

**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**

**10 SEPTEMBER 2013**

The Executive Board will meet in the Committee Room at the Council House, South Street, Atherstone, Warwickshire on Tuesday 10 September 2013 at 6.30pm

### **AGENDA**

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

- 4 **Minutes of the Meetings of the Board held on 18 June and 23 July 2013** - copies herewith to be agreed as a correct record and signed by the Chairman.
- 5 **Requests for discussion of En Bloc items and approval of remaining En Bloc items.**
- 6 **Public Participation**

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

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

- 7 **Corporate Plan 2014/15 – Key Corporate Issues** – Report of the Chief Executive

### **Summary**

The purpose of this report is to draw Members' attention to the key corporate issues facing the Council over the next 18 months. It seeks Members' agreement to addressing these issues during the formulation of the 2014/15 Budget and Corporate Plan.

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

- 8 **New Homes Bonus** - Report of the Deputy Chief Executive

### **Summary**

This report summarises Government proposals for top slicing New Homes Bonus and provides a suggested response.

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

- 9 **Local Government Finance Settlement 2014–15 and 2015–16** - Report of the Deputy Chief Executive

### **Summary**

This report summarises details of a Government consultation on the above finance settlement and appends a draft response for comment.

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

10 **Financial Strategy 2014–18** – Report of the Deputy Chief Executive

**Summary**

This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2017/18, and suggests a detailed budget approach for the 2014/15 General Fund Budget.

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

11 **Nuneaton and Bedworth Borough Council – Borough Plan July 2013** – Report of the Assistant Chief Executive and Solicitor to the Council

**Summary**

This report informs Members of the formal consultation on Nuneaton and Bedworth Borough Council's Borough Plan (July 2013).

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

12 **Coventry and Warwickshire City Deal** – Report of the Chief Executive

**Summary**

The report informs Members of the latest developments in the City Deal process and seeks delegated power for the Chief Executive to give this Council's approval for any changes to the bid to Government, in consultation with the Leader of the Council and Opposition Leader.

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

13 **Consultation on Proposals to use Capital Receipts to Invest in Service Reform** - Report of the Deputy Chief Executive

**Summary**

This report summarises Government proposals for the use of capital receipts from asset sales to invest in transforming services and provides a suggested response.

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

- 14 **Coventry and Warwickshire Business Rate Pool** - Report of the Deputy Chief Executive

**Summary**

This report considers continued participation in the Coventry and Warwickshire Business Rate Pool.

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

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

- 15 **Budgetary Control Report 2013/14 Period Ended 31 August 2013** - Report of the Assistant Director (Finance and Human Resources)

**Summary**

The report covers revenue expenditure and income for the period from 1 April 2013 to 31 August 2013. The 2013/2014 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).

- 16 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2013 to June 2013** – Report of the Chief Executive and the Deputy Chief Executive

**Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2013.

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

- 17 **2013/14 Capital Programme** – Report of the Assistant Director (Finance and Human Resources)

**Summary**

This report informs Members of action taken by the Chief Executive, using his urgent business powers, in respect of capital schemes at Polesworth and Dordon, and the associated increase in the approved 2013/14 capital programme.

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

- 18 **Minutes of the meetings of the Safer Communities Sub-Committee held on 2 July 2013** to be received and noted.
- 19 **Minutes of the meetings of the Special Sub-Group held on 5 July, 15 July and 19 August 2013** to be received and noted.
- 20 **Minutes of the meeting of the Local Development Framework Sub-Committee held on 17 July 2013** to be received and noted.
- 21 **Notes of the meeting of the Democratic Arrangements Task and Finish Group held on 1 July 2013** to be received and noted.

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE EXECUTIVE BOARD

18 June 2013

Present: Councillor Sweet in the Chair

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

An apology for absence was received from Councillor M Stanley  
(Councillor Winter substitute)

Councillor Barber was also in attendance.

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

None were declared at the meeting.

#### 2 **Minutes of the meeting of the Board held on 12 February 2013.**

The minutes of the meeting of the Board held on 12 February 2013, copies having been circulated, were approved as a correct record and signed by the Chairman.

#### 3 **Capital Programme – 2012/13 Final Position**

The Assistant Director (Finance and Human Resources) updated Members on the final position of the 2012/13 Capital Programme and highlighted those schemes which had not progressed as quickly as expected and which were recommended to be carried forward into the 2013/14 Capital Programme. An addendum report relating to replacement recycling containers and refuse vehicles was circulated at the meeting.

##### **Recommended:**

- a **That the level of expenditure incurred (both actual and committed) to the end of March 2013 against the 2012/13 Revised Capital Programme be noted;**
- b **That the schemes which have not progressed as expected during the year be noted;**
- 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 2013/14 Capital Programme;**

- d That the allocation in the 2013/14 Capital Programme for replacement recycling containers is increased to £629,500; and**
- e That funding of £140,160 is brought forward into the 2013/14 capital programme from the 2014/15 allocation for refuse vehicles.**

#### **4 Capital Accounts 2012/13**

The Board was informed that the Capital Accounts for 2012/13 had been prepared. Members were invited to approve the methods of funding used. A revised Appendix A was circulated at the meeting.

##### **Recommended:**

**That the methods of funding to meet capital expenditure incurred in 2012/13 be approved.**

#### **5 Earmarked Reserves 2013/14**

The Deputy Chief Executive reported on the level of reserves at 31 March 2013. Members were asked to approve the proposed use of reserves in 2013/14.

##### **Recommended:**

**That the reserves held at 31 March 2013, and the planned use of reserves in 2013/14 be approved.**

#### **6 Annual Governance Statement 2012/13**

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

##### **Recommended:**

- a That the Annual Governance Statement for 2012/13, attached as Appendix A to the report of the Deputy Chief Executive be approved; and**
- b That the Improvement Plan, attached as Appendix C to the report be approved and progress against the plan be reported to Board.**

7 **Financial Statements 2012/13**

The Deputy Chief Executive reported on the Annual Financial Statements for 2012/13 and Members were asked to agree a suggested course of action.

**Resolved:**

**That the position on the General Fund and Housing Revenue Account at 31 March 2013 be noted.**

8 **Core Strategy – Delegated Powers**

The Board was invited to consider delegating power to the Local Development Framework Sub-Committee to progress the Core Strategy.

**Recommended:**

**That the Local Development Framework Sub-Committee be given delegated powers to progress the Core Strategy.**

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

The Board was asked to agree the membership of the Democratic Structures Task and Finish Group for the ensuing year.

**Resolved:**

**That for 2013/14 the membership of the Democratic Structures Task and Finish Group comprise Councillors M Stanley, Sweet, Moore, Smith and Fox.**

10 **Procurement and Commissioning Strategy 2013 - 2017**

The Board was invited to consider the draft Procurement and Commissioning Strategy for the period 2013 – 2017. The Strategy had been considered by the Resources Board at its meeting on 3 June 2013.

**Recommended:**

**That the Procurement and Commissioning Strategy 2013 – 2017, attached as an Appendix to the report of the Assistant Director (Corporate Services), be approved.**



11 **Pay Policy Statement**

The Assistant Director (Finance and Human Resources) presented the Pay Policy Statement for consideration.

**Recommended:**

**That the Pay Policy Statement 2013/14, attached as an Appendix to the report of the Assistant Director (Finance and Human Resources), be agreed.**

12 **Adoption of Open Space at Rowlands Way, Atherstone**

The Board was informed of the proposed creation of open space at Rowlands Way in Atherstone and noted the action taken by the Chief Executive, using his urgent business powers, in respect of the adoption of the land concerned.

**Recommended:**

a **That the urgent business powers used by the Chief Executive, in consultation with the Leader and the Opposition Leader, be noted; and**

b **That the action taken in respect of the adoption of open space at Rowlands Way in Atherstone be noted.**

13 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2012 to March 2013**

The Chief Executive reported on the progress with the achievement of the Corporate Plan and Performance Indicator targets applicable to Executive Board for April 2012 to March 2013.

**Resolved:**

**That the report be noted.**

14 **Budgetary Control Report 2013/2014 Period Ended 31 May 2013**

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2013 to 31 May 2013. The 2013/2014 budget and the actual position for the period, compared with the estimate at that date, were given, together with an estimate of the out-turn position for services reporting to the Board.

**Resolved:**

**That the report be noted.**

**15 Notes of the meeting of the Democratic Arrangements Task and Finish Group held on 13 March 2013**

The notes of the meeting of the Democratic Arrangements Task and Finish Group held on 13 March 2013 were received and noted.

**16 Minutes of the meeting of the Local Development Framework Sub-Committee held on 24 April and 20 May 2013**

The minutes of the meetings of the Local Development Framework Sub-Committee held on 24 April and 20 May 2013 were received and noted.

**17 Minutes of the meeting of the Special Sub-Group held on 18 February, 29 April, 20 May and 3 June 2013**

The minutes of the meetings of the Special Sub-Group held on 18 February, 29 April, 20 May and 3 June 2013 were received and noted.

**18 External Auditors' Report**

The Deputy Chief Executive reported on the External Auditors' Annual Certification report for 2011/12.

**Recommended:**

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

Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE  
EXECUTIVE BOARD**

**23 July 2013**

Present: Councillor M Stanley in the Chair

Councillors Hayfield, Humphreys, Moore, Morson, Phillips,  
Simpson, Smith and Sweet

**19 Declarations of Personal or Prejudicial Interest.**

None were declared at the meeting.

**20 Proposed Replacement of Indoor Leisure Facilities in Coleshill**

The Assistant Director (Leisure and Community Development) sought approval for the inclusion within the capital programme of the proposed project to replace the Borough Council's indoor leisure facilities in Coleshill.

**Recommended:**

**That the inclusion of the scheme to redevelop indoor leisure facilities in Coleshill within the capital programme to the value of £4,426,366 be approved.**

M Stanley  
Chairman

## **Agenda Item No 7**

### **Executive Board**

**10 September 2013**

### **Corporate Plan 2014/15**

### **Key Corporate Issues**

## **Report of the Chief Executive**

### **1 Summary**

- 1.1 The purpose of this report is to draw Members' attention to the key Corporate issues facing the Council in the next 18 months. It seeks Members' agreement to addressing these issues during the formulation of the 2014/15 Budget and Corporate Plan.

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

**That the issues raised in this report are the main areas which should be considered for inclusion in the 2014/15 Corporate Plan.**

### **2 Consultation**

- 2.1 The issues raised in this report are the subject of discussions with Members at the Annual Presentations to political groups.

### **3 Introduction**

- 3.1 Members have been requested, in a separate report on this agenda, to agree the 2014/15 Financial Strategy. This report sets out the key issues facing the Council. Members are requested to give consideration as to whether these are the main areas which should be considered for inclusion in the 2014/15 Corporate Plan.

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

- 4.1 For the last few years, the key issues which have most significantly affected the direction of the Council have been the economy and the number of policy and legislative changes introduced and proposed by government and the potential impact of both on the Council's finances. There is still a lot of uncertainty about and the impact of the recession continues to bite locally. Whilst there has been some important progress on the jobs front, including Ocado at Birch Coppice, MIRA, BMW and The Belfry, recent months have also seen the closure of Daw Mill Colliery and Greenwoods at Coleshill, both of which led to

significant local job losses, as well as impacting on the Council's budget through loss of business rates.

4.2 The Council's financial position, taking account of key factors including legislative change, is dealt with in the Financial Strategy report.

4.3 There are many national policy issues impacting on the Council. I have tried to pick out the most significant ones in the report, but the picture continues to change.

4.4 Health

4.4.1 Local government now has a direct responsibility for public health which is not just about Counties, as District Councils also have a huge role. Recent developments have included setting up the County-wide Health & Wellbeing Board which the Council now has a place on and, locally, the setting up of a single Clinical Commissioning Group (CCG) for North Warwickshire and Nuneaton & Bedworth. We are working with the new CCG and other partners to look at ways of improving public health and unlocking financial resources.

4.4.2 There is a danger that we think of 'health' as something that the NHS does, but the reality is that our public health role is massive, ranging from food inspections, sewers and drainage, controlling alcohol through licensing and housing, through to the work that we do in Leisure & Community Development around obesity, parks, open spaces and leisure centres and, not forgetting, keeping health bills down through Disabled Facilities Grants and Borough Care.

4.4.3 As reported last year, there is a significant amount of discussion going into Health Scrutiny at the moment, which is key to ensuring that there is every opportunity to influence how local services are delivered.

4.4.4 The role of local government, particularly in terms of Scrutiny and the Health Improvement Agenda, is evolving but we need to ensure that our voice is heard.

4.5 Community Safety

4.5.1 In terms of Community Safety, of the Police and Crime Commissioner was elected in November 2012. The County Police and Crime Panel has been set up. To date, North Warwickshire remains very visible on the Community Safety agenda and we have been successful in attracting funding for a number of projects including, significantly, for Automatic Number Plate Recognition cameras.

## 4.6 Planning

4.6.1 In terms of the Planning agenda, there has been a lot of separate training and reports on changes in legislation which are being implemented by the Planning & Development Board. We are reaching a crucial point with the Core Strategy, which is a hugely important policy document for the Borough. The forthcoming response to the Inspector in September on how we are progressing with updating our evidence will set the scene for how we take things forward.

4.6.2 As I reported last year, there is a national push for growth to boost the economy and North Warwickshire is doing more than its fair share, as I mentioned earlier. The flip side of this is that HS2 is seen as part of that agenda and, as we all know, that is an issue of major concern for many people in the Borough and, unless there is a complete climb-down, taking account of the escalating costs, it is likely to be so for many years to come. Linked to this are the proposals recently put forward by Birmingham Airport in response to the Davies Commission for a second runway to be built, potentially alongside HS2 and within the Borough boundary, to the South of Coleshill. The extent to which this becomes an issue is dependent on the short-list of schemes to be announced by Davies by the end of the year.

## 4.7 Open Public Services White Paper

4.7.1 This document, which I mentioned last year, is aimed at providing choice and diversity in the delivery of public services, including devolving the delivery of those services to a lower level than District Councils and encouraging Councils to review how it commissions its services and subject them to competition. This includes the Right to Challenge, which allows Parish Councils and 'Community Groups' to express an interest in the delivery of services which, subject to certain exceptions, would trigger a procurement exercise in respect of that service. That procurement exercise is not, however, limited to Parish Councils or Community Groups. Whilst there has been no evidence of this being taken up locally, it is worth commenting in relation to this and the next section, however, that we are constantly looking at the best options for delivering services, including sharing where there is a good business case.

4.7.2 There is, however, a danger that, if local authorities are forced into devolving or contracting out services at a time when finances are tight and when Councils may be looking at service levels on an ongoing basis, then Members will, to a greater or lesser extent, lose control of that agenda.

4.7.3 As the legislation clarifies on this, we will need to work out how we can use it in a way that does not disadvantage local people or take away Members' rights to decide policy.

4.8 Assets of Community Value

4.8.1 As reported during the year, we now have to maintain a list of land and buildings of community value (whether in public or private hands). If these are to be sold, we must give notice to community groups who will be given a period of time to bid for the buildings, although there is no requirement for the bids to be accepted. Arrangements have been put in place by the Council to deal with the new duties.

