts, will be applied to new capital expenditure in a manner that is considered appropriate in any financial year. For example, it will not be considered imprudent to apply such resources in the first instance to expenditures that have a shorter estimated lifespan, as the process for allocating either actual resources, or treatment under the various options, can only operate on a selective basis, as envisaged by the Guidance.

When adopting this aspect of the recommendations contained within Option 3, the Council may, where applicable, treat any new capital expenditures/schemes which are both commenced and finalized within the financial year as having been financed from any associated grants, s.106 monies, or similarly earmarked funds. This is however entirely at their discretion. In cases where expenditure is incurred on only part of a scheme which is not completed by the year end, any grant or similar financing resources will either be allocated to other new expenditures under delegated powers, or carried forward for MRP purposes, as necessary or appropriate.

Final decisions regarding the manner in which such resources are deemed to be allocated to schemes will be taken under delegated powers.

Estimated life periods will also be taken under delegated powers. In the case of new capital expenditure in respect of land, it is considered that the recommended life period of 50 years contained within the Guidance does not adequately reflect a realistic life period, which is considered to be at least as great as would be the case if a building were to be placed upon it. The Council are aware when approving this that the Guidance recommends only that the life period should bear some relation to that over which the asset is estimated to provide a service.

To the extent that expenditures are not on the creation of an asset, and are of a type that are subject to estimated life periods that are referred to in the Guidance, these periods will generally be adopted by the Council. However, in the case of long term debtors arising from loans or other types of capital expenditure made by the Council which will be repaid under separate arrangements (such as long term investments), the Authority will give separate consideration as to whether a Minimum Revenue Provision will be made. The Council are satisfied that a prudent provision can be achieved after exclusion of these capital expenditures from the MRP requirements.

In view of the variety of different types of capital expenditure incurred by the Authority, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefits 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.

The determination as to which schemes shall be deemed to be financed from available resources, and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

## Agenda Item No 11

### Executive Board

25 June 2012

Report of the  
Deputy Chief Executive

Treasury Management Strategy  
Statement and Annual Investment  
Strategy 2012/13

## 1 Summary

- 1.1 This report proposes some revisions to the Treasury Management Strategy Statement and Annual Investment Strategy for 2012/13 previously approved by Council, to enable the implementation of the Local Authority Mortgage Scheme.

### Recommendation to the Council

**That the any deposit relating to the LAMS scheme is in addition to the investments allowed with the chosen Mortgage Lender under the normal investment criteria and can be for a period of up to 7 years.**

## 2 Introduction

- 2.1 At its meeting on 11 June, the Resources Board took the decision to recommend the implementation of the Local Authority Mortgage Scheme to the Council. Details of the scheme are set out in Appendix A.
- 2.2 If the Council approves the implementation of the scheme, it will need to amend its Treasury Management Strategy Statement and Annual Investment Strategy for 2012/13, which were approved by Council on 22 February 2012.

## 3 Amendments Required

- 3.1 It is likely that the Council would enter into a cash backed scheme, requiring funds of £1 million to be deposited with a Mortgage Lender. This capital expenditure will be in addition to the approved capital programme, and will be funded by prudential borrowing. This would normally require an amendment to the Council's Affordable Borrowing Limit and Operational Boundary, however it will not be necessary due to other changes within the calculation.
- 3.2 There is however a possibility that the Council's auditors may require this transaction to be accounted for as an investment instead. The Council's Investment Strategy currently has a maximum maturity of investment of 5 years for term deposits with credit rated deposit takers (banks and building societies). The LAMS scheme requires the deposit to be left with the Mortgage Lender for a five year period, which can be extended for a further

two years, if applicants run into difficulties in the last six months of the five year period.

- 3.3 The Investment Strategy will need to be amended so that any deposit relating to the LAMS scheme is in addition to the investments allowed with the chosen Mortgage Lender under the normal investment criteria and can be for a period of up to 7 years.

#### 4 **Conclusion**

- 4.1 The Mortgage Lender will be chosen from suitable organisations, in conjunction with Sector, the Council's Treasury Management advisors, to minimise any increase in counterparty risk.

#### 5 **Report Implications**

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

- 5.1.1 There is likely to be a financial benefit from the implementation of the scheme, as the interest rate that will be received on the deposit with the Mortgage Lender will be higher than the cost of borrowing the £1 million.

##### 5.2 **Risk Management Implications**

- 5.2.1 Only Mortgage Lenders approved by the Council's Treasury Advisors, will be considered as a partner in this scheme.

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
Resources Board – agenda item 18	Deputy Chief Executive	Board report	30 Jan 2012



## Appendix

### Agenda Item No 5

### Resources Board

11 June 2012

## Report of the Assistant Director (Housing) and the Assistant Director (Finance and Human Resources) Local Authority Mortgage Scheme

### 1 Summary

- 1.1 This report provides information on a Local Authority Mortgage Scheme set up by Sector Treasury Services, which this Authority could use to assist first time buyers to obtain mortgages in the North Warwickshire area.

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

**That the set up costs identified in paragraph 10.1.4 are approved;**

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

- a That the Council adopts the Local Authority Mortgage Scheme in accordance with the outline provided in this report, and approves the following:**
- A total indemnity value of £2 million**
  - A maximum loan size for the authority of £190,000**
  - The qualifying post codes will be provided to the lender(s) in a schedule to the indemnity deed;**
- b That the Council should indemnify the Monitoring Officer in respect of any personal liability he may incur by providing an opinion and providing the Lender with the Opinion Letter; and**
- c That expenditure of £1 million be included in the Capital Programme for 2012/13.**

### 2 Background

- 2.1 The turmoil in the financial and banking market has had a severe impact on local economies and has also affected local housing markets. The economy is not expected to gather much momentum until the second half of 2012 at the earliest, which suggests that labour market conditions and buyer sentiment may be slow to improve. There is still considerable concern about some areas of the housing market, particularly the low percentage of first time buyers. The

Council of Mortgage Lenders has reported a little improvement but the pick up is comparatively recent and from a low base.

- 2.2 Current mortgage requirements are a particular problem for first-time buyers, as applicants need to provide a substantial deposit. Until confidence is restored in the funding markets and a more stable market environment returns, lending criteria are unlikely to change.
- 2.3 As a result of the recession and the adverse effect on the local economy and the housing market, a number of Local Authorities are trying to take a proactive approach in supporting the local area, and also to address pressing issues in increasing the supply of affordable housing.

### **3 Current Situation**

- 3.1 Typically mortgage lenders will only lend 75% - 80% of a property's value, even if the applicant can afford a 95% mortgage. This means an applicant needs a substantial deposit, around 20% - 25% of the value of the property they wish to buy. For example, a property of £150,000 would require a deposit of around £30,000 - £37,500. Many potential first time buyers do not have this level of deposit available. As a result many potential home buyers may remain in social / affordable housing, thereby reducing the availability of this type of housing for those who have a greater need.
- 3.2 A number of Local Authorities have considered issuing mortgages to potential home buyers themselves. However, there are limited financial resources available for this, and they also have limited staffing resources and expertise in this area to manage their own mortgages. There are also considerable operational risks attached in entering into this area of residential mortgage activity.
- 3.3 In conjunction with a number of local authorities, Sector Treasury Services set up a pilot Local Authority Mortgage Scheme, which allowed the local authorities to provide targeted help to potential home buyers to enable them to obtain a mortgage. Due to the high level of set up costs, funders were only interested in a large national scheme.
- 3.4 The national scheme was set up as a private sector initiative; which looks to minimise the financial impact on a Local Authority, and at the same time take advantage of the expertise already available from existing mortgage providers. It isn't linked to the Right to Buy Mortgage Scheme previously provided by Local Authorities.

### **4 The Local Authority Mortgage Scheme (LAMS)**

- 4.1 The scheme is aimed at first time buyers, providing help for potential buyers who can afford mortgage payments – but not the initial deposit – to get onto the property ladder.
- 4.2 The scheme enables a Local Authority to work with a Mortgage Lender, to make mortgages more accessible for first-time buyers. In this case, North

Warwickshire Borough Council would deposit money with a Mortgage Lender, to provide a financial guarantee / indemnity on behalf of first-time buyers.