4.9 Demography

4.9.1 In terms of demography, I have been reporting for many years that we would have to take account of the fact that our population is getting older and that this was likely to have a significant impact on services. According to the results of the 2011 Census, we now have 4,500 residents in the 60-64 age range, compared with 3,258 in 2001. This compares with a drop in the number of residents in the 30-34 age category; from 4,758 in 2001 to 3,200 in 2011. This is clearly a national issue because the biggest threat to local government generally is seen as being the financial impact of paying for adult social care into the future. Locally, the fact that such a high percentage of our population are pensioners is starting to have a major impact on decision making.

4.9.2 This is evidenced by the protection granted to pensioners in terms of localised Council Tax Benefit schemes. With nearly 62% of the Borough's Benefit customers being pensioners, this is a major difference between us and many other Councils where the percentage is not as high.

4.9.3 Another example of where the Council will need to take account of the needs of an ageing population is in the Borough Care Review, which has recently commenced.

4.9.4 As I said last year, however, demography is not just about the old and ageing, there are also issues for young people who may be finding it difficult to get jobs at a time when Benefit Reform is adversely impacting upon them. This remains a key issue, as highlighted in the recent Peer Challenge and is accentuated by poor accessibility to local jobs.

#### 4.10 Climate Change

4.10.1 I reported last year some of the things that we have done in relation to housing, energy usage, recycling, etc. Despite the current economic climate, it is important that we continue with these initiatives, although we will also need to be very clear about the business case for them. The Council last year obtained funding via Sustainability West Midlands for some specialist help in looking at what action the Council could take to reduce its spend on energy use. The draft Plan will be considered by Members shortly. The Council has been in detailed discussion with Carillion Plc and Birmingham City Council to see how The Green Deal can best be implemented in our Borough. As well as making heating homes more efficient and affordable there is the opportunity for small firms in this area to be trained in this expanding field and for our residents to gain new employment skills, including through apprenticeships.

#### 4.11 Partnerships

##### 4.11.1 *Sub-Regional*

4.11.1.1 Last year, I reported in some detail about the changing nature of the Partnership Agenda.

4.11.1.2 The Local Enterprise Partnership is up and running, but there has been very little obvious benefit to North Warwickshire from this to date. In reality, most of the activity that is taking place locally has come directly as a result of businesses wanting to move into North Warwickshire and speaking directly to the Council as Planning Authority and the LEP has not really played a role in this.

4.11.1.3 We are currently involved in discussions around a potential City Deal, as reported previously to this Board, and in linked discussions around a possible joint committee of local authorities to deal with economic growth issues for the Sub-region, including working with the LEP on funding as the Government diverts more money (including a New Homes Bonus) to LEPs. A major concern for the Council is that we have no representation on the LEP, despite it now controlling funds which previously were part of the Council's budget.

4.11.1.4 In terms of working with businesses, we are doing this as local Planning Authority and also working particularly with Hinckley & Bosworth and Nuneaton & Bedworth, as part of a cross-border partnership, to see what we can do to assist businesses by seeking to ensure that local people have the correct skills to get jobs and are also able to access them. Following on from the Peer Challenge, we have made a joint bid to the LGA to seek funding for specialist assistance on this important issue.



- 4.11.1.5 Similarly, the real differences that we seem to be making in relation to health are through discussions at local level with the local partners, including the new CCG, although there is some evidence of improved working at a County level.
- 4.11.1.6 With diminishing resources, we have to think very carefully about which partnerships work and where we should be putting our efforts. What we cannot afford to do on the other hand is to completely disengage from the bigger agenda because, if Health and Wellbeing Boards and LEPs, for example, do eventually start to make a real difference, we need to ensure that we have a seat at the table. We have, to date, had more issues on achieving this in relation to the Health and Wellbeing Board than the LEP.
- 4.11.2 *Local*
- 4.11.2.1 At a local level, our Local Strategic Partnership focuses on key local issues – Health, Educational Attainment and Skills and Access.
- 4.11.2.2 *Health*
- 4.11.2.2.1 In terms of Health, a lot of the focus has been around alcoholism and obesity and we are working with partners to address these issues. The setting up of the CCG has helped to have direct consultation with local health bodies and agree meaningful and practical actions, for example, in relation to GP referrals to our Leisure Centres.
- 4.11.2.3 *Education, Attainment & Skills*
- 4.11.2.3.1 In terms of Educational Attainment and Skills, in addition to work happening at Local Strategy Partnership level, the Council continues to use Section 106 funding to improve the opportunities for local young people to access jobs and there is also a real focus on trying to improve public transport, which is also a major barrier to accessing jobs in a rural area. Work at Birch Coppice is currently the best example of this.
- 4.11.2.4 *Access*
- 4.11.2.4.1 Both a local authority and a partner with others, we are trying to enable local people to access services in their own localities. A key driver for this has been the Hubs Project, where we have opened thirteen hubs open across the Borough. This project, along with the Food Bank that we recently worked with partners to set up, came in for special mention as areas of best practice from the Peer Challenge Team. Our support of the rollout of improved Rural Broadband is also an essential to this work.
- 4.11.2.4.1 The fact that our actions are addressing key issues which are not only popular but also essential is backed up by the Borough's Health

Profile, where issues such as educational attainment; obesity; and, still, a high level of road injuries and deaths, despite us being a rural area with poor access, remain areas of major concern. Childhood obesity and teenage pregnancy remain areas where we need to understand the issues better.

## 5 **Internal Issues**

### 5.1 Priorities

5.1.1 This section looks at each of our priorities in turn, but to the extent that these have already been touched on in the report, I am not going to cover the ground again.

#### 5.1.2 *Public Services and Council Tax*

5.1.2.1 There has now been a review of our Constitutional Arrangements and this is now substantially complete.

5.1.2.2 The projects on the Council offices and Coleshill Leisure Centre are progressing.

5.1.2.3 There has been a significant amount of work done in respect of changes to Council Tax, Business Rates and Benefit Reform. It is still very early days in relation to these changes and, in the case of Welfare Reform, more changes are in the pipeline. These are likely to have a significant impact, both on local residents and staff, as the changes continue to take place.

#### 5.1.3 *Local Employment*

5.1.3.1 I referred at paragraph 4.1 above to the position in relation to employment in the Borough. Whilst the trend remains generally positive, the recent job losses at Daw Mill and Greenwoods have had a significant local impact.

5.1.3.2 A key challenge is to maximise access to new jobs for local people, as referred to above. Whilst we have made some progress, there is still some way to go. It is also important whenever the opportunity arises to get a better mix of jobs in the locality.

#### 5.1.4 *Environment*

5.1.4.1 Our performance on street cleanliness remains high and the Council's Grounds Maintenance Review has highlighted areas where service improvements and efficiencies are being made.

#### 5.1.5 *Recycling*

5.1.5.1 The Refuse Collection and Recycling Review is a major project which is being taken forward through the member Task & Finish Group and Community & Environment Board.

#### 5.1.6 *Crime and Disorder*

5.1.6.1 As mentioned above, a Police and Crime Commissioner has now been elected and a County-wide Police and Crime Panel appointed. Clearly, it is still early days for the new system.

5.1.6.2 In the meantime, the local Community Safety Partnership and the Council's own Safer Communities Sub-Committee continue to work on local issues, including anti-social behaviour for which additional mobile CCTV cameras have been purchased, creating a Designated Public Place Order in Coleshill and obtaining significant funding for Automatic Number Plate Recognition technology in the west side of the Borough.

#### 5.1.7 *Countryside and Heritage*

5.1.7.1 The key issues, as mentioned previously, are firstly to get a fit for purpose and adopted Core Strategy in place before the end of the current municipal year and, secondly, to oppose HS2 and, if it does go ahead, to do the best that we can do to minimise the impact on the Borough and local people.

5.1.7.2 Other significant issues include dealing with the closure of Daw Mill and any outcomes from the announcements about Birmingham Airport, mentioned above.

#### 5.1.8 *Housing*

5.1.8.1 Provision of Affordable Housing is an ongoing challenge for the Council and its partners. Social Housing Grant is now at a very low level, but we are working with housing association partners and using our own improved funding position through the HRA to make progress. Two pressures that may impact on this are any reductions in the amount of rent that we collect as a result of Welfare Reforms and also if a significant number of Council houses are sold through the enhanced Right to Buy Scheme. Subject to all these, we are looking to continue the Council housing building programme.

5.1.8.3 In addition, work has now commenced on the Borough Care Review and, finally, in terms of private sector housing, the transformation of the way that we deliver Disabled Facilities Grants through the Home Improvement Agency is being extended.

#### 5.1.9 *Access to Services*

5.1.9.1 Last year, I reported that we hoped to have twelve Hubs up and running before the end of the municipal year. This then has been a

major success for the Council, but was initially very labour intensive for the authority. The real test now is the extent to which the Hubs will be sustainable, with adequate community support moving into the future.

5.1.9.2 Another successful and well received Partnership project was the Food Bank which was set up alongside the Second Chance Furniture Outlet in the spring.

5.1.9.3 The other key area where the Council and partners are working to find solutions are jointly through the use of Section 106 funding to enable, where possible, local people to have adequate transport links to local job opportunities and, secondly, through our support to improving rural Broadband. Recent announcements expect the project to ensure significant improvements to Broadband in North Warwickshire.

#### 5.1.10 *Consultation and Communication*

5.1.10.1 This is largely about maximising the impact of traditional methods of communication, such as North Talk, whilst embracing the opportunities provided by new types of media, particularly electronic, whether it be the website, Facebook, Twitter or others. Key for this will be the roll-out of improved Broadband to rural areas which we have committed significant funding to. We also need to be ensuring that we communicate in a way that meets the needs of as many of our residents as possible and, in October, we have a project taking place, linked to Local Democracy Week, to engage with Coleshill School, with a view to improving young people's understanding of the role of Local Government and how to engage with it.

#### 5.1.11 *Health and Wellbeing*

5.1.11.1 This priority is being addressed in a number of ways, including progressing the implementation of the Green Space and Playing Pitch Strategies where significant strides have been made this year, improving local nature reserves and sorting out the long term future of leisure facilities in Coleshill. Other initiatives include carrying out projects to promote healthy living, often with partners (eg, GP referrals).

### 5.2 Style and Culture

5.2.1 This really relates to the perennial question about what sort of Council do Members want to be?

5.2.2 We have tended to be a traditional service provider, delivering a lot of services in-house but, having said that, we have had to look over the last few years at ways of doing more for less and have a number of good examples of shared working, including Building Control, Legal Services, Payroll, IT provision and Procurement and we are always looking for opportunities to do more. We recently looked at potential

delivery solutions for recycling and sharing accommodation is a key part of the Council House project.

- 5.2.3 In addition to the service provider role, significant steps have been taken in terms of working to help local people in difficult times. We have got front-line staff trained to spot when people have got financial issues and that is going to become absolutely crucial as we move into the next stage of Benefit Reform. Linked to this is the Food Bank Project mentioned above. We are also trying to identify vulnerable adults in difficulty in the way that we currently aim to do in terms of Safeguarding Children. One of the most important recent projects in this regard is the way that we working with local communities to enable them to help themselves through the Community Hubs and it will be interesting to see how sustainable some of these are going in to the future. Some of this goes back to what I said earlier in relation to Open Public Services, about the dilemma between trying to cut costs through sharing services on the one hand and facilitating more local service provision on the other. We need to be able to deliver what our communities want and to do it well, or help them to do it themselves, but there has also got to be some realism about what can be achieved in difficult financial times.

## 6 **Resources**

### 6.1 Finance

- 6.1.2 The proposed financial strategy and budget approach forms a separate report on this agenda, but the key issue is that the Council needs to find ongoing savings from the General Fund based on current projections of £2 million over the period 2013/14 – 2017/18. Significant savings have already been made and will continue to be required from 2014/15 onwards. Consequently, there is little potential for future growth.
- 6.1.3 As Members are aware, a long term approach has been developed, but there are significant strategies ahead which will need to be reviewed during 2014/15.
- 6.1.4 The Deputy Chief Executive's report deals in more detail with the General Fund budget situation and what action is being taken to address it.
- 6.1.5 The position in relation to capital is also one for concern. Housing self-financing should generate sufficient resources to maintain our housing stock, subject to the issues relating to rent collection and Council house sales mentioned above. However, the General Fund has very limited resources for capital and can only undertake expenditure as it becomes absolutely essential. The Council has an ageing asset base which is in need of investment. There is a significant amount of capital

spend in the medium to long term for which resources have not yet been identified and this is an issue that will need to be addressed.

## 6.2 Staffing

6.2.1 Staffing remains the Council's biggest asset and resource. We have a Human Resources Strategy which aims to look after our workforce and ensure that North Warwickshire is seen as an attractive place to work. We have been reducing our workforce over the last few years and have taken a significant amount of money out of our establishment in that time. This has largely been managed without compulsory redundancies and the latest staff survey showed that, generally, morale was reasonably high in difficult financial circumstances, with staff that haven't had a pay rise for a number of years (until this year). Although terms and conditions came up more this year as an area of concern, the Council is still seen as a good employer and the organisation is well managed. We are due to be doing another staff survey shortly and it will be interesting to see whether that remains the case.

6.2.2 Sickness continues to be managed and is significantly down from the position a few years ago, although last year saw a slight rise from the previous year's low. Positive action in terms of absence management continues to be taken, through the use of Occupational Health, phased returns to work and flexible arrangements to minimise absence, wherever possible.

6.2.3 It is also important to keep our Senior Management Structure under review to retain sufficient capacity to deliver good quality services, whilst taking account of the challenging financial environment. This was picked up by the Peer Review Team.

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

6.2.5 The Peer Challenge Team recognised that we do, as a small District Council, punch above our weight. Having motivated staff is key to this. The response of front line staff to recent flooding issues is a good example of this.

## 6.3 Land/Accommodation & Other Capital Assets

6.3.1 As Members are aware from previous reports, the Council has a number of ageing assets, including the Council offices, Coleshill Leisure centre, The Arcade and Atherstone Memorial Hall. This creates some real tensions when most of the Council's capital spend is on housing and low land prices continue to limit our ability to generate capital receipts from land sales.

6.3.2 Action is now being taken on both The Council House and Coleshill Leisure Centre. We are also moving forward in terms of housing capital projects. Key decisions will need to be made on our other capital assets in due course.

#### 6.4 Information

6.4.1 Service delivery is ever more dependent on IT systems and public expectation is growing, as is our expectation of the public using them. The successful Hub project is one of the best examples of the Council making itself more accessible with the help of new technology and there is no doubt that there has been a huge increase in both telephone transactions and use of social media, both of which will continue to fundamentally change the way that we work, compared to the past and it is also how we will have to deal with it to a much greater extent in terms of service delivery, particularly in relation to services like Benefits, moving into the future.