- 4.3 The Council would need to set three qualifying criteria:
  - the maximum value of the total indemnity, for example, £1 million;
  - the maximum loan size per property based on 95% of the maximum property valuation, for example £142,500 may be picked where typical property values are £150,000;
  - qualifying post codes.
- 4.4 The Mortgage Lender would administer the funds and deal with mortgage applications. If a potential buyer meets the strict credit criteria applied by the Lender, and meets the criteria set out by the Local Authority to qualify for a mortgage under the scheme, the Local Authority will provide a top-up indemnity to the Lender.
- 4.5 The first time buyer would only need to find a 5% deposit and would obtain a mortgage of 95% of the property value. North Warwickshire Borough Council would provide a top-up indemnity to the value of the difference between 95% and 75% of the loan, which reduces the risks for the Lender of taking the smaller deposit. However the repayment terms for the buyer would be better, as they would be based on similar terms as a 75% mortgage. Mortgages would be on a repayment only basis.
- 4.6 The North Warwickshire Borough Council indemnity would be required for a fixed 5 year period, for each mortgage granted under the scheme. If a mortgage goes into arrears in the last 6 months of the 5 year period, there would be a requirement to leave the indemnity with the Lender for a further 2 years.
- 4.7 The indemnity would only be called upon, if the mortgagee defaults on the loan. In that case, North Warwickshire would be liable for a maximum of 20% of the value of property (the difference between the 95% and 75% mortgage deposit), depending on the funds realised from the sale of the property. The Lender would request individual payments from the Council, if this happened.
- 4.8 Assuming a property value of £150,000, then the indemnity required from the Council would be £30,000 (20% of £150,000), for each applicant. If the total indemnity was £1 million, then around 33 first-time buyers could be supported.
- 4.9 Warwickshire County Council are interested in supporting this scheme and are willing to match fund the amount provided by this Council. If the County Council also put £1 million forward, then around 66 first-time buyers could be supported.
- 4.10 Current tenants wishing to use LAMS to buy Council dwellings would not be able to access the scheme, as Mortgage Lenders take the view that those applicants already have access to an alternative assistance scheme.

## **5 Treasury Position**

- 5.1 The indemnity can be either an unfunded or “cash-backed” scheme, depending on the requirements of the Lender. If the indemnity is unfunded, North Warwickshire would receive a fixed amount of the value of the indemnity actually provided, typically in the region of £500 per mortgage.
- 5.2 It is more likely that the Council would be involved in a “cash-backed” scheme. This would require the full value of the indemnity being offered, to be deposited with the Lender for a five year period. The Council would receive a premium on the money deposited with the Lender to compensate for the risk involved. This would typically be a five year commercial deposit rate plus 0.7%. NWBC would need to amend its Treasury Management Strategy and Treasury Management Practises to accommodate this scheme.
- 5.3 The Lender will not have a legal charge over the cash deposit. In the event of an indemnity being called and an amount being payable by the Local Authority to the Lender, a request for payment would be made by the Lender.
- 5.4 For both types of indemnity and assuming no default by the buyer, the indemnity liability would terminate on the earliest of the end of the agreed indemnity period (i.e. 5 years) or an early repayment of the mortgage. In the case of a cash backed indemnity, the fixed term deposit would be repaid to the Local Authority at the date of maturity. Interest due to the Authority would be received on an annual basis.

## **6 Benefits of Using a LAMS**

- 6.1 Take up of the scheme is likely to free up some social housing for those in need.
- 6.2 The Council can take advantage of the expertise and administration capacity of the Mortgage Lender.

## **7 Implementation of LAMS**

- 7.1 The scheme is currently supported by nine mortgage lenders, two national lenders (Lloyds Banking Group and Leeds Building Society), and seven smaller lenders; Furness BS, Saffron BS, Leek United BS, Marsden BS, Principality BS, Teachers BS and Kent Reliance BS. The smaller lenders are generally only involved in local schemes.
- 7.2 A minimum of eight weeks will be required to set up the scheme, although most Authority’s take longer. Sector will work with the Authority to find a suitable mortgage lender, ensure all legal requirements are considered and the scheme is promoted to potential applicants.

- 7.3 If the Authority decides to participate in the LAMS, it needs to agree the criteria required to qualify for the scheme. The local criteria are:
- The maximum limit for the total indemnity being offered under the scheme. An amount of £1 million from North Warwickshire is suggested. If the County offer of match funding is accepted, this would provide a total indemnity of £2 million;
  - The maximum loan size (based on maximum property valuation). The Council's Valuer advises that a good 3 bed semi will cost around £150,000 in Atherstone / Polesworth, whilst a similar property would cost in the region of £200,000 in the west of the Borough;
  - The qualifying post codes within the boundary area. For our purposes this would be applications for all post codes within North Warwickshire.
- 7.4 A review of mortgage applications approved to date under LAMS has indicated that the personal circumstances of first time buyers and the stringent credit and affordability applied does self regulate the Scheme and mortgage applications are not extending to high upper limits. For this reason it is suggested that the maximum loan size should be set at £190,000 (£200,000 x 95%).
- 7.5 Once these parameters have been set, the mortgage lender should manage the operational side of the scheme without any direct input from North Warwickshire. Sector Treasury Services will undertake an annual audit of the scheme to ensure both parties are fully compliant with the agreement.
- 7.6 If the Authority approves the scheme and identifies Lloyds as a suitable Lender, then in addition to the Local Lend a Hand Mortgage Scheme Indemnity Deed, the Local Authority Monitoring Officer must provide Lloyds TSB Bank plc and Lloyds TSB Scotland plc with an Opinion Letter confirming that the Authority has the power to enter into, observe and perform the terms and obligations required of it under the Scheme.
- 7.7 The Authority will also be required to indemnify the Monitoring Officer in respect of any personal liability he may incur by providing the Opinion Letter. Both the Opinion Letter and the Monitoring Officer's Indemnity Deed will be in a prescribed form and, in addition to the resolution required to enter into the Mortgage Scheme Indemnity Deed, the Authority will need to ensure that there is a suitable resolution or other form of authority for the grant of the Monitoring Officer's Indemnity Deed.
- 7.8 If the Council chooses to proceed with the scheme, it is recommended that potential applicants are made aware of the proposed scheme in broad terms. Some suggested wording for inclusion on the Council's website is attached as Appendix B. More detailed publicity would be used before the scheme was launched, but this would need to be agreed the chosen Lender.
- ...

## **8 Housing Need in North Warwickshire**

- 8.1 The issues for first time buyers in North Warwickshire are the same as for those nationally. The need to provide a significant deposit is prohibitive. As a consequence applications are made to join the Council's Housing Register when in different circumstances buying would have been a viable option.
- 8.2 There are over 1,600 applicants on the housing register. 240 have stated that they are interested in home ownership.
- 8.3 Implementation of the Local Authority Mortgage Scheme locally would enable the Housing Options Team to offer a positive alternative to first time buyers who can afford mortgage payments but not the required deposit. The initiative would not only help first time buyers but would also act on the housing market locally to ease demand on social housing, private rented homes and would assist the sale market by enabling current owners to move on.

## **9 Conclusion**

- 9.1 The Local Authority Mortgage Scheme is designed to help increase the supply of affordable housing for those who need it, and to help the local housing market and thereby the local economy.
- 9.2 The scheme has been designed to minimise the impact on the Local Authority, and to work in partnership with a range of experts in the market, ie residential mortgage lenders.
- 9.3 The scheme requires the Local Authority to provide a financial indemnity of up to 20% of a mortgage for potential home-buyers who qualify for Local Authority support, and who meet the strict lending criteria set by the lender. The scheme does not promote reckless lending or provide unaffordable mortgages, it simply reduces the value of the deposit required.

## **10 Report Implications**

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

- 10.1.1 The minimum local authority investment is £1 million. In the case of the cash backed option, this would be classed as capital expenditure and be included in the capital programme. The expenditure would be funded by Prudential Borrowing but no debt repayments (MRP) would be necessary until after the deposit has been returned.
- 10.1.2 The deposit would also receive a premium rate of investment interest, which would exceed the interest rate payable on the borrowing. This premium above normal investment rates is to compensate for the risk that local authorities are taking. The net income (investment returns less interest costs) would be retained in an earmarked reserve to fund any defaults that may potentially occur.

10.1.3 If the indemnity is unfunded (the non cash backed option), the Authority will only account for any income as it is received, and would again retain it in an earmarked reserve to offset any potential defaults.

10.1.4 If the Council decides to proceed with this scheme, there will be some set up costs. Sector has undertaken work on a legal document around State Aid, and all authorities taking up the scheme are asked to contribute £3,000 towards this work. There will also be some costs attached to publicising the scheme, although these are not expected to be significant. These costs can be met from an existing budget for Private Sector Homes.

10.1.5 If further legal and/or accounting advice is required, Sector would obtain this on behalf of all local authorities. Additional fees would be agreed with all parties in advance.

## 10.2 Legal and Human Rights Implications

10.2.1 The pilot scheme has obtained Counsel's opinion on the legality of the scheme, which sets out the legislative framework that would give a Local Authority the power to implement the Scheme. The advice was obtained on behalf of all participating Local Authorities, however each authority should ensure the Council's Monitoring Officer is satisfied with the advice provided.

10.2.2 If the Authority proceeds with Lloyds TSB, the Monitoring Officer will need to issue an opinion letter to the Lender confirming that the Authority has the power to enter into, observe and perform the terms and obligations required under the scheme. The Council will also need to approve to indemnify the Monitoring Officer for any personal liability, depending on the Mortgage Lender chosen. A recommendation has been included to cover this eventuality.