### 7 **Report Implications**

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

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

#### 7.2 **Safer Communities Implications**

7.2.1 These are set out in the report.

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

7.3.1 The issue of the Council needing to take account of sustainability issues is mentioned in the body of the report.

#### 7.4 **Health, Wellbeing and Leisure Implications**

7.4.1 These are set out in the report.

**7.5 Risk Management Implications**

7.5.1 These will be identified as proposals for 2014/15 are developed.

7.5.2 The key issue in this report however is to note the importance of matching the Council's obligations and ambitions with the resources available to it. This issue was also picked up by the Peer Challenge Team.

**7.6 Equalities Implications**

7.6.1 In making major strategic policy and financial decisions, it will be necessary to consider whether an Equality Impact Needs Assessment needs to be carried out.

**7.7 Links to Council's Priorities**

7.7.1 These are referred to in the report.

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

**Background Papers**

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

Background Paper No	Author	Nature of Background Paper	Date
None			



## **Agenda Item No 8**

### **Executive Board**

**10 September 2013**

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

### **New Homes Bonus**

#### **1 Summary**

- 1.1 This report summarises Government proposals for top slicing New Homes Bonus and provides a suggested response.

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

- a That the consultation be noted; and**
- b That the draft response be agreed.**

#### **2 Introduction**

- 2.1 The Government announced earlier this year that it intended to take £400 million per annum from New Homes Bonus (NHB) allocation to part fund the single Local Growth Fund starting in 2015-16. The £400 million will be passed to Local Enterprise Partnerships to support strategic, locally-led economic growth priorities, including housing.

- 2.2 The majority of NHB funding is provided to local authorities by reductions in Revenue Support Grant. It is estimated that total NHB distributable in 2015-16 will be £1,140 million.

- 2.3 A draft response is attached at Appendix A.

#### **3 Pooling Mechanism**

- 3.1 The consultation paper proposes a flat rate 35% reduction in NHB across all Councils.

- 3.2 The Government considers that this approach is simple and transparent.

- 3.3 However, in two tier areas a variant to the above is put forward. In this option County Councils would lose all their NHB and District would lose 19% of their allocation.

- 3.4 This reflects the fact that NHB forms a larger proportion of overall spending power for Shire Districts than other types of authority.

3.5 The Government's intention is to pay the whole NHB entitlement to an authority and then require them to pay the relevant percentage to the LEP.

#### 4 **Report Implications**

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

4.1.1 The Council is anticipating NHB of £650,000 in 2015-16, this will reduce by £227,000 or £124,000 depending on which option for top slicing is eventually used.

4.1.2 The loss of this funding will result in additional savings having to be made. These have been allowed for in the Council's medium terms financial strategy elsewhere on the agenda.

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

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>

**DRAFT CONSULTATION RESPONSE**

**NEW HOMES BONUS AND THE LOCAL GROWTH FUND**

The Council strongly opposes the proposal to transfer £400 million per annum from New Homes Bonus (NHB) to the Local Growth Fund. The majority of New Homes Bonus is financed from reductions in Revenue Support Grant and is included in Central Government calculations of individual authority spending power. It is therefore quite legitimately used by many authorities to support front line service provision including those services that support local growth and housing. The removal of this funding from authorities, on top of the 15% cut in grant funding for 2015-16 will clearly put these services at risk.

It also represents a dilution of local decision making, as the level of investment in economic development is removed from individual authorities. In the case of District Councils, this is not ameliorated by the use of Local Enterprise Partnerships (LEP). The Council is concerned that although potentially in excess of £200,000 of our NHB will be transferred to our Local Enterprise Partnership we will have no influence as to how this is spent as the LEP constitution does not allow for representation from each District Council on its Board. If money is to be transferred then it should be a requirement that each Authority should have a seat on the Board.

Whilst fundamentally disagreeing with the proposal, the Council believe that the second option proposed for top slicing funding is preferable. NHB does form a larger proportion of overall spending power for Shire Districts and this approach would be more financially sustainable.

**Agenda Item No 9**

**Executive Board**

**10 September 2013**

**Report of the  
Deputy Chief Executive**

**Local Government Finance  
Settlement 2014–15 and 2015–16**

**1 Summary**

- 1.1 This report summarises details of a Government consultation on the above finance settlement and appends a draft response for comment.

**Recommendation to the Council**

- a That the report be noted; and**  
**b That the draft response be agreed.**

**2 Introduction**

- 2.1 The Government published a consultation on the 2014-15 and 2015-16 Local Government Finance Settlement. The closing date for responses is 2 October 2013.

- 2.2 A draft response is attached at Appendix A.

**3 Revised 2014-15 Announcement**

- 3.1 The 2013 budget announced a further cut of 1% to overall Local Government funding. Since the local share of business rates is fixed to 2020, the Government have to apply this reduction to Revenue Support Grant (RSG). In order to achieve an overall reduction in funding of 1%, RSG will be reduced by 1.78%.

**4 Higher Safety Net Provision**

- 4.1 The business rates system includes a safety net to protect local authorities from reductions of more than 7.5% in their business rate income.

- 4.2 This safety net is funded by levies on those authorities who grow their business rate income. In 2013-14 the Government held back £25 million from the finance settlement in case levies did not generate enough funding to pay for the safety net. The Government now believes this sum will not be enough and it believes it will need to hold back an additional £95 million from RSG in 2014-15.

4.3 The Government also withheld £100 million from RSG in 2013-14 for capitalisation funding, they are suggesting they could reduce this to £50 million in 2014-15, meaning that the additional holdback would reduce from £95 million to £45 million.

## 5 The 2015-16 Finance Settlement

5.1 The 2013 spending round indicated that Local Government funding would reduce by 10% in 2015-16, however the actual figures show that the decrease in Government support will be greater. New burdens funding of £0.8 billion has actually been taken out of RSG. This funding is being used for:-

- A collaboration and efficiency fund
- Social care new burdens fund
- Independent living fund
- Troubled families programme

5.2 In addition, the Government is increasing the total amount of money they hold back from RSG to fund New Homes Bonus and the Business Rate safety net by £180 million.

5.3 The final position after all these adjustments is as follows:-

	2014-15 £m	2015-16 £m	Change £m	Change %
Locally Retained Business Rates	11,254	11,570	316	2.8%
Revenue Support Grant	12,360	8,950	-3,410	-27.6%
<b>Settlement Funding Assessment</b>	<b>23,614</b>	<b>20,519</b>	<b>3,095</b>	<b>-13.1%</b>

## 6 New Homes Bonus in 2015-16

6.1 The following sums have been held back from RSG

	2014-15 £m	2015-16 £m
New Homes Bonus (NHB)	800	1,100
Capitalisation	50	-
Business Rate Safety Net	<u>120</u>	<u>50</u>
	<u>970</u>	<u>1,150</u>

6.2 In addition to the £1,100 million shown above, the consultation confirms the Government's contribution of £250 million towards NHB will continue, making £1,350 in total. This does not tally with the figure of £1,140 million identified by the National Audit Office as the likely amount of NHB in 2015-16, and the figure used in the Government's consultation document which is considered elsewhere on this agenda.

6.3 This consultation does state that any funding not needed will be returned to Authorities but nevertheless it implies that an additional £210 million will be removed from mainstream funding.

## 7 Distribution of Resources

7.1 Although the overall reduction in funding for Local Government is 13% the actual reduction differs depending which type of authority you are:

	<b>% Reduction</b>
London	-11.3%
Metropolitan Areas	-14.1%
Shire Areas	-13.3%
- Counties	-12.1%
- Districts	-15.3%

7.2 It can be seen that Districts have been the worst hit by the proposed 15/16 settlement.

## 8 Report Implications

### 8.1 Finance and Value for Money Implications

8.1.1 The figures for this Council are as follows:-

	<b>Original 2014-15 £000</b>	<b>Revised 2014 -15 £000</b>	<b>2015 – 16 £000</b>
RSG	1,936	1,894	1,282
Retained Business Rates	1,730	1,733	1,782
<b>Settlement Funding Assessment</b>	<b>3,666</b>	<b>3,627</b>	<b>3,064</b>

8.1.2 Funding will reduce by £39,000 in 2014-15 and by a further £563,000 in 2015-16. The financial strategy approved in February 2013 had assumed external funding of £3,379,000 (an 8% reduction), the actual figure will be an additional £315,000 reduction which will have to be found through additional savings.

### 8.2 Risk Management Implications

8.2.1 The Council uses a Medium Term Financial Strategy to ensure that financial and service decisions are taken in a structured and proportionate way, in response to changes in external funding.

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

## APPENDIX A

### Local Government Finance Settlement 2014-15 and 2015-16

This Council wishes to express its deep concern and disappointment with the proposals in the recent consultation paper.

The spending round on 26 June indicated a 10% cut in Local Government funding for 2015-16, however, the consultation shows that this Council's funding will reduce by 15.3%. This will mean that since 2010-11, the Council will have seen a cash reduction in excess of £2m (39%). When inflation is taken into account, this is a real terms cut of 50% or £3m. This settlement will require the Council to make savings in excess of £2m over the next four years from a budget that currently stands at £8.7m. Clearly, such a reduction will have a significant impact on the level of services that local residents will receive in the future.

Local Government has taken a larger share of the current spending reductions than many other services and this settlement continues that situation. The Council believes that Local Government has made more than its contribution to the deficit reduction plan and that other Government departments should now make a similar contribution.

The Council does not support an additional £0.8bn being taken from RSG to support new burdens funding for social care and resources for numerous other funds. New burdens funding should be financed by allocating additional resources from the Treasury and not top-slicing the Local Government settlement.

The Council also feels the money being held back from the settlement for New Homes Bonus and the Business Rate safety net is excessive. In the case of New Homes Bonus, it exceeds by £210m the amount identified by the National Audit Office as the likely amount of New Homes Bonus in 2015-16 and the figures used in the Government's recent consultation paper.

Finally, the Council is concerned at the piecemeal approach to announcements of changes to Local Government funding that make financial planning and the management of spending reduction extremely difficult.

## **Agenda Item No 10**

### **Executive Board**

**10 September 2013**

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

### **Financial Strategy 2014 - 2018**

#### **1 Summary**

- 1.1 This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2017/18, and suggests a detailed budget approach for the 2014/15 General Fund Budget.

#### **Recommendation to Council**

- a That the Financial Strategy shown as Appendix A is approved;**
- b That the General Fund budget projections for 2014/15 to 2017/18 be noted; and**
- c That the budget approach, set out in section 12 of this report, be adopted.**

#### **2 Introduction**

- 2.1 The Council has adopted a clear financial strategy over a number of years, and this is attached as Appendix A to this report. There have been some major changes to the financial environment nationally, with the local retention of business rates, major reductions in Revenue Support Grant and the introduction of a local Council Tax Support scheme in place of a national Council Tax Benefit scheme. Some amendments have been made to the strategy to reflect the current financial pressures facing the Council.
- 2.2 A forecast of the General Fund Revenue Estimates has been completed for 2014/15 and the following three years. The figures are intended to indicate the position in broad terms only. More accurate ones will be produced during the forthcoming estimate process.

#### **3 Settlement Funding Assessment**

- 3.1 Back in February, a £536,000 reduction in funding was assumed for 2014/15 (12.75%), which was in line with the reduction to the national total for local government spending. Since then an announcement in the 2013 Budget highlighted further reductions in the amount available for local government spending.



- 3.2 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. The local business rate retention scheme introduced from April 2013 includes a safety net which protects local authorities from significant reductions in income. It guarantees that no authority will lose more than 7.5% of their local share of business rates. The government are proposing to increase the resources they hold back in 2014/15 to fund the Safety Net, which will reduce the funding given to individual Councils.
- 3.3 There has been an increase in the Retail Price Index (RPI) used to calculate the local share of business rates. As the local share of business rates is fixed, other than for inflationary increases, the government can't change the business rate element of the Settlement Funding Assessment. This means that any reduction in funding is taken out of Revenue Support Grant.
- 3.4 Council Tax Freeze Grant relating to 2013/14 will be included within the total Settlement Funding Assessment for 2014/15, which masks the further reduction in Revenue Support Grant. This is detailed below.

<b>2014/15</b>	February Settlement £m	July Settlement £m	Variance £m
Revenue Support Grant	1.936	1.894	(0.042)
NDR Baseline funding	1.730	1.733	0.003
2013/14 CT Freeze Grant	-	0.045	0.045
<b>Total Settlement Funding Assessment</b>	<b>3.666</b>	<b>3.672</b>	<b>0.006</b>
2013/14 CT Freeze Grant	0.045		(0.045)
<b>Total Funding</b>	<b>3.711</b>	<b>3.672</b>	<b>(0.039)</b>

- 3.5 The latest consultation document also gives an indicative Settlement Funding Assessment for 2015/16. Changes in the Assessment are highlighted in a separate report on this agenda. As the business rates funding is fixed other than for the inflationary increase, all of the reduction has been taken out of the Revenue Support Grant element.

<b>2015/16</b>	July Settlement £m	Change to 2014/15 £m	Change to 2014/15 %
Revenue Support Grant	1.282	(0.612)	(32.3)
NDR Baseline funding	1.782	0.049	2.8
2013/14 CT Freeze Grant	0.045	-	-
<b>Total Settlement funding Assessment</b>	<b>3.109</b>	<b>(0.563)</b>	<b>(15.3)</b>

- 3.6 Financial settlement figures for 2016/17 and 2017/18 are not yet known, although further reductions to national control totals have been discussed and

are expected. The figures used in our latest projections have assumed further reductions of 10% in both years.

#### **4 Business Rates**

- 4.1 The Secretary of State announced a baseline funding level of £1.679 million for North Warwickshire from business rates in the 2013/14 Finance Settlement. As we are required to pay a business rate tariff of £13.983 million in 2013/14, we need our share of the business rates we collect (40%) to come to £15.662 million, in order to achieve this level of funding.
- 4.2 Business rate levels have been affected by the closure of businesses such as Daw Mill and a large reduction in rateable value on appeal. If the collection of business rates stays at current levels, we are unlikely to achieve the £15.662 million needed, which will impact on our baseline funding. The latest estimate of our current share of business rates is £15.465 million, which would leave us with baseline funding of £1.482 million.
- 4.3 The Coventry and Warwickshire Business Rate Pool agreed a safety net provision at a 5% loss of baseline funding. If this situation continued to the end of the year, the Pool would make the Council's baseline funding up to £1,595 million, leaving a shortfall in funding of £84,000. However it is still early in the year, and some improvements in rateable values are expected, so the financial projection has assumed that the baseline funding level will be achieved.
- 4.4 For 2014/15 the baseline funding assumed by the government will increase to £1.733 million (a 3.19% increase in line with RPI). This assumes that North Warwickshire's share of business rates is £16.162 million, and a tariff payment of £14.429 million will be required. Given the volatility around business rates, and the expected improvement in some areas, it has been assumed that the baseline funding levels in the resource projections will be achieved in future years.