## 10.3 Risk Management Implications

10.3.1 There are a number of risks associated with the scheme, and the Authority needs to consider how to manage these risks and the mitigating controls to put in place. A Risk Assessment, outlining the key risks and potential mitigating controls is attached as Appendix A.

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10.3.2 If mortgagees default, then NWBC would be liable for up to the maximum amount of the 20% deposit they have provided the indemnity for. Although there is some risk, it is fairly low, as applicants need to meet the strict lending criteria used by Lenders. The scheme does not promote reckless lending or provide unaffordable mortgages. For example, the Lender would refuse applications where they considered people are trying to over extend.

10.3.3 With a cash backed scheme, the lack of take up would be a risk for the Lender rather than the Council, as they will need to pay the agreed interest rate regardless of the level of take up. For this reason, Lenders are likely to cap any scheme at £2 million.

#### 10.4 Equality Implications

10.4.1 The scheme if adopted will contribute to assisting local communities accessing affordable housing and is consistent with aims of the Council's Financial Inclusion work. The impact of the scheme if approved can be assessed locally to see if there are any impacts in terms of the protected characteristics identified in the Equality Act 2010.

#### 10.5 Environment and Sustainability Implications

10.5.1 The scheme if adopted should have positive sustainability implications because of the benefits for local communities by assisting their access to affordable housing and helping address a financial inclusion barrier of required mortgage deposits.

#### 10.6 Links to Council's Priorities

10.6.1 Increasing the supply of affordable and social housing is a key corporate priority.

The Contact Officers for this report are Angela Coates (719369) and Sue Garner (719374).

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date



## **Agenda Item No 12**

### **Executive Board**

**25 June 2012**

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

#### **Community Governance Review – Parish of Middleton**

### **1 Summary**

- 1.1 A request has been received from Middleton Parish Council for an increase in the number of Parish Councillors and the Board is invited to consider whether or not this Council undertakes a Community Governance Review.

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

**That Members consider whether or not to undertake a formal Community Governance Review in respect of the request from Middleton Parish Council**

### **2 Consultation**

- 2.1 The local Ward Members (Councillors Lea and Simpson) have been sent a copy of the report and any observations will be reported to the meeting.

### **3 The Local Government and Public Involvement in Health Act 2007**

- 3.1 The Local Government and Public Involvement in Health Act 2007 (the 2007 Act) made a number of changes to the way governance reviews are carried out and, amongst other things, devolved powers to take decisions about parish electoral arrangements from the Secretary of State and the Electoral Commission to principal councils (in our case North Warwickshire Borough Council).
- 3.2 The first stage is for the Council, having assessed the initial evidence set out in this report, to consider whether or not to carry out a formal Community Governance Review. If it decides on the evidence that a review is not warranted then that is the end of the matter and the Parish Council notified accordingly. If a formal review is recommended then draft terms of reference will be agreed, consultation with the electorate and other stakeholders undertaken and formal recommendations considered by this Council.
- 3.3 Guidance from the Department for Communities and Local Government and the Local Government Boundary Commission for England (LGBCE) on Community Governance Reviews can be found at:-  
<http://www.communities.gov.uk/publications/localgovernment/guidancecommunitygovernance2010>

#### **4 Middleton Parish Council**

- 4.1 A request has been received from Middleton Parish Council for an increase in the number of Councillors from five to six.
- 4.2 The reasons for the request are set out below
1. Middleton is a geographically diverse community with some 90 houses in Hill Lane and Tamworth Road, outlying farms and communities;
  2. Hill Lane in particular needs representation;
  3. There are currently 5 Councillors of which one, through his personal circumstances, cannot be effective although he does attend the meetings. He is actually Vice Chair;
  4. The work the Council wishes to undertake in the next few years (taking over the village hall / recreation room, affordable homes etc);
  5. The impact of HS2! This is occupying the Clerk, the Chair (and several non Councillors).

#### **5 Background and Recent Electoral History in Middleton**

- 5.1 The electorate for Middleton is 572. It is not anticipated that electoral numbers will increase to any significant extent over the coming years. Much of Middleton is in the Green Belt and therefore development tightly controlled.
- 5.2 At the scheduled elections in May 2007 there were 2 nominations for the 5 seats. The three remaining vacancies were then re-advertised in June 2007 and resulted in the bizarre situation of 5 nominations being received and an election being held. Single casual vacancies occurred in June 2008 and November 2009 but on both occasions were filled by the only candidate coming forward. At the scheduled elections in May 2011 there were 5 nominations for the 5 seats and therefore no need for a contested election. Two further vacancies have occurred more recently (April and June 2012) and on both occasions there was no formal request for an election and the vacancies filled by co-option.
- 5.3 The annual precept for the Parish of Middleton for 2012/12 is £12,500.

#### **6 Council Size**

- 6.1 The legal minimum number of parish councillors for each council is five. There is no maximum number. There is no other legislative guidance with regard to the ideal number of parish councillors and there is no legal sliding scale. Apart from the legal minimum, the only other legal requirement is that each parish ward (if a parish is warded) must have at least one parish councillor.

- 6.2 In practice, there is a wide variation of council size between parish councils. That variation appears to be influenced by population. Research by the Aston Business School Parish and Town Councils in England (HMSO, 1992), found that the typical parish council representing less than 500 people had between five and eight councillors; those between 501 and 2,500 had six to 12 councillors; and those between 2,501 and 10,000 had nine to 16 councillors. Most parish councils with a population of between 10,001 and 20,000 had between 13 and 27 councillors, while almost all councils representing a population of over 20,000 had between 13 and 31 councillors.
- 6.3 The LGBCE states that it has no reason to believe that this pattern of council size to population has altered significantly since the research was conducted. Although not an exact match, it broadly reflects the council size range set out in the National Association of Local Councils Circular 1126; the Circular suggested that the minimum number of councillors for any parish should be seven and the maximum 25.
- 6.4 There is no requirement in legislation that the number of councillors should be proportional to electorate size. The view of the LGBCE is as follows: "In considering the issue of council size, the LGBCE is of the view that each area should be considered on its own merits, having regard to its population, geography and the pattern of communities. Nevertheless, having regard to the current powers of parish councils, it should consider the broad pattern of existing council sizes. This pattern appears to have stood the test of time and, in the absence of evidence to the contrary, to have provided for effective and convenient local government."
- 6.5 Guidance also indicates that principal councils should also bear in mind that the conduct of parish council business does not usually require a large body of councillors. In addition, historically many parish councils, particularly smaller ones, have found difficulty in attracting sufficient candidates to stand for election. This has led to uncontested elections and/or a need to co-opt members in order to fill vacancies. However, a parish council's budget and planned or actual level of service provision may also be important factors in reaching conclusions on council size.
- 6.6 There are some final legal requirements where the principal council decides to recommend that a parish should have a council which is not divided into wards. The principal council must have regard to the following factors when considering the number of councillors to be elected for the parish:-  
the number of local government electors for the parish; and  
any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

## **7 Non-Councillor Members of Committees**

- 7.1 Another option open to Parish Councils is to invite non-councillors to sit on Council committees. Non-councillors may be invited to sit on two different types of committee. General committees set up to discharge the functions of a

Council and advisory committees (working parties/groups/panels). An advisory committee may only advise the Council but it does mean all the investigative work maybe carried out by a committee on an issue before it is brought to the Council for a decision.

## 8 Conclusion

8.1 Taking into account the issues set out in the report, the decision on whether or not to undertake a formal Community Governance Review is finely balanced. Recent electoral history and electorate forecasts suggest possibly not but these need to be balanced against the work and issues facing the Parish. The Board is invited to consider the issues.

## 9 Report Implications

### 9.1 Finance and Value for Money Implications

9.1.1 Any costs associated with the Community Governance Review (officer time, postage and printing etc) would be met by the Borough Council as the duty rests with North Warwickshire.

9.1.2 The next scheduled date for Borough and Parish elections is May 2015. Any costs associated with contested elections in May 2015 would be split equally between the Borough and Parish. If any Review recommended an earlier implementation date the Parish Council would be responsible for 100% of the costs of that election.

### 9.2 Legal and Human Rights Implications

9.2.1 These are set out in the main body of the report.

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

## Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date
1	Middleton PC	EMail	23/03/12

## Agenda Item No 14

### Executive Board

25 June 2012

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

#### Budgetary Control Report 2012/13 Period Ended 31 May 2012

### 1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2011 to 31 May 2012. The 2012/2013 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

#### **Recommendation to Council**

**That the report be noted.**

### 2 Consultation

- 2.1 None.

### 3 Report

#### 3.1 Introduction

- 3.1.1 Under the Best Value Accounting Code of Practice (BVACOP), services should be charged with the total cost of providing the service, which not only includes costs and income directly incurred, but also support costs relating to such areas as finance, office accommodation, telephone costs and IT services.