#### **5 New Homes Bonus**

- 5.1 The New Homes Bonus expected for 2014/15 is £44,000 higher than previously anticipated. This revised figure has been used as a base for projecting grant income for the rest of the strategy period, following a review of the new build identified in the Core Strategy. However an adjustment has been made to allow for the government announcement that New Homes Bonus would be top sliced to part fund the Single Local Growth Fund.
- 5.2 The first mechanism put forward in the government consultation paper was for a flat rate reduction of 35% in New Homes Bonus across all councils. This level of reduction has been used to adjust the New Homes Bonus expected within the strategy. If the alternative mechanism is chosen, the reduction for this council would fall to around 19%.

#### **6 Council Tax**

- 6.1 In looking at the potential income from Council Tax, the likelihood of growth in the tax base is considered. The potential new build included in the Core Strategy for the borough has been reviewed and it has been assumed that a proportion will be achieved. This has given a growth rate of 0.5% in the tax base, which has been used in projecting the income from Council Tax.
- 6.2 In general terms, an inflationary increase in Council Tax is built into the budget on an annual basis. In recent years the government have encouraged local authorities to freeze Council Tax, and have provided some grant to offset the loss of income. Grant support offered has varied from year to year, but has always been time limited.
- 6.3 Decisions to freeze Council Tax has an on going and cumulative effect on the Council's financial position, and the impact of the decisions in 2011/12, 2012/13 and 2013/14 to the end of the current strategy period is detailed in Appendix B. This shows that by March 2018, the Council Tax lost would amount to £1.861 million. As grant funding is limited to £0.693 million, the net funding foregone by the end of the strategy period will be in the region of £1.168 million. The income loss for 2018/19 onwards amounts to £315,000 per annum.
- 6.4 Going forward a 2% increase in Council Tax per annum, has been included in the forecast.
- 6.5 A local Council Tax Support scheme was implemented from April 2013, which had the effect of reducing the Council Tax base. Grant of 90% of the expected cost of the scheme was given to the Council in 2013/14 as part of Revenue Support Grant. A transitional grant was also received following the council's decision to limit Council Tax bills given to previous working age Council Tax benefit claimants to a maximum of 8.5% of their annual bill. A decision on the scheme for 2014/15 will be needed, as the transitional grant will not continue.

## 7 Review of 2013/14

- 7.1 In order to update the strategy, a number of areas of both income and expenditure have been revisited. The 2013/14 budget has been adjusted for the following changes:

	<b>£000</b>
Increased vacancies / lower pay award than provided for	(130)
Additional planning fee income	(175)
Small business rate relief	(69)
Improved income/reduced costs at the industrial units	(42)
Reduction in MRP	(37)
Other	(19)
Additional NDR income removed	15
Reduction in investment Income	20
<b>Total</b>	<b>(437)</b>

- 7.2 The anticipated amount to be taken from balances is expected to reduce to £21,000, leaving an anticipated opening General Fund balance of £4,067,000 at 1 April 2014. This has been used as the revised starting point for the updated forecast.

## 8 Budget Projections 2013/14 to 2016/17

- 8.1 The 2014/15, 2015/16 and 2016/17 years have also been reviewed and a further year, 2017/18, has been forecast. In completing the forecast, a number of assumptions have been made, which are set out in Appendix C.
- 8.2 Larger premise and supplies and services costs have been assessed separately for inflation. 'Other' premise and supplies and services costs have only been given an increase in alternate years in this strategy, in order to encourage efficiencies in procurement. These areas will be revisited in the more detailed work carried out as part of the budget process.
- 8.3 No growth has been included, except for one off provision to cover some preparatory work for the elections in 2014/15 and the elections themselves in 2015/16. The forecast for each year includes a contingency sum. Funding has been included to cover the costs of borrowing to fund the accommodation project and the replacement of Coleshill Leisure Centre.
- 8.4 The forecast has been summarised and is shown in the table below. The forecast anticipates balances of £1,647,000 at March 2018, if the assumed savings are made.

	2013/14 Revised £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<b>Spending Requirement</b>	<b>8,590</b>	<b>9,241</b>	<b>9,578</b>	<b>9,788</b>	<b>10,093</b>
Grant to Parish Councils	112	98	83	75	67
Savings 2014/15		(500)	(500)	(500)	(500)
Savings 2015/16			(630)	(630)	(630)
Savings 2016/17				(500)	(500)
Savings 2017/18					(400)
<b>Net Expenditure</b>	<b>8,702</b>	<b>8,839</b>	<b>8,531</b>	<b>8,233</b>	<b>8,130</b>
Council Tax	(3,964)	(4,064)	(4,165)	(4,270)	(4,377)
CTS Transitional Grant	(18)				
New Homes Bonus	(383)	(517)	(423)	(557)	(597)
Small Business Rate Relief	(69)	(46)			
Settlement Funding Assessment	(4,202)	(3,672)	(3,109)	(2,798)	(2,518)
CT Freeze Grant	(45)				
Collection Fund Surplus		(50)	(50)	(50)	(50)
<b>Use of Balances</b>	<b>21</b>	<b>490</b>	<b>784</b>	<b>558</b>	<b>588</b>
<b>Balances C/fwd</b>	<b>4,067</b>	<b>3,577</b>	<b>2,793</b>	<b>2,235</b>	<b>1,647</b>

## 9 Comparison to Previous Forecasts

- 9.1 The expected use of balances in the current forecast are compared with those estimated in the forecast produced last February, in the table below.

	2014/15 £000	2015/16 £000	2016/17 £000	2016/17 £000

Current Forecast	490	784	558	588
2013/14 Strategy to Board	613	651	573	
<b>Difference</b>	<b>-123</b>	<b>+133</b>	<b>-15</b>	

9.2 The main areas of difference between the February projection and the current figures in 2014/15 are:

- The inclusion of some expected grant relating to Small Business Rate Relief and an increase in New Homes Bonus;
- An increase in the level of planning income expected;
- An increase in Council Tax income, to reflect expected new homes;
- The reduction in investment income seen in 2013/14 is expected to continue;
- An increase in the savings target.

## 10 Savings

10.1 In order to manage the significant cut in Revenue Support Grant expected in 2014/15 and the on going reduction in New Homes Bonus from 2015/16, the savings of £1.29 million included in the February forecast have been revised. Savings over the period 2014/15 to 2016/17 have been increased to £1.63 million, and a further £400,000 has been included for 2017/18. The additional savings included for 2014/15 to 2016/17 have been lighter in the first two years, reflecting the greater uncertainty that exists over Revenue Support Grant for 2016/17 onwards.

10.2 The total savings of £2.03 million over the 4 year forecast equates to a saving of around 6% of the net budget per annum. The authority has already made significant reductions in its budget over recent years, so taking out a further £2.03 million will be extremely challenging. Work is already in hand for identifying options for reducing net expenditure for both 2014/15 and subsequent years.

10.3 The government have indicated that support for further Council Tax freezes will be available for 2014/15 and 2015/16. However the 2014/15 offer will provide grant for just two years, whilst the 2015/16 offer will be for one year only. A decision to accept the support and freeze Council Tax in both years would reduce resources by an additional £443,390 over the current strategy period, as shown in Appendix B. The impact of this would be an increase in the savings that the Council would have to make to £600,000 in 2016/17 and £550,000 in 2017/18, giving a revised total of £2.28 million.

10.4 Keeping to the strategy is dependent on savings being achieved to target in each of the years covered. The current forecast also indicates that further savings will be required in 2017/18 and beyond, as expenditure continues to be partly funded through the use of balances each year. The difficulty in finding savings has become greater over time, and this will only increase in the future.

## 11 Potential Risk Areas

11.1 In preparing this forecast, a number of assumptions have been made and these have been set out in section 7 of this report. Clearly, should these assumptions not materialise, there will be an impact on the figures. The main risk areas for this forecast are:

- **Settlement Funding Assessments** – government announcements giving the indicative reduction for 2014/15 and 2015/16 have been used, but actual reductions have yet to be confirmed. Information for 2016/17 and 2017/18 is not yet available.
- **Special Grant** – further offers of Council Tax Freeze Grant would impact on the tax base available for future revenue generation.
- **Business Rates** – the local retention of business rates from April 2013 has brought uncertainty around the level of funding to be received on an annual basis.
- **Investment Income** – although interest rates have been predicted using professional advice, financial markets can vary significantly over time.
- **Salary Increases** – higher pay awards than included in the forecast would have an impact, given the relative size of the payroll
- **Council Tax Support** – increases in take up will directly increase the costs of the Council. There are also risks around the non collection of Council Tax, from those who have not previously been required to contribute.
- **Housing Benefit Administration Grant** – the reduction of 5% in 2013/14 has been used for the further years of the strategy.
- **Reduced Income** – a loss of service income is always a possibility in the current economic position.

11.2 The potential impact of an improved or worse position for all four years of the forecast are shown in Appendix D (savings of £2.03 million are included in each of the options). The increased use of balances / contribution to balances are summarised below:

Year	Worse Case £000	Most Likely Case £000	Best Case £000
2014/15	830	490	190
2015/16	1,127	784	400
2016/17	1,038	558	122
2017/18	1,030	588	19

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

11.3 If the best case scenario occurred, the council would be able to reduce the savings currently included within the strategy from £2.03 million to £1.150 million and achieve the same level of balances at the end of 2017/18.

- 11.4 If the worst-case scenario occurred there would be an additional call on balances. As the balances at 1 April 2014 are expected to be £4,067,000, the Council could manage the worst case into 2015/16 if needed. However further savings of £500,000 would be needed in both 2016/17 and 2017/18, to ensure that balances were at an acceptable level at the end of 2017/18. Finding the additional savings earlier would mean the total savings required during the life of the strategy would reduce.

## **12 Budget Approach 2014/15**

- 12.1 As mentioned earlier, a number of areas have already been identified as potential savings, and these are in the process of being reviewed.
- 12.2 A firm stance should be taken in order to limit the level of growth approved in 2014/15, as any further expenditure will increase the need to draw from balances. Only growth that cannot be statutorily avoided, makes a significant contribution to moving forward the Council's priorities, or would expose the Council to an unacceptable level of risk should the expenditure not be incurred, should be approved. A prioritisation exercise on growth based around these three main criteria should be used.

## **13 Conclusion**

- 13.1 The Council could be faced with savings ranging from £1.15 million to £3.03 million. The updated strategy includes savings of £2.03 million over the next four years.
- 13.2 It is unlikely that all of the main risk areas will materialise at the same time, in any of the years highlighted above. The main areas of concern included in the risks around the financial position of the Council, are that of Revenue Support Grant and Business Rates.

## **14 Report Implications**

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

- 14.1.1 As detailed in the body of the report.

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

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

### **14.3 Equality Implications**

- 14.3.1 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

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

**Background Papers**

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

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



**MEDIUM TERM FINANCIAL STRATEGY      2014/15 – 2017/18****1 Introduction**

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

**2 Linking Resources With Corporate Priorities**

- 2.1 The Council has identified a number of priorities and these are given in its Corporate Plan, along with targets for a three year period. In arriving at the priorities, external influences are taken into account, including the aims of the Local Strategic Partnership (LSP). Other factors such as legislative changes and reward incentives are also considered.
- 2.2 The Corporate Plan and associated Financial Strategy are reviewed and updated on an annual basis, before the start of each new financial year. A further review of the Financial Strategy is also carried out part way through the year, to ensure that changing circumstances are taken into account in carrying out the full review.
- 2.3 As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add known unavoidable spending pressures. This is then measured against the projection of available funding to determine affordability. The package of measures required to balance the two form the financial strategy for the budget year.

## 3 Economic Forecast

3.1 Both general inflation and specific areas of increase affect the spending of the Council. There are two main indices for measuring household inflation: the Consumer Price Index (CPI) and the Retail Price Index (RPI). The Council reviews these indices when it is assessing the level of inflation to be included in its financial strategy. However the Council may choose to use a lower general rate in some areas, where it wishes to encourage efficiencies.

3.2 Specific areas of increase are considered separately and individual rates of increase used to reflect prevailing market conditions, where they are significantly different to the general rate of inflation. These are assessed on an annual basis and depending on economic conditions, may include:

- Employee costs – pay awards and pension costs;
- fuel and energy costs;
- investment rates.

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

<b>Cost / Income Type</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Pay awards	2%	2%	2%	2%
Superannuation rates	19.2%	20.2%	20.7%	21.2%
Agency staff	2%	2%	2%	2%
Business Rates	3%	2.7%	3%	3.5%
Utilities	4%	4%	4%	4%
Other premise costs	0%	2.5%	0%	2.5%
General inflation, where there is no contractual obligation	0%	2.5%	0%	2.5%
Other supplies and services	0%	2.5%	0%	2.5%
Payment of benefits	3 – 3.5%	3 – 3.5%	3 – 3.5%	3 – 3.5%
Housing Benefit Administration Grant	-5%	-5%	-5%	-5%
External funding from central government	-13.4%	-15.3%	-10%	-10%
Council Tax	2%	2%	2%	2%
Income	2.5%	2.5%	2.5%	2.5%

## 4 Demographic Factors

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

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

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

- 4.3 The Council Tax Base has remained fairly consistent over a number of years, with only small increases. Following a review of the potential new build in the area identified in the Core Strategy, the Financial Strategy has assumed an increase of 0.5% in the tax base on an annual basis, although there will be some movement depending on the Council Tax Support scheme adopted.

## **5 General Fund Activities**

### **5.1 Settlement Funding Assessment**

- 5.1.1 Central government provides funding to local authorities for their General Fund activities through the Settlement Funding Assessment system. The government decides on the funding to be allocated to Local Government on a national basis, and then allocates this funding between authorities using a formula calculation.
- 5.1.2 Indicative allocations of funding for this Council show a 13.4% reduction in 2014/15 and a 15.3% reduction in 2015/16. Figures for 2016/17 and 2017/18 are not yet known, although further reductions to national control totals have been discussed and are expected. Our latest projections have assumed further reductions of 10% in both years.
- 5.1.3 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. As the Business Rates element is fixed, other than for inflationary increases, any reduction in the Settlement Funding Assessment is taken out of Revenue Support Grant.

### **5.2 Business Rates**

- 5.2.1 From April 2013, local authorities retain a proportion of the business rates they collect. The Secretary of State announced a baseline funding level of £1.679 million for North Warwickshire in the 2013/14 Finance Settlement. As we are required to pay a business rate tariff of £13.983 million in 2013/14, we need our local share of business rates to come to £15.662 million, in order to achieve this level of funding.
- 5.2.2 Business rates, including the tariff payable, will be increased by inflation each year. If the business rates in our area fall due to business closures or rating appeals, we may not achieve our baseline funding level. This would impact on our financial forecasts, reducing the level of balances we hold. The operation of a national safety net system would provide provision when the Authority's baseline funding fell by 7.5%. If additional business rates are collected, we would be required to pay a levy of 50% of the additional rates to the government, and a further 10% to Warwickshire County Council. We would retain the remaining 40%.
- 5.2.3 The Council chose to become a member of the Coventry and Warwickshire Business Rates Pool. This Local Pool agreed a safety net provision at a 5% loss of baseline funding, which would benefit the Council in the event that business rates fall. If business rates increase, the Pool will have a lower levy rate than the Council, of around 19%, allowing the Pool to keep more of the increase.