#### 4 Overall Position

- 4.1 Net controllable expenditure for those services that report to the Executive Board as at 31 May 2012 is £107,687 compared with a profiled budgetary position of £108,718; an under spend of £1,031. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

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- 4.2 Where possible, the budget to date figure has been calculated with some allowance for seasonal variations, in order to give a better comparison with actual figures.

## 5 Risks to the Budget

5.1 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 depends on finding external funding each year.

## 6 Estimated Out-turn

6.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. There is insufficient information at this point to warrant any change in the original estimate of £503,710.

6.2 The figures provided above are based on information available at this time of the year and are the best available estimates for this board, and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

## 7 Report Implications

### 7.1 Finance and Value for Money Implications

7.1.1 The Council's budgeted contribution from General Fund balances for the 2012/13 financial year is £453,408. Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

### 7.2 Environment and Sustainability Implications

7.2.1 The Council has to ensure that it adopts and implements robust and comprehensive budgetary monitoring and control, to ensure not only the availability of services within the current financial year, but in future years.

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

## Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

## North Warwickshire Borough Council

## Executive Board

## Budgetary Control Report 2011/2012 as at 31 May 2012

Description	Approved Budget 2012/2013 £	Profiled Budget May 2012 £	Actual May 2012 £	Variance £	Comments
Housing Strategic Service Review	33,370	5,388	5,388	-	
Outreach and Access to Services	47,300	25,237	25,234	(3)	
Corporate Communications	75,510	24,060	22,683	(1,377)	
Community Strategy	115,700	19,002	18,597	(405)	
Communication Group	1,900	282	106	(176)	
Emergency Planning	34,980	3,248	4,145	897	
N.Warks Local Development Framework	193,700	31,293	31,326	33	
Support to Parishes	1,250	208	208	-	
<b>Total Expenditure</b>	<b>503,710</b>	<b>108,718</b>	<b>107,687</b>	<b>(1,031)</b>	

## Agenda Item No 15

### Executive Board

25 June 2012

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

#### Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – March 2012

### 1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to March 2012.

#### **Recommendation to Council**

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

### 2 Consultation

#### 2.1 Resources Matters

- 2.1.1 Consultation has taken place with relevant Members and any comments received will be reported at the meeting.

### 3 Background

- 3.1 This report shows the end of year position with the achievement of the Corporate Plan and Performance Indicator targets for 2011/12. This is the fourth report showing the progress achieved so far during 2011/12.

### 4 Progress achieved during 2010/11

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with the national and local performance indicators during April to March 2011/12 for the Executive Board.

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

Red – target not achieved (shown as a red triangle).

Green – target achieved (shown as a green star)



- 4.3 Members should note that the performance updates and reports have been prepared using a Performance Plus performance management system. The Council has obtained access to the system via an agreement with Warwickshire County Council. In terms of the Council's performance management framework the access to the system has been set up based upon our existing approach. The system calculates the traffic light indicator status for the performance indicators based upon the performance achieved compared to the target.
- 4.4 The performance plus system uses the red, amber and green status indicators and shows these using a red triangle, orange circle and green star as shown above at paragraph 4.2. The direction of travel indicators are calculated by comparing the level of performance achieved and the change in performance, if any, from the previous quarter. An upward arrow is an improving position and a downward arrow is a worsening position. A level arrow is indicating a consistent level of performance.

## 5 Performance Indicators

- 5.1 Members will be aware that national indicators are no longer in place and have been replaced by national data returns specified by the government. A number of previous national and best value indicators have been kept as local indicators as they are considered to be useful in terms of managing the performance of our service delivery corporately.
- 5.2 The current national and local performance indicators have been reviewed by each division and Management Team for monitoring for the 2011/12. The appendices show all the indicators to be reported to the board including both quarterly and annual indicators.

## 6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 95% of the Corporate Plan targets and 55% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

### Corporate Plan

Status	Number	Percentage
Green	18	95%
Red	1	5%
Total	19	100%

## Performance Indicators

Status	Number	Percentage
Green	12	55%
Red	10	45%
Total	22	100%

## 7 Summary

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

## 8 Report Implications

### 8.1 Safer Communities Implications

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

### 8.2 Legal and Human Rights Implications

8.2.1 The national indicators were specified by the Secretary of State for Communities and Local Government. They have now been ended and replaced by a single list of data returns to Central Government from April 2011.

### 8.3 Environment and Sustainability Implications

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

### 8.4 Risk Management Implications

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

### 8.5 Equalities

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

## 8.6 Links to Council's Priorities





8.6.1 There are a number of targets and performance indicators contributing towards the priorities of access to services, consultation and communication, public services and Council Tax, environment, countryside and heritage, crime and disorder and local employment.







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



### Background Papers


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









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

NWCP Executive Board 11/12							
	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 001 11/12	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 March 2012	Consultation and Communication	Trahern, Bob	31/03/2012	Individual services continue to undertake consultation where appropriate to both get feedback on current service provision and assist with decision making proposals where appropriate. For example, extensive consultation continues in relation to the possible setting up of community hubs in the borough and the Council will also be embarking on consultation where necessary following the ongoing review of proposals around future savings currently being undertaken with Members. Equality impact assessments of changes has and will continue to be taken and reported to Members as appropriate. The Scrutiny Board considered issues relating to Consultation at a Sub-group meeting on 4th April and will work up a Strategy for consideration by the Executive Board.	 Green	
NWCP 002 11/12	To continue to work with partners in the Coventry & Warwickshire Local Enterprise Partnership and with Hinckley and Nuneaton to maximise opportunities to gather feedback to develop the economy of the Borough and to report on progress by October in each year.	Local Employment	Barratt, Dorothy	31/03/2012	Work is ongoing with neighbouring authorities and the CWLEP.	 Green	











	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 003 11/12	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	Access to Services	Trahern, Bob	31/03/2012	The work of the Financial Inclusion Partnership continues including the front line officer toolkit being promoted widely. The CDA (Coventry & Warwickshire Cooperative Development agency) are delivering work focused activities in the Birch Coppice. Funding for the B.O.B service has been approved for a further 12 months ending 31 March 2013. The CAB continue to report an increasing workload with 3 new debt cases per week on average and an increasing backlog. The aim is to provide access to an advisor through the use of video conferencing technology. Take Up work with Warwickshire Welfare Rights continues and some recent achievements include 16 extra free school meals entitlements being identified. This will result in an extra £9600 in pupil premium being available to local schools. Work is continuing on welfare benefits with currently 33 referrals to be assessed. Proactive work alerting customers and members regarding the impact of the welfare benefit reforms continues and recently outreach sessions have been held with partner agencies.	 Green	
NWCP 004 11/12	To publish a draft Core Strategy for consultation with the public by October 2011 that reflects the Council's priorities	Countryside and Heritage	Barratt, Dorothy	31/03/2012	Core Strategy representations going to LDF sub-committee in April 2012 with revised Draft going in May 2012	 Green	
NWCP 005 11/12	To continue to oppose (a) 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; and (b) the principle of Opencast Mining	Countryside and Heritage	Barratt, Dorothy	31/03/2012	Secretary of State has announced route. Work on mitigation has started although still opposing through 51M.	 Green	







	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 006 11/12	To work with the community including young people to contribute towards the achievement of the partnership plan 2011 – 2012 actions and targets for the 2010/11 strategic priorities of: - a) Tackling violent crime, including domestic abuse, alcohol related violence and young people as both offenders and victims of crime; b) Tackling anti-social behaviour, including youth and alcohol related anti-social behaviour, small deliberate nuisance fires and the public perception of anti-social behaviour; c) Tackling serious acquisitive crime, including domestic burglary and theft from vehicles; d) Improving public perceptions and public confidence. Contribute towards the Warwickshire Reducing Re-offending Strategy	Crime and Disorder	Beggs, Robert	31/03/2012	<p>The Quarter 4 report shows increases in domestic burglary up by 70 crimes + 32%, violent crime up by 14 crimes, + 2.5% compared to 2010/11. Overall recorded crime has increased by 236, + 6.7% . Some decreases in Vehicle crime have been achieved with 29 less crimes, a 4.5% reduction. Overall there were 2340 reported incidents of anti social behaviour which is based upon new recording methods. Last year 2809 incidents were recorded which indicates a reduction although some incidents may have been classified under different crime categories. Some analysis of the differences is being carried out to assess if a real reduction has been achieved. Crime prevention packs have been issued in our identified hot spot locations. Overall the following wards have been identified as long term hot spots across the range of recorded crimes Arley and Whitacre, Atherstone Central, Atherstone North, Atherstone South, Curdworth, Fillongley and Hartshill. The partnership will assess what further actions can be taken to try to reduce any crime increases.</p>	 Green	