## 5.3 Council Tax Base

- 5.3.1 The Council's tax base reduced significantly for 2013/14, following the requirement to introduce a local Council Tax Support scheme, in place of the previous national Council Tax Benefit system. The scheme requires some residents to pay council tax, who previously had no liability. The Government offered councils a transitional grant in 2013/14, if they restricted the maximum payment by previous Council Tax Benefit claimants to 8.5% of their council tax bill. The Council opted to take the transitional grant and also revisited the collection rate, which was revised downwards to 98%.
- 5.3.2 Although the Council usually exceeds its target collection rate, a small margin for non-collection allows some room for other variations during the year. Any additional funds are then distributed in the following year.
- 5.3.3 The transitional grant was for 2013/14 only, so the Council needs to agree a Council Tax Support scheme for 2014/15 onwards.

## 5.4 Council Tax

- 5.4.1 The Council attempts to balance the need for retaining an affordable council tax, with the retention of services. This is increasingly difficult with current financial constraints, including the pressures of government funding levels, limited income raising opportunities, economic pressures and rising expectations. Council policy is to keep council tax rises at, or below, inflation.
- 5.4.2 Recent decisions to freeze council tax have had an on going and cumulative effect on the Council's financial position. Grant funding received towards tax freezes have been time limited, whereas the tax base is reduced permanently. The current forecast has assumed a council tax increase of 2% per annum going forward.
- 5.4.3 The government have brought in a requirement for proposed increases above 2% to be subject to a local referendum.

## 5.5 Fees and Charges

- 5.5.1 The Council has tended to increase fees and charges for inflation, on an annual basis. Any other changes have tended to be on an ad hoc basis. Demand for some services has reduced considerably as the effect of the economic situation has taken hold. This will be taken into consideration in the review of fees and charges during the detailed work in the 2014/15 budget.

## 5.6 Growth Areas

- 5.6.1 Given the Council's existing financial constraints, a strong approach is taken with growth areas. In general terms, growth will be allowed if one of the following conditions is met:
- **Statutory Need.** Where the Council needs to spend resources in order to comply with statutory requirements

- **Invest to Save.** Where services can demonstrate that an initial outlay will generate additional income or reduced costs in the future, an advance from an earmarked reserve held for this purpose will be made.
- **External Funding.** Services are encouraged to look for external funding to support service development and enhancement. However the impact of ongoing costs against potential one off funding is always considered.
- **Efficiencies.** The Council looks for efficiencies in service provision, to contribute to savings targets, or reallocate resources to other priorities.

5.6.2 The Council may use financial savings identified to fund general growth areas, where these are not needed to maintain balances. Growth bids are assessed according to their contribution to Council priorities, the ability to obtain external funding and their contribution to the management of risk.

### 5.7 Approach to Savings

5.7.1 The Authority includes the requirement to find savings in its financial strategy. However whilst unidentified savings are built into financial projections over the medium term, only identified savings are included in the detailed budget put forward for approval for the coming financial year. This is part of the management of financial risks, and gives greater assurance around the approved budget, and the medium term position.

5.7.2 As the council looks for specific savings in advance of setting the budget for the following year, work on finding savings for 2014/15 will be carried out in 2013 during the production of that budget. Only those found will be included. Where possible the savings will be brought in earlier, during 2013/14, as this will give a beneficial impact on balances. The savings target for 2014/15 has been increased to £500,000, following the reduction in the Settlement Funding Assessment. If the savings target is not found, this will be reflected in the financial strategy for future years.

5.7.3 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

### 5.8 General Fund Balances

5.8.1 One of the Council's aims is to have a balanced budget. However this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.

5.8.2 The current policy for general balances is to retain minimum working balances of £1.5 million on the General Fund. The risk assessments, which support these requirements, are updated on an annual basis as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks.

### 5.9 Budget Process

5.9.1 The budget process operates throughout the year, with the budget strategy updated twice per year. The financial forecast produced in September provides the context for the more detailed four year budget approved in February, as part of the Council Tax Setting process.

- 5.9.2 In the event of potentially significant changes to the Council's financial position, the Deputy Chief Executive will assess whether additional updates of the financial strategy are needed.

### **5.10 Budget Consultation**

- 5.10.1 The Council consults on how it spends its resources on an annual basis. A meeting with business ratepayers is held every year, whilst other consultation is carried out periodically. For example:

- paper questionnaires to a sample of the citizens panel
- focus groups involving participants from members of the citizens panel
- electronic questionnaires on the website
- specific consultation exercises eg. Council Tax Support

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

## **6 Housing Revenue Account**

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

- 6.1.1 The Council aims to have a balanced budget on the Housing Revenue Account. Again this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.

- 6.1.2 The current policy for general balances is to retain minimum working balances of £500,000 on the Housing Revenue Account. The risk assessment, which supports this requirement, is updated annually as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks. Given the greater risks that will be faced by the council as a result of welfare reform, an increased requirement to hold general balances is expected.

### **6.2 Housing Business Plan**

- 6.2.1 To ensure the continued management and maintenance of North Warwickshire's housing stock, both Members and officers need to take decisions on a long term basis. For example, we need to build up surpluses to fund the capital expenditure needed later in the Business Plan. The impact of decisions taken is fundamental to the sustainability of the Business Plan.

- 6.2.2 The Business Plan currently assumes that the authority continues to increase rents in line with a previous government policy. The impact of a recent change in national rent policy is being calculated and will be included within the September update of the Plan.

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

## **7 Capital Programme**

### **7.1 Capital Funding**

- 7.1.1 The Council projects its expected resources over both a three and ten-year period. These include receipts from the sale of council assets, revenue funding used to support capital expenditure and anticipated contributions from third parties. Funding from the government is also considered. Specific grant of 60% is received towards the cost of Disabled Facility Grants, up to a maximum allocation.
- 7.1.2 Given its restricted resources, the council prioritises capital schemes, to enable it to carry out all essential spending.
- 7.1.3 There are still some funding issues which need to be addressed in the longer term, and other funding options will be considered in future updates of the Capital Strategy. The Capital Strategy gives further detail on the allocation of capital funding.

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

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

## **8 Efficiency Agenda**

- 8.1 All councils are required to demonstrate Value for Money. The Council doesn't set targets for individual services, as it recognises that efficiency savings can take longer to generate in some services.
- 8.2 Officers look for efficiencies in order to assist in achieving the savings required as part of the financial strategy. In addition systems thinking reviews are carried out on individual services and procurement activity is monitored.

## **9 Treasury Management**

- 9.1 This is the management of the Local Authority's cash flows: its banking, money market and capital market transactions. The Council has adopted a Treasury Management and Annual Investment Strategy, which sets out a framework for its activity in these areas. The current Strategy aims to minimise risk by putting greater emphasis on security and liquidity. Once risk has been minimised, the Council will maximise performance wherever possible, within existing controls.
- 9.2 As highlighted in the Treasury Management Strategy, the Council has a borrowing requirement of £71 million. The HRA has external borrowing of £59 million, whilst the General Fund has internal borrowing of £12 million. Internally borrowed funds come from earmarked reserves held for future revenue and capital spending. As these resources are used, there will be a need for further external borrowing.

- 9.3 The government have imposed a cap on an authority's total housing borrowing. The Council is currently below its cap.
- 9.4 The Council has internal funds in excess of those needed to cover the internal loans. These are invested on the money market and generate investment income for both the General Fund and the Housing Revenue Account. The cash fund portfolio is managed internally, with advice from Sector, the Council's treasury management consultants.

### **10 Earmarked Reserves**

- 10.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes. Earmarked reserves are used to hold:
- Funding received in advance for specific initiatives;
  - Funding set aside for specific services, where the timing of demand can vary;
  - Funding set aside for the future replacement of assets or other capital expenditure;
  - Funding held to enable the Council to manage specific risks; and
  - Funding where work has been delayed.
- 10.2 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Reserves set up to manage timing differences or hold funding received in advance match expenditure to the income available. Reserves held to allow risks to the base budget to be managed are estimated using the best available information.

### **11 Risk Management**

- 11.1 The Council has a Risk Management strategy in place which it uses to manage all of its risks, including financial risks.
- 11.2 A system of risk management has been established, which is operated by all services. This ensures that if there are significant changes in the level of risk to the Council from new legislation, or policy changes, they are considered and reported to Board. Any significant increase in financial risks will therefore be addressed during the year, if this is necessary.
- 11.3 In addition, the financial risks of individual services are considered during the budget preparation process by Service Boards, along with the related budgets. Annual risk assessments are undertaken on the level of balances for the General Fund and the Housing Revenue Account and considered at the same time as the budgets. This ensures that all current issues are included.
- 11.4 To assist with highlighting the impact of the potential risks, the major risks are assessed on differing risk levels, and these are included in reports to Board.



## IMPACT OF COUNCIL TAX FREEZES IN 2011/12, 2012/13 AND 2013/14

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18		Total
Grant Income - 2011/12 CT freeze	-111,746	-111,746	-111,746	-111,746					-446,984
Grant Income - 2012/13 CT freeze		-112,220							-112,220
Grant Income - 2013/14 CT freeze			-44,650	-44,650	-44,650				-133,950
Grant Income - 2014/15 CT freeze									0
Grant Income - 2015/16 CT freeze									0
<b>Grant Income</b>	<b>-111,746</b>	<b>-223,966</b>	<b>-156,396</b>	<b>-156,396</b>	<b>-44,650</b>	<b>0</b>	<b>0</b>		<b>-693,154</b>
Loss of CT 2011/12	134,012	136,003	120,040	120,641	121,244	121,850	122,459		876,248
Loss of CT 2012/13		92,539	81,678	82,087	82,497	82,909	83,324		505,034
Loss of CT 2013/14			83,312	83,728	84,147	84,568	84,990		420,745
Loss of CT 2014/15				5,729	5,758	5,758	5,787		23,031
Loss of CT 2015/16					5,873	5,902	5,932		17,707
Loss of CT 2016/17						6,020	6,050		12,071
Loss of CT 2017/18							6,171		6,171
<b>CT Lost</b>	<b>134,012</b>	<b>228,542</b>	<b>285,030</b>	<b>292,184</b>	<b>299,518</b>	<b>307,007</b>	<b>314,714</b>		<b>1,861,008</b>
<b>Net Revenue Impact</b>	<b>22,266</b>	<b>4,576</b>	<b>128,634</b>	<b>135,788</b>	<b>254,868</b>	<b>307,007</b>	<b>314,714</b>		<b>1,167,854</b>

## POTENTIAL IMPACT OF ADDITIONAL COUNCIL TAX FREEZES IN 2014/15 AND 2015/16

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18		Total
Grant Income - 2011/12 CT freeze	-111,746	-111,746	-111,746	-111,746					-446,984
Grant Income - 2012/13 CT freeze		-112,220							-112,220
Grant Income - 2013/14 CT freeze			-44,650	-44,650	-44,650				-133,950
Grant Income - 2014/15 CT freeze				-44,650	-44,650				-89,300
Grant Income - 2015/16 CT freeze					-44,560				-44,560
<b>Grant Income</b>	<b>-111,746</b>	<b>-223,966</b>	<b>-156,396</b>	<b>-201,046</b>	<b>-133,860</b>	<b>0</b>	<b>0</b>		<b>-827,014</b>
Loss of CT 2011/12	134,012	136,003	120,040	120,641	121,244	121,850	122,459		876,248
Loss of CT 2012/13		92,539	81,678	82,087	82,497	82,909	83,324		505,034
Loss of CT 2013/14			83,312	83,728	84,147	84,568	84,990		420,745
Loss of CT 2014/15				85,403	85,830	86,259	86,690		344,182
Loss of CT 2015/16					87,546	87,984	88,424		263,955
Loss of CT 2016/17						9,271	9,318		18,589
Loss of CT 2017/18							9,504		9,504
<b>CT Lost</b>	<b>134,012</b>	<b>228,542</b>	<b>285,030</b>	<b>371,858</b>	<b>461,264</b>	<b>472,842</b>	<b>484,710</b>		<b>2,438,258</b>
<b>Net Revenue Impact</b>	<b>22,266</b>	<b>4,576</b>	<b>128,634</b>	<b>170,812</b>	<b>327,404</b>	<b>472,842</b>	<b>484,710</b>		<b>1,611,244</b>

Increase in Net Revenue Impact for Council Tax Freezes in 2014/15 and 2015/16

443,390

## APPENDIX C

<b>Cost / Income Type</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Pay awards	2%	2%	2%	2%
Superannuation rates	19.2%	20.2%	20.7%	21.2%
Business rates	3%	2.7%	3%	3.5%
Utilities	4%	4%	4%	4%
Other premise costs	0%	2.5%	0%	2.5%
General inflation, where a contractual obligation	0%	2.5%	0%	2.5%
Agency staff	2%	2%	2%	2%
Other supplies and services	0%	2.5%	0%	2.5%
Payment of benefits	3 – 3.5%	3 – 3.5%	3 – 3.5%	3 – 3.5%
Reduction in specific Housing Benefit admin grant	-5%	-5%	-5%	-5%
External funding from central government	-13.4%	-15.3%	-10%	-10%
Council Tax	2%	2%	2%	2%
Income	2.5%	2.5%	2.5%	2.5%

## APPENDIX D

### Potential Use of Balances

#### Best Case

	2013/14 Revised £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
<b>Estimated Use of Balance</b>	<b>21</b>	<b>490</b>	<b>784</b>	<b>558</b>	<b>588</b>
New Homes Bonus – top sliced using alternative option			(104)	(125)	(147)
A reduction in the financial settlements of 7.5%				(78)	(142)
Sustained improvement in planning income		(100)	(50)	(50)	(50)
Improvement in other service income			(30)	(30)	(30)
Improvement of 0.5% in investment rates		(50)	(50)	(50)	(50)
Additional surplus in the Collection Fund		(50)	(50)	(50)	(50)
Pay awards continue at 1%		(80)	(80)	(80)	(80)
Additional staff vacancies		(20)	(20)	(20)	(20)
<b>Potential Use of / (Cont to) Balances</b>	<b>21</b>	<b>190</b>	<b>400</b>	<b>75</b>	<b>19</b>
<b>Balances at Year End</b>	<b>4,067</b>	<b>3,877</b>	<b>3,477</b>	<b>3,402</b>	<b>3,383</b>

#### Worst Case

	2013/14 Revised £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
<b>Estimated Use of Balance</b>	<b>21</b>	<b>490</b>	<b>784</b>	<b>558</b>	<b>588</b>
Business rate income at safety net		87	89	92	95
Additional 1% on the pay award in 2016/17				87	90
Planning income is not sustained		75	77	79	81
Further reduction in service income		30	30	30	30
Reduction of 0.5% in investment rates		50	50	50	50
Inflation is 1% higher than assumed		98	97	95	96
<b>Potential Use of / (Cont to) Balances</b>	<b>21</b>	<b>830</b>	<b>1,127</b>	<b>991</b>	<b>1,030</b>
<b>Balances at Year End</b>	<b>4,067</b>	<b>3,237</b>	<b>2,110</b>	<b>1,119</b>	<b>89</b>

## Agenda Item No 11

### Executive Board

10 September 2013

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

#### Nuneaton and Bedworth Borough Council – Borough Plan July 2013

### 1 Summary

- 1.1 This report informs Members of the formal consultation on Nuneaton and Bedworth Borough Council's Borough Plan (July 2013).

#### Recommendation to the Board

- a That the draft response to the consultation be approved; and
- b That any additional comments Members may wish to make are forwarded on to Nuneaton and Bedworth BC.

### 2 Consultation

- 2.1 Councillor Sweet has been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

### 3 Background

- 3.1 Nuneaton and Bedworth BC have published their Borough Plan – Preferred options for consultation which can be viewed at [www.nuneatonandbedworth.gov.uk/downloads/200423/planning\\_policy](http://www.nuneatonandbedworth.gov.uk/downloads/200423/planning_policy). The consultation period ran from 5 July to 30 August. As a result of the deadlines for comments a draft letter has been sent and is attached as Appendix A. This was with the caveat that it was subject to this Board's approval and subject to any additional comments members may wish to add.

...

### 4 The Borough Plan

- 4.1 The Nuneaton and Bedworth Borough Plan will replace the Council's existing Local Plan which was adopted in 2006 and run up to 2028. The Borough Plan proposes growth of 75 hectares of employment land and 7,900 dwellings

### 5 Infrastructure Delivery Plan

- 5.1 There is an Infrastructure Delivery Plan that sits alongside the draft Borough Plan. The IDP refers to schools across Nuneaton and Bedworth but there is no mention of schools provision in North Warwickshire that provide places for those across the boundary.

### 6 Observations

- 6.1 Officers have met officers from NBBC to discuss the Plan before you. The main issues for this Borough relate to the amount of development being proposed to the north of Nuneaton and the impact this will have on the A5 as well as the impact from development on services and facilities in North Warwickshire such as schools.
- 6.2 In relation to the A5 it is requested that consideration be given to improving the A5 not only for vehicles but also for cycling and walking, particularly if this could be provided close to but off the main carriageway. In addition the Borough Council would like to work with NBBC to maintain and improve the linkages in to and out of the Borough.
- 6.3 NBBC is generally proposing strategic development away from the Borough boundary and so the direct impact will be less. However development could still take place in other areas and as a result could impact on services and facilities within this Borough and in particular on schools. As Members know the schools in North Warwickshire sit around the periphery of the Borough so their catchments extend well beyond the Borough boundary. As a result it is requested that further discussions take place with NBBC to determine a level of contribution to assist in the improvement of these schools either as a result of S106 or through CIL (Community Infrastructure Levy). This would directly benefit those coming to these schools from the Nuneaton and Bedworth area.

## **7 Report Implications**

- 7.1 There are no direct implications from this report.

### **7.2 Environment and Sustainability implications**

- 7.2.1 The Council supports the principles of sustainable communities and helping people access basic services easily, safely and affordably. The proposed development would impact on the services and facilities in North Warwickshire.

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

- 7.3.1 The designation of the Neighbourhood Plan Designation Area will have links to the following priorities;
1. Enhancing community involvement and access to services
  2. Protecting and improving our environment
  3. Defending and improving our countryside and rural heritage

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

**From:** Barratt, Dorothy  
**Sent:** 15 August 2013 17:39  
**To:** 'planning.policy@nuneatonandbedworth.gov.uk'  
**Cc:** Maxey, Steve; Dittman, Mike  
**Subject:** The Borough Plan consultation

Dear Kelly

A report has been drafted and will be presented to both the Planning & Development Board on the 9th September and then the Executive Board on 10th September considering your consultation on the Borough Plan. Unfortunately these dates are outside of your consultation period. I can confirm that the main issues, as we discussed at our meeting, are the impacts of development especially along the A5 and the opportunities to create / improve connectivity along its route as well as the need to discuss contributions (either S106 or through CIL) for schools provision in North Warwickshire. There may be additional comments that Members may wish to make. I will be able to confirm after the two Board meetings their views.

Kind regards

*Dorothy Barratt*

Forward Planning & Economic Strategy Manager  
BA(Hons), DUPI, MRTPI  
Chief Executive's Directorate  
North Warwickshire Borough Council



01827 719250

## Agenda Item No 12

### Executive Board

10 September 2013

#### Report of the Chief Executive

#### Coventry and Warwickshire City Deal

### 1 Summary

- 1.1 The report informs Members of the latest developments in the City Deal process and seeks delegated power for the Chief Executive to give this Council's approval for any changes to the bid to Government, in consultation with the Leader of the Council and Opposition Leader.

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

- a. That the report is noted;
- b. That the Board agreed that discussions continue towards the creation of a Joint Committee; and
- c. That delegated authority be given to the Chief Executive to give this Council's approval for any changes to the bid to Government, in consultation with the Leader of the Council and Opposition Leader.

### 2 Consultation

- 2.1 The report has implications for the whole Borough and no specific consultation has therefore taken place.

### 3 City Deal

- 3.1 Members may be aware of the report to the May meeting of the Special Sub Group that gave the then position on the emerging bid. That report is attached as Appendix A. A presentation was due to be given to Government Ministers on 18 June, however at short notice this was cancelled due to problems with draft bids elsewhere in the country.

- 3.2 That presentation has been rearranged and will take place on 24 October. The latest version of the draft bid is attached as Appendix B and Members will see that following advice from Government the bid now concentrates on a central idea of a "clearing house". In short, the idea is that all the existing help to business will come together in one place. The clearing house will initially concentrate on the advance manufacturing engineering sector (a particular

strength of the sub region) but is “scalable” and could therefore be used for any industries.

- 3.3 This is likely to be the final version of the bid to Government, however the Board is asked to delegate powers to the Chief Executive, in consultation with Councillors M Stanley and Hayfield, to agree any amendments thought necessary.

## 4 **Governance**

- 4.1 Government advice has consistently suggested that some form of joint governance arrangements will need to be in place to control the services to be provided through the City Deal. The Government’s preferred option is for a joint authority however there has been little appetite for this in the sub region.

- 4.2 The latest suggestion is for a joint committee on which all Councils in the sub region would have a seat. Members will recall that at the moment this Council does not have a seat on the Local Enterprise Partnership Board, and therefore this would represent a step in the right direction in terms of representation.

- 4.3 As well as managing the clearance house it is suggested that a Joint Committee would deal with the following:

- Sub-regional economic and growth strategies eg skills; transport; infrastructure
- Joint investment strategies
- Sub-regional investment decisions eg external funding
- Co-ordinated approach to inward investment
- Collaboration on spatial planning eg strategic housing; duty to co-operate

- 4.4 Any final decision on a Joint Committee and its terms of reference would be reported back to this Board and would need full Council approval as it would involve changes to our Constitution.

## 5 **Report Implications**

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

At the moment it is not certain what financial contribution the Council will be asked to make to the City Deal. Any financial cost will have to be accompanied with a business case and will be reported back to Special Sub Group.

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

Appropriate development of the North Warwickshire area will improve the “liveability” of the area. Improvements in particular of the area’s public transport will be welcomed.

The Contact Officer for this report is Jerry Hutchinson (719216).



**NOT FOR PUBLICATION**  
by virtue of paragraph 3  
of Part 1 of Schedule 12A to the  
Local Government Act 1972

## Agenda Item No 6

### Special Sub Group

20 May 2013

## Report of the Chief Executive

## Coventry and Warwickshire City Deal

### 1 Summary

- 1.1 The report informs Members of the City Deal process and seeks endorsement for the draft submission to Government and delegated powers for the Chief Executive should any amendments are necessary prior to the submission.

#### Recommendation to the Sub-Group

- a. That the draft submission be endorsed; and
- b. That the Chief Executive, in consultation with Councillors M Stanley and Hayfield, be authorised to agree any amendments prior to submission to Government

### 2 Consultation

- 2.1 The report has implications for the whole Borough and no specific consultation has therefore taken place

### 3 Background

- 3.1 In 2011 the Government announced that it would promote a series of City Deals with the largest cities in the country as part of a strategy of both promoting economic growth and of devolving powers and resources locally.
- 3.2 8 City Deals have now been agreed and signed. A summary of each of the City Deals can be seen at [www.dpm.cabinetoffice.gov.uk/content/city-deal](http://www.dpm.cabinetoffice.gov.uk/content/city-deal) The summaries show a diversity of approaches but all involve some form of devolution from Central Government in terms of powers and funding, as well as some form of clear contribution from local government and partners to economic growth.
- 3.3 A second wave of City Deals was announced on 29<sup>th</sup> October 2012 and Coventry and Warwickshire were one of the invitees. A draft bid was submitted and our area (which also includes Hinckley and Bosworth Borough) won through to the next stage and has been “fast tracked”.
- 3.4 Members may recall from a previous report that the following specific priorities for the North Warwickshire area have been identified:

- Improvements to the A5
- Improving the skills of our working age population to improve household income
- A wider range of jobs, including in the new generation of engineering opportunities
- Access to the jobs being created in our area for our population

#### 4 **Current position**

4.1 The timetable for the submission of the final bid to Government is as follows:

Submission of draft bid – 28<sup>th</sup> May

Challenge session with Greg Clark MP – 3<sup>rd</sup> June

Submission of final document – 6<sup>th</sup> June

Meeting of the “ad-hoc ministerial group” to consider the bid – 18<sup>th</sup> June

4.2 There are four main parts to the draft submission – skills; private sector growth; infrastructure (more details on these topics can be found in the appendices to this report) and governance arrangements (discussed at paragraph 6 below).

4.3 Overall the focus of the bid is to develop the strength of the Coventry/Warwickshire region in advanced manufacturing. The area has a number of renowned companies, such as Jaguar Land Rover, BMW, Aston Martin and Rolls Royce, two world class universities (Coventry and Warwick) and a range of leading research institutions, including Warwick Manufacturing Group, MIRA and the Serious Games Institute. The supply chain to these industries is also significant.

4.4 It is felt however that this strength could be developed further by addressing the following weaknesses:

- 90% of the research and development is done by just 5% of the region’s companies
- There is a 30% shortage in skilled and experienced engineers
- Business support and the provision of training could be more coordinated
- There is a lack of readily available premises for expanding companies to move into
- The supply of finance for growth could be improved

4.5 The solutions to these problems, as detailed in the draft submission, can be summarised as follows:

- A skills board to ensure that training is focussed on the particular requirements of industry in this area
- An “ambassador” or “mentor” programme in schools to encourage children to show interest in work areas suffering from labour shortages
- A clearing house/brokerage scheme for businesses looking to expand or service new orders, ensuring a good supply of land, buildings and finance
- Better coordination of support and advice services to businesses

4.6 In short, the Government is being asked to give the Coventry/Warwickshire area greater control on funding in the areas of skills training and infrastructure provision (including roads, transport and broadband connectivity). More detail is provided in the appendices.

4.7 In return, Government will expect the public sector partners in this area to invest in these measures to stimulate the local economy. It is important to note however that the need for specific additional funding has not been identified and the discussions to date have centred on “bending” the current spend on these activities. One proposal is for the region to retain a higher percentage of any additional business rates generated by economic growth and this may provide funding or business cases for investment in these activities. This Council has made it clear that it has no additional funding for the activities mentioned in the draft submission.

## 5. **Next steps and Developing National Agenda**

5.1 As detailed above, the development of the submission is an ongoing process given the rather “fluid” nature of both the region’s and Government’s developing policy in this area. A draft bid will be submitted at the end of this month and that will be subject to a challenge session by the Cities Minister, Greg Clark MP. It may be that some changes will be recommended as a result of that session, however given that the final document will need to be submitted three days later it is suggested that the Chief Executive be given delegated powers to agree any changes, in consultation with Councillors M Stanley and Hayfield.

5.2 If successful, the City Deal will then be the subject of detailed negotiations with Government to firm up the very general nature of the submission as currently drafted.

5.3 The City Deal needs to be seen in the context of the wider developing Government policy in this area. The City Deal has the potential to give new powers and flexibility to this area. It may be however that the greater potential comes from proposed Growth Plans which will enable Coventry and Warwickshire to access significant “pots” (Single Growth Funds) of previously centralised Government and European spending on skills, infrastructure, transport etc. Continued involvement with the City Deal will leave this Council and its partners well placed to exploit that greater potential.

## 6 Governance

- 6.1 At present this Council does not have a representative on the Local Enterprise Partnership (LEP) Board, an unsatisfactory situation that has been raised regularly with our partners. The draft City Deal submission suggests the creation of an Economic Prosperity Board (EPB) with a seat for the Leaders of all eight authorities and some representation from the LEP. It is suggested that this is an improvement on current arrangements.
- 6.2 The functions of the EPB are still being developed but it is suggested that these should include the delivery of the City Deal, the Single Growth Fund and any shared local investment/infrastructure funding. There are also discussions concerning the extent to which the EPB should deal with sub-regional spatial planning and housing strategy, and economic regeneration including skills and transport.

## 7 Report Implications

### 7.1 Finance and Value for Money Implications

It is unclear at this stage what the financial implications of City Deal are for the Council, however, no financial contribution from the Council has been asked for. If as the City Deal develops a business case can be made for contributions that will benefit this area this will be subject to further reports.

### 7.2 Environment and Sustainability Implications

Appropriate development of the North Warwickshire area will improve the “liveability” of the area. Improvements in particular of the area’s public transport will be welcomed.

The Contact Officer for this report is Jerry Hutchinson (01827 719216).