	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 007 11/12	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	Crime and Disorder	Beggs, Robert	31/03/2012	<p>The January round of Area Forums highlighted the following Safer Neighbourhood priorities:</p> <p>North - Speeding in Boot Hill Grendon , nuisance quad bikes and motor vehicles at the Folly Baddesley, and anti social behaviour at Abbey Green Park.</p> <p>South - anti social behaviour in Ansley Common Recreation Field, speeding in Over Whitacre and parking near to Fillongley school.</p> <p>East - Fear of crime in Atherstone town centre.</p> <p>West - anti social behaviour Kingsbury Parish Recreation Field, nuisance vehicles in Church Lane Marston.</p> <p>Multi agency action plans in place for Ansley Common, Kingsbury and being developed for Atherstone. Some of the actions include providing additional cctv, promoting crime prevention measures, diversionary activities and other interventions. An initiative to encourage reporting of crimes with Crimestoppers is being developed for the Atherstone priority.</p>	Green	





	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 008 11/12	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	Public Services and Council Tax	Beggs, Robert	31/03/2012	An annual exercise and test of our emergency plan has been carried out on the 26 March 12. This included testing our continuity plan arrangements for accessing the Kings House building in Bedworth. Our business continuity plans have been reviewed within each division. Preparations for a potential fuel shortage have been put in place within each service area. Assurance has recently been provided to the Warwickshire Local Resilience Forum that our emergency and business continuity plans are sufficient to respond to any incident during the Olympic games period.	 Green	
NWCP 009 11/12	To achieve the savings required by the budget strategy and to update the strategy to reflect future developments by October 2011	Public Services and Council Tax	Garner, Sue	31/03/2012	The Financial Strategy was updated in September and again in February. Savings in line with the Strategy were found for 2012/13 and included within the 2012/13 budget approved by Full Council.	 Green	
NWCP 010 11/12	To carry out reviews of systems in line with the Council's review plan and explore any opportunities for shared working that may arise	Public Services and Council Tax	Brewer, Chris	31/03/2012	Progress according to timetable	 Green	
NWCP 038 11/12	To implement identified improvement works to the Council's main offices to ensure the ongoing provision of services to the local community while safeguarding the safety and security of all residents, staff and visitors who use The Council House building and seeking to make the buildings more environmentally friendly	Public Services and Council Tax	Dobbs, Richard	31/03/2012	A project manager has now been appointed and a procurement timetable has been drawn up. Tendering for the main elements of the design and construction work should begin in June with appointments by mid August.	 Green	











	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 042 11/12	To continue to look for ways of narrowing the Council's capital funding gap and report annually in February	Public Services and Council Tax	Garner, Sue	31/03/2012	The sale of some surplus land has been agreed. A report on capital requirements and the funding available was considered by the Executive Board in February. Work on rationalising council assets and looking for ways to increase the funding available is ongoing.	 Green	
NWCP 045 11/12	Carry out the review of the Council's constitutional structure, including the Members' Allowance Scheme.	Public Services and Council Tax	Maxey, Steve	31/03/2012	A large number of measures to change the Council's constitution were agreed by the Council in September with further amendments agreed in November/December. A meeting of the Council's Independent Remuneration Panel to look at Members' Allowances has taken place and their report is expected shortly. The first meeting of the Democratic Arrangements Task and Finish Group took place in March and a further meeting will be held in May to progress that review.	 Green	
NWCP 046 11/12	Carry out review of Staff Travel	Public Services and Council Tax	Brewer, Chris	31/03/2012	Progress according to timetable	 Green	
NWCP 047 11/12	Carry out review of Members' Travel	Public Services and Council Tax	Garner, Sue	31/03/2012	This is being carried out as part of a wider review of Members Allowances, reflecting changes to the Council's structure. The review is in progress, and will be completed early in 2012/13.	 Red	
NWCP 048 11/12	Carry out a review of area funding	Public Services and Council Tax	Powell, Simon	31/03/2012	The proposed review of Area Forum funding is on hold, whilst WCC reviews the context of its Area Committee funding programmes.	 Green	


	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 049 11/12	Carry out review of car parks	Public Services and Council Tax	Dobbs, Richard	31/03/2012	NWBC officers continue to liaise with WCC around the introduction of CPE (Civil Parking Enforcement) as the implementation of a CPE scheme in the Borough will have an impact on off-street as well as on-street car parking. Once CPE details are known, an informed review of NWBC car parking can begin.	 Green	
NWCP 054 11/12	When reviewing targets for 2012-13, to explore opportunities for the introduction of cameras to cover anti-social behaviour hot-spots in our villages and with the Police to consider the introduction of Alcohol Free Zones, the formal term for these are Designated Public Places Orders	Crime and Disorder	Beggs, Robert	31/03/2012	The Safer Communities Sub Committee has considered the business case for seeking Designated Public Places Orders and options for extending the provision of mobile cctv cameras across the borough. Proposals for extending the use of mobile cctv cameras have been agreed. Funding of £60,000 to purchase additional Nomad 3g cameras has been agreed to enhance the provision over the next three years.	 Green	
NWCP 056 11/12	To review the means of funding and frequency of North Talk	Consultation and Communication	Maxey, Steve	31/03/2012	The review by officers has taken place and will be reported to leading Members shortly. Progress has been slightly delayed by the liquidation of one of the companies being considered.	 Green	







NWPI Executive Board 11/12								
Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 158	To respond to all complaints and requests for service within three working days	Env Health (C, L & HP)	Public Services and Council Tax	99	98	 Red		
NWLPI 153	Number of domestic burglaries detected in the Local Authority area	Policy Support	Crime and Disorder	219	290	 Red		<p>The Quarter 4 performance report shows 290 domestic burglaries during April to March 2011/12. This is a increase of 70 compared to 2010/11, approximately an increase of 32%. The increases in Domestic Burglaries have been a concern throughout the year.</p> <p>Crime prevention packs have been issued in our identified hot spot locations although the current increases in domestic burglary are spread across the borough with very few concentrations. The partnership Special Interest Group is assessing what further actions can be taken to try to reduce any further increases into the new year with the following wards identified as long term hot spots : Atherstone South, Curdworth and Fillongley.</p>

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 154	Number of violent crimes in the local authority area	Policy Support	Crime and Disorder	570	585	 Red		<p>The Quarter 4 performance report shows 585 Violent Crimes during April to February 2011/12. This is an increase of 14 crimes , 2.5% compared to 2010/11. An analysis of all violent offences from April to September 2011 shows 30% are domestic abuse incidents. There are no current licensed premises that are giving concerns with violent crime. A Warwickshire Violent Crime Reduction Strategy has been prepared to supplement local plans.</p> <p>The partnership Special Interest Group is assessing what further actions can be taken to try to reduce any further increases into the new year. Specific analysis has been requested to profile some long term hot spots including the wards of Arley and Whitacre, Atherstone Central (town) and Hartshill.</p>
NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	643	615	 Green		<p>The Quarter 4 performance report shows 615 Vehicle Crimes during April to March 2011/12. This is a decrease of 29, 4.5% compared to 2010/11.</p> <p>The Quarter 4 performance report shows that thefts from vehicles are down by 32, 6.5% and theft of vehicles are up by 3, 2% compared to same period last year.</p> <p>The crime prevention measures implemented at our historic hot spot locations have been checked to ensure that signage , banners and other measures are all well maintained.</p>

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 156	The number of hate crimes recorded in the local authority area	Policy Support	Crime and Disorder	10	2	 Green		
NWLPI 130	The percentage of hate crimes that resulted in further action	Policy Support	Crime and Disorder	100	100	 Green		<p>Two incidents recorded overall. Hate Crime can be reported in person, via the web or through Contact Centre. Reporting incidents of Hate Crime helps to improve cohesion within communities. WREP advised on both incidents and follow up action being arranged. In addition a hate crime overview report shows that 23 hate crimes were reported to Warwickshire Police during 2011/12. 21 offences were racial and 2 were homophobic. Two locations have been identified for repeat incidents one a supermarket and the other a children's care home. Monitoring of hate crime reports is carried out at the Community Safety Partnership Special Interest Group.</p>





Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
@NW: NI032	Percentage reduction in repeat victimisation for those domestic violence cases being managed by a MARAC	Policy Support	Crime and Disorder	8	14.3	 Red		<p>This is a measure of the small number of high risk cases considered by the MARAC meeting at a county level. The number of domestic abuse related incidents is a significant element of our crime reports. The level of high risk repeats during April to March was 14.30%. This is a slight increase from 12.50% from the previous periods. The cases are discussed at a multi agency meeting group ( MARAC) and the Council is represented by a Housing Officer. Overall Domestic Abuse offences accounted for 26% of the violent crime.</p> <p>The borough council supports the provision of a locally Domestic Abuse Support Worker with Warwickshire Domestic Abuse Support Services.</p>
@NW: NI047	Number of people killed or seriously injured during the calendar year compared to the previous year. Figures are based on a 3 year rolling average, up to the current year.	Policy Support	Crime and Disorder	53	54	 Red		<p>The March 12 performance report shows there were 54 people killed or serious injuries during April to December 2011. Final year end figures not currently available.</p> <p>Levels are higher compared to same period last year with increases of 23%. This is an improvement on the previous periods. Significant reductions achieved in 2010/11 and over previous years. Hot spot locations are monitored and enforcement of speed limits takes place.</p>

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 132	Percentage of services that report equality profile of their service outcomes as part of their service delivery plans	Policy Support	Public Services and Council Tax	100	100	 Green		<p>During quarter 4 7 reports included equality impact assessments. The specific agenda items were the following:</p> <p>Community and Environment Board 23 January 2012 Item 11 Financial Assistance to outside bodies Item 12 Future Leisure Provision</p> <p>Resources 30 January 2012 Item 7 Extended Telephone Hours</p> <p>Executive 6 February 2012 Item 12 Pay Policy Statement</p> <p>Local Development Framework 28 March 2012 Item 6 Core Strategy Item 8 Development Plan and Gypsy and Travellers Development Plan</p>
NWLPI 008	The percentage turnout for local elections (former BV6)	Democratic Services	Public Services and Council Tax	38	43.74	 Green		Election results from May 2011 which includes a referendum vote as well. Target based upon last election in 2007.
NWLPI 009	The percentage of electoral registration form As returned (former BV7)	Democratic Services	Public Services and Council Tax	95	94.75	 Green		
@NW:NI196	The year on year reduction in total number of incidents and increase in total number of enforcement action taken to deal with the illegal disposal of waste or 'fly-tipping', as shown on the Flycapture database.	Env Health (C, L & HP)	Environment	2	1	 Green		The target in the work programme was 'Grade 2 effective' We achieved 'Grade 1 Very Effective'
NWLPI 126	% permitted process inspections carried out within scheduled timescale	Env Health (C, L & HP)	Health and Well-being	100	100	 Green		

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
@NW:NI154	The net increase in dwelling stock over one year is calculated as the sum of new build completions, minus demolitions, plus any gains or losses through change of use and conversions.	Forward Planning	Countryside & Heritage	150	75	 Red		Poor performance is reflection of recession. Council working on revising draft core strategy with broad locations as well as site allocations dpd. This should improve the situation substantially over the next two to three years as sites come on stream. Completions for 2011/12 = 88- demolitions 10 - change of use & conversion losses 3 = 75. Figures obtained from the Single Site Housing Regional Return.
@NW:NI155	Total supply of social rent housing and intermediate housing. As set in PPS3 (Planning Policy Statement 3), "The Government defines affordable housing as including social-rented and intermediate housing".	Forward Planning	Countryside & Heritage	60	30	 Red		Poor performance is reflection of recession. Council working on revising draft core strategy with broad locations as well as site allocations dpd. This should improve the situation substantially over the next two to three years as sites come on stream. Information obtained from single site housing working papers
@NW:NI159	The total number of net additional dwellings that are deliverable as a percentage of the planned housing provision (in net additional dwellings) for the 5 year period.	Forward Planning	Countryside & Heritage	100	89.35	 Red		Poor performance is reflection of recession. Council working on revising draft core strategy with broad locations as well as site allocations dpd. This should improve the situation substantially over the next two to three years as sites come on stream.  Paragraph 12 of Annual monitoring report 2010/11 $713/798 * 100 = 89.35$
@NW:NI197	Local Wildlife Sites: Performance will be calculated as a percentage of all Local Sites in the local authority area where positive conservation management has taken place up to five years prior to the reporting date (31st March). The indicator is assessed by Local Authorities considering whether positive conservation management has been or is being implemented on a Local Site.	Forward Planning	Countryside & Heritage	29	N/A	N/A	N/A	Figures awaited from County Council. DEFRA will shortly be publishing the data from last year (2010/11) and will be collecting it again this year for 2011/12 (deadline for submission of data will be in September). The data will be published on the Data.gov website with links from Defra's local wildlife sites webpages. The data collected will feed into the new Biodiversity 2020 indicator on local biodiversity-



Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 017	Did the local planning authority submit the Local Development Scheme (LDS) by 28th March 2005 and thereafter maintain a 3-year rolling programme? (former BV200a)	Forward Planning	Countryside & Heritage	Yes	Yes	 Green		New LDS approved and work progressing to the new timetable.
NWLPI 018	Has the local planning authority met the milestones which the current Local Development Scheme (LDS) sets out? (former BV200b)	Forward Planning	Countryside & Heritage	Yes	Yes	 Green		New LDS approved and work progressing to new timetable.
NWLPI 016	Percentage of conservation areas in the local authority area with an up-to-date character appraisal (former BV219)	Forward Planning	Countryside & Heritage	40	10	 Red		Work is progressing slowly on these appraisals. Target unlikely to be met - consider reducing target.
NWLPI 015	Percentage of new homes built on previously developed land (former BV106)	Forward Planning	Countryside & Heritage	80	89.77	 Green		No national brownfield target any longer. Need to consider if over 80% is still achievable with the progression of the draft core strategy as many sites may be greenfield in order to maintain a five year housing supply.  completions = 88 number built on pdl = 79 $79/88 * 100 = 89.77\%$ Information taken from Single Site Housing Regional Return.
NWLPI 001	The percentage of citizens satisfied with the way the Council runs things (former BV3)	Policy Support	Public Services and Council Tax	53	N/A	N/A	N/A	No householder / place survey carried out in 2011/12. There are plans to carryout a survey during 2012/13 subject to approval by Scrutiny Board.
NWLPI 019	The percentage of those making complaints satisfied with the handling of those complaints (former BV4)	Policy Support	Public Services and Council Tax		N/A	N/A	N/A	No householder / place survey carried out in 2011/12. There are plans to carryout a survey during 2012/13 subject to approval by Scrutiny Board.

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 131	% of Council employees trained in fairness and diversity	Policy Support	Public Services and Council Tax	100	38	 Red		An equality and diversity training session was held on the 11 July 2011 for 10 staff with IODA. 26 staff were invited to attend this training session. An e learning package for equality will be rolled out in 2012/13 for all staff on a mandatory basis.
NWLPI 134	Percentage of business continuity service plans reviewed within 12 months of approval	Policy Support	Public Services and Council Tax	100	100	 Green		Business Continuity Plans reviewed and reported to Management Team on the 14 June 11 and 26 July 11. Request to confirm current position on the plans circulated in April 12.

**Agenda Item No 16**

**Executive Board**

**25 June 2012**

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

**Police Reform and Social  
Responsibility Act 2011**

**1 Summary**

- 1.1 The report is to inform Members about progress with the implementation of the above legislation in amending the provisions of the Licensing Act 2003 and to ask the Board to agree to the necessary amendments to the Constitution.

**Recommendation to Council**

- a That the changes to the Licensing Act 2003 be noted; and**
- b That the Constitution of the Council be changed to reflect the delegated powers detailed in paragraphs 3.6 and 3.9 of the Appendix attached to the report Assistant Chief Executive and Solicitor to The Council.**

**3 Police Reform and Social Responsibility Act 2011**

- 3.1 The attached report was considered by Licensing Committee at its recent meeting. The Licensing Committee approved the recommendations contained therein and this Board is asked to approve the necessary amendments to the Constitution.

**4 Report Implications**

- 4.1 These are set out in the attached Appendix.

The Contact Officer for this report is Stephen Whiles (719326).

**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>
None			

## **Agenda Item No 7**

### **Licensing Committee**

**28 May 2012**

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

#### **Police Reform and Social Responsibility Act 2011**

### **1 Summary**

- 1.1 The report is to inform Members about progress with the implementation of the above legislation in amending the provisions of the Licensing Act 2003.

#### **Recommendation to Committee**

- a That the changes to the Licensing Act 2003 be noted; and**
- b That further reports be brought before the Committee as and when the various provisions requiring a decision from the Committee are implemented; and**

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

- c That the Constitution of the Council be changed to reflect the delegated powers detailed in paragraphs 3.6 and 3.9 of the report.**

### **2 Consultation**

- 2.1 The Chairman of the Licensing Committee and the Opposition Spokesperson have been consulted.

### **3 Report**

- 3.1 This Act arose from the Government Consultation paper 'Rebalancing The Licensing Act'. Members will recall that they responded to the consultation at their meeting of 31 January 2011. The consultation arose because of the perception that the 2003 Act had led to an increase in crime and anti-social behaviour and that local people did not have enough power to influence licensing decisions. The underlying philosophy is re-balancing, localism and empowering.
- 3.2 As a result of the consultation the Government has, as part of the Police Reform and Social responsibility Act 2011, made a number of changes to the 2003 Act which were reported to Members at their meeting of 23 November 2011. Certain parts of the Act have been implemented with effect from 25

April 2012 but other provisions have yet to be implemented. The current situation is outlined below:

### **3.3 Responsible Authorities / Interested Parties**

- *The Licensing Authority will be a Responsible Authority for premises and club premises applications*
- *Primary Care Trusts and Local Health Boards also join the list of Responsible Authorities*
- *The term 'interested parties' has been replaced by 'any other person'.*

3.3.1 These provisions were implemented with effect from 25 April 2012. This means that the Licensing Authority itself will be able to make representations about licensing applications and reviews called by other responsible authorities and also call a review of a premises licence itself when it discovers offences, breaches of conditions or threats to the licensing objectives. The term 'any other person' means that people wishing to object to a licence application or call a review will no longer have to live in the vicinity of the premises.