### 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	Office of the Deputy Prime Minister	City Deal Prospectuses – Wave 1 and Wave 2	July and October 2012



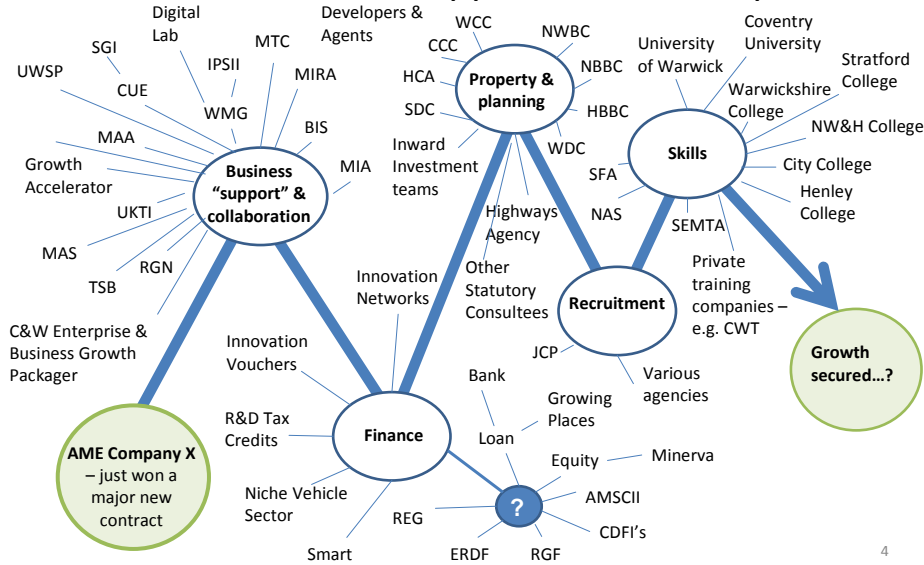
**Coventry & Warwickshire**  
Local Enterprise Partnership

**Coventry & Warwickshire City Deal**

**AME Clearing House**

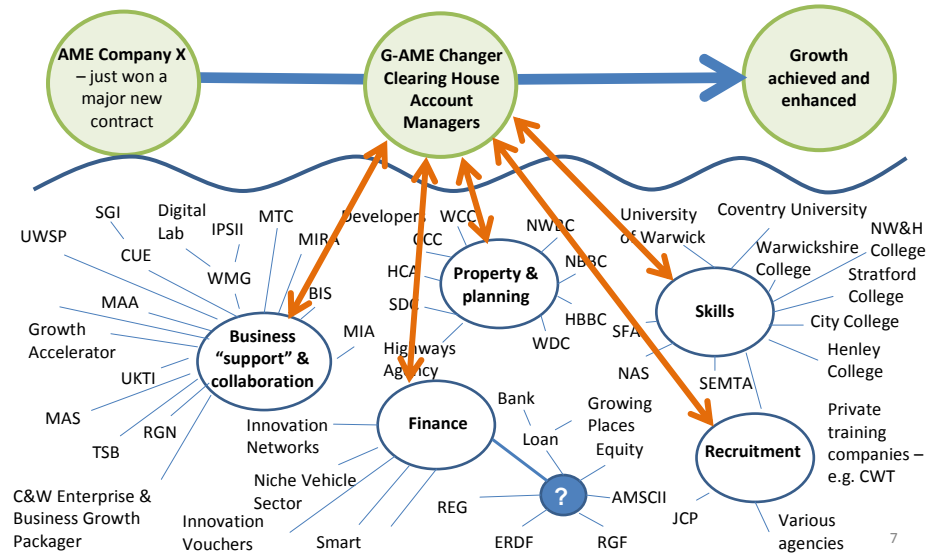


**Current confused, crowded, supplier led landscape**



4

## Simplified, demand-led, accessible service



The Service	What does it do?	What will businesses get?	Coventry & Warwickshire <u>Offer</u> We will...	Government <u>Ask</u> We want...
<b>Skills for Employers</b>	Provides proactive advice and support to businesses about their skill needs and how they might be filled; and/or direct delivery of	<b>Short term:</b> <ul style="list-style-type: none"> <li>• Single point of contact</li> <li>• Accessible advice and support to AME's with skills needs</li> <li>• A new AME business driven skills programme</li> <li>• Support to business to recruit employees</li> </ul>	<ol style="list-style-type: none"> <li>1. Design, develop and implement a 'Coventry &amp; Warwickshire AME skills programme'</li> <li>2. LEP partners to fund and appoint a team of seven people to deliver the skills programme</li> <li>3. Put in place a shared apprenticeship scheme across the AME sector</li> <li>4. Starting in 2014, provide up to 1,000</li> </ol>	<ol style="list-style-type: none"> <li>1. SFA money to be flexed to pay for individuals to undertake the CW AME skills programme</li> <li>2. Formal recognition and certification of the CW AME skills programme</li> <li>3. Funding agencies to identify and share information on the</li> </ol>

The Service	What does it do?	What will businesses get?	Coventry & Warwickshire <b>Offer</b> We will...	Government <b>Ask</b> We want...
	programmes to up skill individuals and employees	<ul style="list-style-type: none"> <li>• Simplified access to training provider</li> <li>• Support to develop undergraduate placements and real work experience</li> <li>• Access to apprentices</li> </ul> <p><b>Medium term:</b></p> <ul style="list-style-type: none"> <li>• Access to a ‘Local Milk Round’ within Coventry &amp; Warwick Universities and local FE providers</li> </ul>	<p>placement opportunities between July – September for students in our HE/FE institutions within the AME sector.</p> <p><b>Medium term:</b></p> <ol style="list-style-type: none"> <li>5. Create a single coordinated approach to STEM activity in schools.</li> <li>6. Actively raise the profile and opportunities within the AME sector within Coventry &amp; Warwickshire schools</li> <li>7. Work with DWP and JCP to provide a pathway to AME employment for the unemployed, with a particular focus on young people.</li> </ol>	<p>skills needs of Coventry &amp; Warwickshire AME businesses</p> <ol style="list-style-type: none"> <li>4. A dedicated local fund to resource skills provision to meet AME business needs beyond the defined <i>CW AME skills programme</i></li> <li>5. Government match funding for the shared apprenticeship scheme</li> </ol>
<b>Planning &amp; Sites</b>	Provides proactive advice and support to businesses on AME appropriate development sites and associated planning and infrastructure. Provides linkages to other <i>Clearing</i>	<p><b>Short term:</b></p> <ul style="list-style-type: none"> <li>• Single point of contact through a dedicated Account Manager</li> <li>• Comprehensive Information on available major sites suitable for AME growth</li> <li>• Access to a limited number of major sites equipped with ultra-fast Superfast Broadband capability</li> <li>• A fast track planning service with applications registered on the</li> </ul>	<ol style="list-style-type: none"> <li>8. Prioritise the major sites across the CWLEP area</li> <li>9. Place a ‘local development order’ on key major sites for AME businesses</li> <li>10. Provide consistent and detailed information from our planning departments on the CWLEP major sites</li> <li>11. Fast track application process and free pre-application advice for AME’s</li> <li>12. Dedicate a case officer for AME businesses</li> <li>13. Agree a sub-regional spatial strategy</li> </ol>	<ol style="list-style-type: none"> <li>6. Flexibility to recycle receipts from Ansty Park and Lyons Park</li> <li>7. Government to match fund costs of pre-application advice where this would be charged for by statutory consultees</li> <li>8. Require statutory consultees to give the same priority and fast track to AMEs that we will</li> </ol>

The Service	What does it do?	What will businesses get?	Coventry & Warwickshire <b>Offer</b> We will...	Government <b>Ask</b> We want...
	<i>house services</i>	<p>same day</p> <p><b>Medium term:</b></p> <ul style="list-style-type: none"> <li>• Cohesive planning information and advice across all CWLEP area major sites beyond that initially offered to the AME sector</li> </ul>	<p>14. Amend the existing joint planning protocol to prioritise growth in the AME sector</p> <p><b>Medium Term:</b></p> <p>15. Develop a business-friendly ‘gold standard’ planning service and regulatory regime linked to the proposed planning fees pilot area status.</p>	<p>9. Prioritisation of funding to enable ultra-fast Broadband for CWLEP major sites</p> <p>10. Pilot area status for localisation of planning fees</p>
<b>Sector Investment</b>	<p>Provides marketing and promotion of Coventry &amp; Warwickshire to businesses outside of the area.</p> <p>Stimulates AME investment from existing businesses and retains that investment in Coventry &amp;</p>	<p><b>Short term:</b></p> <ul style="list-style-type: none"> <li>• Single point of contact through a dedicated Account Manager</li> <li>• A coherent and clear understanding of the benefits and opportunities of investing in Coventry &amp; Warwickshire</li> <li>• Comprehensive Information on available major sites suitable for AME growth</li> <li>• Nationally recognised expert advice for sector investment</li> <li>• Direct and accessible relationship with UKTI</li> </ul>	<p>16. Host dedicated UKTI Sector Investment Experts</p> <p>17. Deliver an integrated marketing and investment story</p> <p>18. Create one unified sector investment team for Coventry &amp; Warwickshire with a priority focus on AME <b>or</b> a single Coventry &amp; Warwickshire marketing team with a priority focus on AME</p>	<p>10. One Dedicated UKTI Sector Investment (International Trade Advisor) Officer for CWLEP AME businesses</p> <p>11. One dedicated UKTI Sector Investment Officer to market JLR/OEM supply chain opportunities</p> <p>12. Government to work with the <i>Clearing house</i> as the gateway for all contact with AME businesses in the Coventry &amp; Warwickshire area</p>



The Service	What does it do?	What will businesses get?	Coventry & Warwickshire <b>Offer</b> We will...	Government <b>Ask</b> We want...
	Warwickshire			
<b>Innovation Growth</b>	Provides advice and support to businesses to explore new ways of working; enables businesses to develop and implement new products, services or processes; and/or adopt new technologies	<b>Short term:</b> <ul style="list-style-type: none"> <li>• Knowledge share within the sector and across innovation assets</li> <li>• Timely access to Coventry &amp; Warwickshire Innovation assets and experts</li> <li>• Greater opportunities to undertake R&amp;D</li> <li>• Access to funding for R&amp;D</li> </ul>	19. A timely brokerage service for AME SMEs access to Coventry & Warwickshire’s innovation assets 20. Increase the take up of innovation vouchers for SME’s to procure R&D within Coventry & Warwickshire’s innovation assets 21. Enhance business access to innovation assets by developing a local innovation programme to top up innovation vouchers  <b>Medium term</b> 22. Provide enhanced access to innovation assets for other sectors beyond AME	13. Government to recognise the barriers to access innovation vouchers and work with CWLEP to reduce and remove those barriers 14. Government to match fund the local Coventry & Warwickshire <i>AME innovation programme</i>

The Service	What does it do?	What will businesses get?	Coventry & Warwickshire <b>Offer</b> We will...	Government <b>Ask</b> We want...
<b>Export and International Trade</b>	Provides proactive advice and support to companies on how they could start or increase trade and exports to overseas markets	<b>Short Term:</b> <ul style="list-style-type: none"> <li>• Expert international trade advice</li> <li>• Access to a network and ‘<i>business community of interest</i>’</li> <li>• Events and master classes to stimulate export and international trade</li> <li>• Trade visits and Missions</li> <li>• Access to research on new markets</li> </ul>	23. Host two UKTI international trade officers dedicated to Coventry & Warwickshire AME Businesses 24. Provision of office base and facilities for UKTI sector specialist staff 25. Co-ordinate and organise with the ‘ <i>business community of interest</i> ’ strategic trade visits and missions 26. Fast track of advice, support and funding for businesses with export potential	15. Fund two UKTI Trade Officers dedicated to Coventry & Warwickshire AME 16. Government to recognise Coventry & Warwickshire as a UK pioneer for AME growth, investment and international trade
<b>Access to Finance</b>	Provides clear, expert advice to AME businesses looking for funding for investment; Runs projects and programmes that provide funding	<b>Short Term:</b> <ul style="list-style-type: none"> <li>• Single point of contact for access to finance</li> <li>• Streamlined application process for local business investment funds</li> <li>• More opportunity to get funds for business investment</li> <li>• Access to a commercial lenders</li> </ul>	27. Locate commercial lenders within the ‘ <i>clearing house</i> ’ 28. Set up a locally financed ‘ <i>Business Investment fund</i> ’ 29. Provide loans to small businesses through the local CDFI 30. Put in place an external funding team to provide efficient and effective management of access to funding for	17. Flexibility to recycle capital receipts from Ansty and Lyons Park and create further sector investment within these sites 18. Provide the LEP with preferential borrowing rates from PWLB 19. Government to match locally

The Service	What does it do?	What will businesses get?	Coventry & Warwickshire <b>Offer</b> We will...	Government <b>Ask</b> We want...
	for businesses; Provides funding to appropriate third party organisations to deliver funding schemes	marketplace  <b>Medium term:</b> <ul style="list-style-type: none"> <li>• Better conditions for business growth</li> </ul>	businesses 31. One application form for all CWLEP business investment funds 32. Align EU funds within the strategic plan and match with SLGF to create further business investment resources 33. Maintain an up to date pipeline of potential business investments	found resources to increase investment pot available to businesses 20. Make it more efficient to pull down national funds for local access to finance programmes
<b>Account Management</b>	The fundamental coordination of the <i>Clearing House</i>	<b>Short Term:</b> <ul style="list-style-type: none"> <li>• An account manager who will be the key contact for the business to access products and services</li> <li>• Access to proactive account manager who maintains relationship directly with CEO of business</li> </ul>	34. Establish a subsidiary of the CW LEP Ltd 35. Establish a private sector business led board that reports into the wider City Deal Governance arrangements 36. Appoint up to six Account Managers dependant on volume of AME business pipeline 37. LEP Partners will fund the Account Managers up to £350k 38. LEP Partners will fund the running costs of the <i>Clearing House</i> up to £350k 39. Consolidate all client databases into one web based <i>CW Database</i> and ensure all data is shared openly	21. Use of an existing under-occupied government facility for the <i>Clearing House</i> . 22. Government and its relevant delivery agencies to work with and utilise the <i>Coventry &amp; Warwickshire CRM</i> 23. Government to provide part funding and/or facilitate the development and implementation of a single database for Coventry & Warwickshire. 24. Government to commit to open sharing of relevant data

## **Agenda Item No 13**

### **Executive Board**

**10 September 2013**

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

#### **Consultation on Proposals to use Capital Receipts to Invest in Service Reform**

### **1 Summary**

- 1.1 This report summarises Government proposals for the use of capital receipts from asset sales to invest in transforming services and provides a suggested response.

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

- a That the consultation be noted; and**
- b The draft response be agreed**

### **2 Introduction**

- 2.1 The Government has issued a consultation paper regarding the use of capital receipts from asset sales to invest in reforming services. The consultation closes on 24 September 2013.

... 2.2 A draft response is attached at Appendix A.

### **3 Aims of the Proposal**

- 3.1 Currently the capital finance system restricts the ways in which capital receipts can be used, to either financing capital expenditure or repaying any borrowing previously used to finance capital expenditure.

- 3.2 Therefore an authority may have a surplus capital asset but cannot use the receipt from its sale to fund one-off revenue cost which may lead to on-going revenue savings.

- 3.3 Through the consultation the Government is seeking to gauge the level of interest from local government for the use of future capital receipts to pay for the revenue costs of reforming, integrating or restructuring services.

- 3.4 The Governments proposals has the following broad aims:-

- Encourage good asset management planning and incentivise the appropriate sale of local authority assets so they are put into productive use and support growth.
- Enable one-off resources raised from asset sales to support one-off costs of reforming, integrating or restructuring services.
- Secure value for money.
- Achieve the above objectives whilst controlling expenditure.

#### 4 **Criteria for Eligibility**

4.1 The consultation outlines that a bid based approach will be used for approval of schemes that wish to make use of this flexibility.

4.2 A cost benefit analysis would be required to demonstrate value for money. This would include:-

- Level of expenditure required, demonstrate that it is one-off revenue expenditure for restructuring or service transformation and that it could not otherwise be funded.
- An estimate of the ongoing efficiency savings that it is hoped will be achieved. Any matched funding or third party funding.
- The plans for transforming services and the expected wider benefits to the community from these reforms.
- If applicable, how it is planned to work collaboratively with other local authorities or external partners.
- Showing how the sale of an asset will achieve a contribution to the wider objectives of the asset management plans.
- Show the forward use of the asset after disposal.