3.3.2 At its meeting of 23 November 2011 the Committee delegated the powers to call a review on behalf of the licensing authority to the Assistant Chief Executive and Solicitor to the Council, to be used after consultation with the Ward Members in which the premises are situated.

### **3.4 Advertising**

- *The Secretary of State will be required to make regulations requiring the licensing authority to advertise applications 'in a manner which is prescribed and is likely to bring the application to the attention of the persons who are likely to be affected by it'*

3.4.1 The Regulations came into force on 25 April 2012 and require the licensing authority to place a notice on their website outlining the key details of the application. This has now been put in place and applications are placed on the website the day they are received.

### **3.5 Determination of applications**

- *'Necessary' has been replaced with 'appropriate' in relation to the steps a licensing authority may take when determining applications / requests for review*

3.5.1 This provision came into force on 25 April 2012.

### 3.6 Temporary Event Notices (TENS)

- *Police and Environmental Health will be able to object to TENS where they consider that the proposed activities are likely to undermine a licensing objective*
- *Conditions may be applied to TENS if the authority considers it appropriate for the promotion of the licensing objectives to do so, providing the conditions are also imposed on a premises licence or club premises certificate that has effect in respect of the same premises, or any part of the same premises, as the temporary event notice, and the conditions would not be inconsistent with the carrying out of the licensable activities under the temporary event notice.*
- *Provision has been made for 'Late TENS' which can be submitted up to 5 days in advance of the proposed event.*
- *Where a TEN is served electronically on the licensing authority, they will be required to forward to the Police and Environmental Health by no later than the end of the first working day after the day on which the original notice was given to the authority.*
- *Time limits relating to TENS have been relaxed, including the duration of activities which will increase from 96 hours to 168 hours.*

3.6.1 These provisions were implemented on 25 April 2012

3.6.2 In the case of late TENS, should there be an objection from the Police or Environmental Health Officer the Licensing Authority must serve a Counter Notice which prevents the event from taking place. There is no appeal against this notice. It is suggested that as there would be insufficient time to call a meeting of the Committee in these circumstances, the issuing of Counter Notices in the case of late TENS is delegated to the Assistant Chief Executive and Solicitor to the Council, the Environmental Health Manager and the Licensing Officer. Objections to 'normal' TENS would continue to be heard by the Committee as before.

3.6.3 In the case of normal TENS and late TENS, if the permitted limits are exceeded (e.g. number of events at one venue, number of notices served by an individual, duration exceeds 168 hours etc) then the Licensing Authority must issue a Counter Notice (Permitted Limits). It is suggested that the same delegations as in 3.6.2 be granted for the issuing of these notices.

### 3.7 Sanctions

- *The fine for persistently selling alcohol to children will be doubled from £10,000 to £20,000.*
- *The effect of a closure notice for persistently selling alcohol to children will have effect for 'at least 48 hours but not more than 336 hours' (previously not exceeding 48 hours)*

3.7.1 These provisions were implemented on 25 April 2012.

### 3.8 **Early morning alcohol restriction order**

- *Early morning alcohol restriction orders will be a new facility for licensing authorities, and may be applied to different types of premises, between the hours of midnight and 6am.*

3.8.1 It is anticipated that these provisions will be implemented in October 2012

### 3.9 **Licence Fee**

- *Premises licences and club premises certificates will be suspended on failure to pay the annual licence fee, although exceptions are built in to allow for administrative error, disputes and a 'grace period'.*
- *Subject to ministerial approval, the licensing authority will have the **power to set certain fees** on a cost-recovery basis. The costs may also include the costs of acting as other responsible authorities under the Act, e.g. planning authority*

3.9.1 The first of these provisions (suspension of licences for non payment of fees) was implemented on 25 April 2012. It is suggested that the decision to suspend a licence be made by the Licensing Committee.

3.9.2 It is anticipated that the provisions regarding locally set fees will be implemented in October 2012.

### 3.10 **Licensing Policy Statements**

- *Will be reviewable every 5 years*

3.10.1 This provision was implemented on 25 April 2012. Previously the policy statement has to be reviewed every three years. In view of the changes to the legislation it is proposed to bring forward a review of the Council's licensing policy statement once the remaining provisions of the Police Reform and Social Responsibility Act 2011 have been implemented.

### 3.11 **Late Night Levy**

- *Provisions have been added to introduce a 'late night levy' which would be intended to cover the costs of policing and other arrangements for the reduction or prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6 am. A licensing authority **may not** decide that 'the late night levy requirement is to apply in part only of its area.'*

3.11.1 It is anticipated that these provisions will implemented in October 2012. If they decide to impose a levy the licensing authority must take into account the costs of policing and other arrangements for the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 6am. The authority must pay at least 70% of the net levy to the Police but

nothing in the Act requires the Police to use the levy money to police the late night economy.

### **3.12 Alcohol Disorder Zones**

- *Alcohol Disorder Zones will be repealed.*

### **3.13 Review of provisions and effect**

- *The effect of these amendments will be reviewed 5 years after the provisions come into effect with a view to assessing the effect of the amendments on the scheme established by the Licensing Act 2003.*

## **4 Report Implications**

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

4.1.1 Venues are currently licensed under the Licensing Act 2003 and these fees are set by statute. If the new provisions are adopted then reasonable fees will be set by the Council, having regard to the cost of implementation, administration and enforcement of the legal requirements.

### **4.2 Safer Communities Implications**

4.2.1 The proposals give the Council to greater powers to regulate licensed premises and impose conditions thereby helping to reduce crime and the fear of crime around these activities.

### **4.3 Legal and Human Rights Implications**

4.3.1 There are no material legal implications arising from the new provisions provided the relevant statutory procedures are followed.

### **4.4 Environment and Sustainability Implications**

4.4.1 There are no adverse environmental implications in the report.

### **4.5 Human Resources Implications**

4.5.1 The proposals may have resource implications as a result of the Council becoming a responsible authority and the additional provisions around TENS which will mean a greater role for the Council's Licensing Enforcement Officer and the Environmental Health staff.

### **4.6 Equalities Implications**

4.6.1 There are no negative impacts of opportunity for any known group.



4.6.2 Decisions will be made in accordance with legislative requirements and Council policy and each case will be judged on its merits. Therefore there are no equality impact issues in respect to the issuing of licences.

The Contact Officer for this report is Stephen Whiles (719326).

### **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>

**Agenda Item No 17**

**Executive Board**

**25 June 2012**

**Report of the Chief Executive**

**Membership of the Democratic Structures Task and Finish Group.**

**1 Summary**

- 1.1 The purpose of this report is to consider the membership of the Democratic Structures Task and Finish Group for the ensuing year.

**Recommendation to the Board**

**That for 2012/13 the membership of the Democratic Structures Task and Finish Group comprise Councillors M Stanley, Sweet, Moore, Fox and Smith. Substitutes Councillors Morson, Winter, Hayfield and Lea.**

**2 Task and Finish Group Membership**

- 2.1 The Board is invited to consider membership of the Democratic Arrangements Task and Finish Group for the municipal year.

**3 Democratic Structures Task and Finish Group**

- 3.1 The Democratic Structures Task and Finish Group membership previously comprised Councillors M Stanley, Moore, Ferro, Fox and Smith
- 3.2 It is proposed that for 2012/13 membership comprise Councillors M Stanley, Sweet, Moore, Fox and Smith. Substitutes Councillors Morson, Winter, Hayfield and Lea.

**4 Report Implications**

- 4.1 There are no report implications.

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

**Background Papers**

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

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
None			

Agenda Item No 18

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**23 April 2012**

Present: Councillor M Stanley in the Chair

Councillors Fowler, Hayfield, Phillips and Sweet

An apology for absence was received from Councillor Smith (Councillor Fowler as substitute).

Councillors Fox, Moore and Pickard were also in attendance.

**1 Declarations of Personal or Prejudicial Interests**

Any personal interests arising from the membership of Warwickshire County Council of Councillors Fowler, Hayfield and Sweet and membership of the various Town/Parish Councils of Councillors Phillips (Kingsbury) and M Stanley (Polesworth) were deemed to be declared at this meeting.

**2 Accommodation Project**

It was agreed that consideration of this report be moved to Part A of the meeting – Public Business.

The Assistant Director (Streetscape) updated Members on the actions taken following the appointment of Coventry City Council's Major Projects team to the role of Project Manager for the Accommodation Project and set out the next steps to be taken in the delivery of the project.

**Resolved:**

- a That the contents of the report be noted; and**
- b That an Accommodation Project timeline of Member decisions be provided to all Members .**

**3 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 in Schedule 12A to the Act.**

**4 Staff Travel Consultation**

Members were informed of the process undertaken relating to staff travel arrangements and the outcome of the consultation.

**Resolved:**

**That the revised recommendations as set out below, be approved.**

- (i) that no more staff car leases are authorised;**
- (ii) that existing leases continue and can be extended by up to one year save that all remaining leases shall be terminated on 30 April 2015.**
- (iii) (a) that where leases expire before 30 April 2015, those staff currently entitled to a car lease shall be given a travel allowance of:**

- (i) their current car lease entitlement up to 31 May 2013**
- (ii) their current lease car entitlement less 10% from 1 June 2013**

**(b) that where leases are terminated on 30 April 2015, those staff currently entitled to a car lease shall be given a travel allowance of their current lease car entitlement less 10% from 1 May 2015;**

**The travel allowance will continue to be paid whilst the employee is employed by the Council in their current role, or redeployed into a similar role;**

- (iv) the Council will continue to be responsible for the payment of insurance for the remaining duration of each individual lease car contract;**
- (v) that the criteria for essential user allowance will be reviewed, and this will be the subject of further consultation, and a report brought to Members**
- (vi) that from the date of implementation of any change in essential car user allowance, only staff meeting the new essential user criteria will be entitled to an essential car user allowance save that any staff in receipt of the travel allowance at (iii) above be given the opportunity to switch to essential user, provided they comply with the new criteria;**
- (vii) that, during 2014/15 a review of the market place for staff within the current entitlement range for car leases be**

carried out, with a view to determining whether there are any cases where market supplements should be paid;

- (viii) that the upper limit for staff car loans be increased in line with inflation and that staff car loans be available to staff whose leases have expired;
- (ix) that from 1 June 2012, the mileage rates for casual and essential users be changed to the HMRC rate of 45 pence per mile;
- (x) that from 1 June 2012, or as soon as is practicable thereafter, the mileage rate for staff in receipt of a travel allowance will be changed to a rate of 25 pence per mile;
- (xi) that staff receiving the travel allowance at (iii) above will be required to provide a suitable vehicle for business purposes and will be responsible for the running costs of their vehicle, including insurance;
- (xii) that a salary sacrifice car scheme is approved in principle, provided it can be introduced at no cost to the Council, and a report on the detail brought to Members.

In the event that any employees do not agree to their terms and conditions being amended on or before 08 May 2012, their contract be terminated with the appropriate contractual notice and re-engagement offered on new terms which:-

- a In the case of essential and casual users change their current mileage allowance to the HMRC rate of 45 pence per mile;
- b In the case of employees currently receiving essential user allowance, this will continue only until such time as the Council has reviewed essential user criteria, at which point they would move to the appropriate allowance under the new criteria; and
- c In the case of those employees currently entitled to car leases give them entitlement to the essential user allowance and mileage rate only until such time as the Council has reviewed essential user criteria, at which point they would move to the appropriate allowance under the new criteria.

M Stanley  
Chairman

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE SPECIAL SUB-GROUP

15 May 2012

Present: Councillor M Stanley in the Chair

Councillors Hayfield, Phillips, Smith and Sweet

Councillors Humphreys, Lewis, Pickard and Winter were also in attendance.

#### 1 **Declarations of Personal or Prejudicial Interests**

Any personal interests arising from the membership of Warwickshire County Council of Councillors Hayfield and Sweet and membership of the various Town/Parish Councils of Councillors Phillips (Kingsbury) and M Stanley (Polesworth) were deemed to be declared at this meeting.

#### 2 **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 in Schedule 12A to the Act.**

#### 3 **Accommodation Project – Procurement Options**

The Assistant Director (Streetscape) reported further on the Accommodation Project and the Sub-Group was asked to agree a suggested course of action. Martin Vickery, Project Manager from Coventry City Council, was also in attendance.

**Resolved:**

- a That the Council follows a Partnering Procurement route for the delivery of the Accommodation Project;**
- b That a Quantity Surveyor and CDM coordinator are appointed as set out in paragraph 3.1 of the report of the Assistant Director (Streetscape);**
- c That an architect-led design team and a principal contractor are appointed separately as set out in paragraph 3.2 of the report of the Assistant Director (Streetscape);**

- d That the indicative timetable set out at Appendix B to the report of the Assistant Director (Streetscape) be noted: and**
- e That one Member from each of the political groups be nominated to sit on the evaluation panel for the appointment of the main contractor only.**

M Stanley  
Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE LOCAL  
DEVELOPMENT FRAMEWORK SUB-COMMITTEE**

**25 April 2012**

Present: Councillor Sweet in the Chair.

Councillors L Dirveiks, May, Phillips, Simpson and Winter.

An apology for absence was received from Councillor Smith.

Councillors Humphreys, Lewis and B Moss were also in attendance.

**17 Declarations of Personal or Prejudicial Interests**

Personal interests arising from the membership of Warwickshire County Council of Councillors May and Sweet and membership of the various Town/Parish Councils of Councillors Phillips (Kingsbury) and Winter (Dordon) were deemed to be declared at this meeting.

**18 Minutes of the meeting of the Local Development Framework Sub-Committee held on 28 March 2012**

The minutes of the meeting of the Local Development Framework Sub-Committee held on 28 March 2012 were received and noted.

**19 Representations on Draft Core Strategy**

The Assistant Chief Executive and Solicitor to the Council detailed the representations received following the recent consultation on the Draft Core Strategy and made suggested recommendations to be taken forward to prepare a Draft Pre-submission Core Strategy.

**Resolved:**

- a That the recommendations 1, 2, 3, 4, 5a, 5b, 5c, 7, 8, 9, 10a, 10b, 11, and 12, along with the responses detailed in the report of the Assistant Chief Executive and Solicitor to the Council, be accepted;**
- b That the recommendations set out in the report of the Assistant Chief Executive and Solicitor to the Council be amended as follows:-**



**Recommendation 6a to read: To reflect the extension of the Plan period to 2028 the employment land target be increased by 4.4 hectares to 48.4 hectares;**

**Recommendation 6b to read: That up to 20 hectares (gross) be added to the local employment land for high density employment uses within use classes B1(b & c), B2 and B8;**

**Recommendation 6c to read: The site of the former power station B site be safeguarded for low carbon renewable green energy generation (excluding wind and nuclear power); and**

- c That subject to the recommendations above, the responses detailed in the report of the Assistant Chief Executive and Solicitor to the Council be taken forward to prepare a Draft Pre-submission Core Strategy for consultation.**

## **20 Joint Working with Tamworth and Lichfield**

The Assistant Chief Executive and Solicitor to the Council detailed the work that had been carried out with Tamworth and Lichfield and sought the Sub-Committee's consideration of a Draft Memorandum of Understanding.

### **Resolved:**

- a That 500 dwellings will be developed after 2022 subject to at least 75% of Anker Valley being developed and that it has been demonstrated that at least 75% of the remaining housing requirement has been delivered in Tamworth;**
- b That the location of these additional houses be determined by North Warwickshire Borough Council and shall follow the overall development strategy contained in the Core Strategy;**
- c That the Draft Memorandum of Understanding be approved;**
- d That work continued with both Local Authorities to ensure that developments are maximised inside Tamworth Borough Council's boundary and in particular the Anker Valley; and**
- e That a letter be sent to Tamworth outlining the Members' own rural vision for North Warwickshire and seek Tamworth's assistance in the delivery of this vision.**

21 **The National Planning Policy Framework**

The Head of Development Control reported that the Government had now published its National Planning Policy Framework along with its Planning Policy for Traveller Sites which came into effect on 27 March 2012, and replaced all previously published Planning Policy Guidance and Statements.

**Resolved:**

**That the report be noted.**

R Sweet  
Chairman

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE LOCAL DEVELOPMENT FRAMEWORK SUB-COMMITTEE

17 May 2012

Present: Councillors Humphreys, B Moss, Phillips, Sweet and Winter.

Apologies for absence were received from Councillors Simpson and Smith.

Councillor May was also in attendance.

#### 1 **Declarations of Personal or Prejudicial Interests**

Personal interests arising from the membership of Warwickshire County Council of Councillors B Moss and Sweet and membership of the various Town/Parish Councils of Councillors B Moss and Phillips (Kingsbury) and Winter (Dordon) were deemed to be declared at this meeting.

#### 2 **Draft Pre-submission Core Strategy**

Members were presented with the Draft Pre-submission version of the Core Strategy for consideration.

##### **Resolved:**

- a **That the Draft Pre-submission Core Strategy be authorised for consultation;**
- b **That the Assistant Chief Executive and Solicitor to the Council be authorised to make any editing changes required to the Draft Pre-submission Core Strategy; and**
- c **That any representations be brought back to Members.**

Chairman