#### 5 **Implementation**

5.1 The consultation outlines two options for the implementation of this proposal:-

- Direction letters to enabled specified revenue expenditure to be treated as capital expenditure; or
- Rewording of regulations under the Local Authorities (Capital and Accounting) Regulations 2003

5.2 The Government's preference is for the use of Direction Letters which would enable it to target the use of specific asset sales and related projects and

ensure that the use of this next flexibility is constrained within broader macro economic objectives.

## 6 **Timetable**

6.1 The Government intends this flexibility will apply in 2015-16, however there will need to be a significant lead-in time for the planning and actual disposal of assets.

6.2 The proposed timetable is:-

Bid Process Commences	Winter 2013
Bid Process Decisions	Spring 2014
Direction Letter issued	Spring 2014
Disposal of asset	August 2013 – March 2016
Revenue Expenditure	April 2015 – March 2016

## 7 **Report Implications**

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

7.1.1 The ability to use capital receipts to invest in service reform and transformation would increase the funding options open to the Council.

### 7.2 **Risk Management Implications**

7.2.1 Additional flexibility around funding may increase the options available to councils, allowing better management of financial risks.

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

### Draft Consultation Response

#### **Proposed Use of Capital Receipts from Asset Sales to Invest in Reforming Services.**

The Council welcomes the principle of being able to use capital receipts to invest in service reform and transformation. These projects can have significant up front costs which authorities may be unable to resource given the reductions in revenue funding they are facing. However, the authority does not believe that a centralised bidding approach with an overall cash limit is the correct way to implement this initiative. The proposed approach will merely create additional administration and bureaucracy at both a local and central level.

Local Authorities are mature responsible financial bodies, and as such are quite capable of taking invest to save decisions without the need for central oversight. We therefore believe that a change to the Capital Finance Regulations giving a power to use certain capital receipts to finance service reform and transformation project is the preferred way forward, with no national control total. Authorities will therefore be able to assess individually whether they wish to avail themselves of these flexibilities without the need for central approval and avoid the increased administration mentioned above.

We believe the financial responsibility of local authorities and the general pressure on capital programmes, together with the annual audit of accounts should provide reassurance to Government that these flexibilities will not be used inappropriately.

If a centralised bidding approach is pursued, the Council agrees broadly with the suggested criteria for assessing the business case, however, we do have concerns about a competitive bidding process with a pre-determined cash limit.

A competitive process could result in applications having to strike a difficult balance between putting together a strongly evidenced application that is robust and a slightly more speculative application that might be subject to significant risks.

This raises the question of how the Government would ensure a consistency of approach between bids in the assessment of costs and savings and what evidence would be required in support.

Setting a national cash limit may result in perfectly good projects being turned down simply because the cash limit has been reached, thus preventing a local authority from achieving significant savings. The Council cannot see the logic of not allowing investment to take place if it is going to produce significant future savings.

The Council would also want to be assured that any savings through this process would not be used to justify further cuts in central funding.

There is a potential issue with the proposed timetable. Whilst flexibility in spending will not be implemented until April 2015, the capital receipt used to fund it can occur

from August 2013. This means that Authorities might have to make decisions in the latter half of 2013 on the disposal of an asset, without knowing whether they will have the required flexibility to use the receipts for revenue purposes or what the precise criteria for the bid mechanism are.

The Council has the following queries which it would like to see addressed in any future guidance:-

- The requirement to show in the submission that the costs could not otherwise be funded, how would this be evidenced?
- Where matched funding or third party funding would be looked on favourably, how would this be evidenced?
- What would the implications be if this 3<sup>rd</sup> party funding did not subsequently materialise?
- What happens if an asset cannot be disposed of in the timeframe envisaged or doesn't realise the amount originally envisaged in the business case?
- What happens if there are cost over-runs on the original business case, or expenditure slips beyond 2015-16?
- What happens if the proposed efficiency savings are not achieved?

In conclusion, whilst the Council welcomes the principle, it does not believe a competitive bidding cash limited approach is appropriate. A change in the capital finance regulations to enable Authorities to use some capital receipts to transform services with external audit verifying that regulations have been followed would be more appropriate.



**Agenda Item No 14**

**Executive Board**

**10 September 2013**

**Report of the  
Deputy Chief Executive**

**Coventry and Warwickshire  
Business Rate Pool**

**1 Summary**

- 1.1 This report considers continued participation in the Coventry and Warwickshire Business Rate Pool.

**Recommendation to the Council**

**That the Council continues to participate in the Coventry and Warwickshire Business Pool in 2014/15.**

**2 Introduction**

- 2.1 The Council agreed to participate in the Coventry and Warwickshire Business Rates Pool in 2013/14 and subsequent years, subject to an annual review to ensure that membership of the Pool remains in the best interests of the Authority.
- 2.2 All members of the Pool have been asked to confirm their intention, or otherwise, to remain a member of the Pool for the 2014/15 financial year. A response is required by 13 September, to allow time for the lead authority to liaise with CLG prior to their deadline of 30 September.

**3 Considerations**

- 3.1 Assessing the impact of the Pool on North Warwickshire is difficult, as this is the first year of operation, and it is still very early in the financial year. In addition, there is a significant amount of volatility within the Business Rates system. However the principles remain unchanged from last year. If the Council collects more business rates than expected, we will be able to keep more of the additional rates under the Pooling arrangement. In the event that there is a reduction in our business rates, the Local Pool has a lower safety net threshold than that operated by the government, so the Authority would receive support earlier with the Local Pool.

3.2 The Council has suffered a loss of business rates in the first part of the year, due to the closure of Daw Mill and Greenwoods. A significant proportion of rates are also under appeal, so some reduction in rateable values is likely to result from these appeals. Unless additional business rates are received from other sources, there is the potential for the Council to hit the local safety net in 2013/14.

#### 4 Report Implications

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

4.1.1 The benefits available to participants of the Local Pool are summarised in the report.

##### 4.2 Risk Management Implications

4.2.1 Membership of the Local Pool will assist the Council in either maximising additional income or managing income losses.

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	Business Rate Retention Scheme: Pooling Proposal	24 Sept 2012
Executive Board	Chris Brewer	Business Rates Retention	11 Sept 2012

## Agenda Item No 15

### Executive Board

10 September 2013

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

#### Budgetary Control Report 2013/14 Period Ended 31 August 2013

### 1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2013 to 31 August 2013. The 2013/2014 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 Councillors N Dirveiks, Moore and Smith have been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

### 3 Introduction

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

### 4 Overall Position

- 4.1 Net controllable expenditure for those services that report to the Executive Board as at 31 August 2013 is £241,169 compared with a profiled budgetary position of £264,341; an under spend of £23,172. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

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

### 5 Outreach and Access to Services

- 5.1 There is an under spend of £21,225 against the profiled budget position which relates to a grant of £20,000 received from Warwickshire County Council towards the cost of running the food banks. The intention is that this will be spent in this financial year on costs related to running this service.

## 6 Risks to the Budget

6.1 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.

## 7 Estimated Out-turn

7.1 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 £619,070.

7.2 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.

## 8 Report Implications

### 8.1 Finance and Value for Money Implications

8.1.1 The Council's budgeted contribution from General Fund balances for the 2013/14 financial year is £458,470. Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

### 8.2 Environment and Sustainability Implications

8.2.1 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 2013/2014 as at 31 August 2013

Description	Approved Budget 2013/2014 £	Profiled Budget August 2013 £	Actual August 2013 £	Variance £	Comments
Housing Strategic Service Review	33,880	13,683	13,683	0	
Outreach and Access to Services	116,090	48,142	26,917	(21,225)	Comment 4.3
Corporate Communications	77,080	28,811	27,077	(1,734)	
Community Strategy	141,500	57,373	57,810	437	
Communication Group	1,820	887	63	(825)	
Emergency Planning	52,410	16,363	16,369	6	
N.Warks Local Development Framework	195,090	98,579	98,747	168	
Support to Parishes	1,200	503	503	0	
<b>Total Expenditure</b>	<b>619,070</b>	<b>264,341</b>	<b>241,169</b>	<b>(23,172)</b>	

## Agenda Item No 16

### Executive Board

10 September 2013

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

#### Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2013

### 1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2013.

#### **Recommendation to Council**

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

### 2 Consultation

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

### 3 Background

- 3.1 This report shows the first quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2013/14. This is the first report showing the progress achieved so far during 2013/14.

### 4 Progress achieved during 2013/14

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with the national and local performance indicators during April to June 2013/14 for the Executive Board.

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

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

Amber – target currently behind schedule and requires remedial action to be achieved (shown as an amber circle)

Green – target currently on schedule to be achieved (shown as a green star)

## 5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2013/14 year.

## 6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 88% of the Corporate Plan targets and 83% 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	15	88%
Amber	2	12%
Red	0	0%
Total	17	100%

### Performance Indicators

Status	Number	Percentage
Green	5	83%
Amber	1	17%
Red	0	0%
Total	6	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 enhancing community involvement and access to services, protecting and improving our environment, defending and improving our countryside and rural heritage, to tackle crime, improving housing and making best use of our resources.

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









### Background Papers



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







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






















NWCP Executive Board 13/14

	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 001	To ensure that we assess the impact of our services on, and actively engage with, all sections of our communities and to implement key actions agreed in the Consultation Action Plans relating to consultation and the provision of services and report by July 2013	Consultation and Communication	Maxey, Steve	All Board reports and major initiatives are review by the Assistant Chief Executive and Policy Support Manager to ensure the Council's equality duties are discharged. The Council has an adopted consultation strategy, designed to ensure a range of views are heard	 Green	
NWCP 002	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	Work is progressing with various strands - two key strands are skills and access to employment and training.	 Green	
NWCP 003 11/12(1)	To report annually in March on the work of the local Financial Inclusion Partnership including for 2013/14 activity with the CAB and Warwickshire Welfare Rights Activity and the local impact of the Welfare Reform programme	Access to Services	Trahern, Bob	To be reported in March 2014. During the year progress is monitored by the cross party task and finish group that reports into the Community and Environment Board	 Green	
NWCP 004	To report the outcome of the public inquiry into the Core Strategy and recommend an adopted Strategy by December 2013 (subject to the Inspector's reporting timescale). To consult on a revised Site Allocation Plan and submit the same for consideration by the Planning Inspectorate by October 2013; and To submit final Development Plan documents relating to Development Management and Gypsy and Travellers by November 2013	Countryside and Heritage	Barratt, Dorothy	Legal compliance with the Duty to Co-operate has been passed. The Inspector is awaiting a progress report and possible implications on the Core Strategy as a result of further work on housing, employment land and Gypsy & Travellers. The Site Allocations work is progressing and a revised timetable for it and the other documents will be considered by the LDF Sub-committee in due course.	 Amber	







	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 005	To continue to oppose a) the HS2 proposal, in partnership with other affected Councils and community action groups and press for the maximum mitigation and other benefits for the Borough and b) the principle of Opencast Mining to be reported annually	Countryside and Heritage	Barratt, Dorothy	Work is continuing which includes: conitnuing to work with 51m; developing a Mitigation Plan with the County and other Warwickshrie Districts; preparing for the Hybrid Bill process; sending comments on the Draft Environmental Statement. In addition there is currently the consultation on Phase 2 and discussions are taking place with HS2 on this part of the route. There has been no opencast mining proposals.	 Green	





	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 008 11/12(1)	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 & Council Tax	Beggs, Robert	<p>A flood surgery was held in Polesworth in April to help identify the impact and local concerns from recent flooding events. The Environment Agency, Warwickshire County Council and Polesworth Parish Council all supported the surgery. The issues raised from the surgery have been considered by the multi agencies and follow up work is being planned to help promote local community resilience including assessing appropriate property protection measures and rectifying some specific issues.</p> <p>The Business Continuity risks associated with the current office accommodation works are continuing to be considered. The Committee Room will be used as a location for an emergency centre if required whilst the Training room is occupied. Back up accommodation is available at Kings House in Bedworth subject to any constraints specified by the County Council.</p> <p>Further assessment of our business continuity responses will be carried out to consider any specific risks</p>	 Green	
NWCP 009	To achieve the savings required by the budget strategy including the commitment to keep Council Tax increases lower than inflation and to update the strategy to reflect future developments by October 2013	Public Services & Council Tax	Brewer, Chris	The financial strategy has ben updated and is a separate item on this agenda	 Green	
NWCP 010	To carry out reviews of systems in line with the Council's review plan and explore any opportunities for shared working that may arise, with a view to achieving savings and/or increasing capacity, to be reported quarterly	Public Services and Council Tax	Brewer, Chris	The review of the planning service has slipped , the intention is to undertake it before the end of the financial year	 Amber	



	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 038 11/12(1)	To impliment the identified improvement works to the Council's main offices in accordance with the Project Plan 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. Detailed updates on progress of the project will be regularly reported	Public Services and Council Tax	Dobbs, Richard	The scheme is now underway to replace the roof covering, windows, heating, electrics, data and ancillary services. The project is due to be completed Summer 2014	 Green	
NWCP 042	To continue to look for ways of narrowing the Council's capital funding gap and report annually in February	Public Services & Council Tax	Garner, Sue	Current levels of funding were reported in February, Work is ongoing.	 Green	
NWCP 048 11/12(1)	To carry out a review of Area Forum Funding by April 2013	Public Services & Council Tax	Powell, Simon	Task complete. The introduction of a new Local Community Projects Fund has been approved by Members and implemented accordingly.	 Green	
NWCP 072(1)	To maintain the existing level of core funding for arts and welfare organisations	Public Services & Council Tax	Powell, Simon	Task complete. Live and Local continues to be funded by the Council and other voluntary sector arts organisations are able to apply for support through the Local Community Projects Fund.	 Green	
NWCP 075	To implement the Council Tax Support Scheme 2013/14 and carry out a review to enable a scheme to be set for 2014/15	Public Services and Council Tax	Trahern, Bob	Sucessfully implemented by 1st April 2013, progress being reviewed montly in readiness for 14/15.	 Green	
NWCP 076	To update the Medium Term Financial Strategy to take account of external funding changes relating to Business Rates and report by September 2013	Public Services & Council Tax	Brewer, Chris	The financial strategy has been updated and is a separate item on this agenda	 Green	
NWCP 077	To review the Council's membership of the Coventry and Warwickshire Business Rates Pool by December 2013	Public Services & Council Tax	Brewer, Chris	A report on membership of the business rates pool is on this agenda	 Green	

	Action	Priority	Reporting Officer	Update	Status	Direction
NWCP 078	To continue to work with partner organisations in Coventry, Warwickshire and Hinckley to develop a City Deal with central government, if this proves beneficial to the local economy, to report as necessary	Local Employment	Maxey, Steve	Officers and Members continue to engage with this process which is likely now to be considered by Government in September/October	 Green	
NWCP 079	To work with the retailers in Atherstone, Polesworth and Coleshill to develop action plans for the use of the Portas monies and to help implement the plans	Local Employment	Maxey, Steve	Work continues in the three market towns to get the shop owners in these areas to agree a list of projects to improve the retail performance of these areas.	 Green	
NWCP 080	To investigate options with Warwickshire County Council and the Environment Agency for flood mitigation and flood protection measures at locations susceptible to flooding and to review the existing Fillongley Property Protection measures	Environment	Dobbs, Richard	Work continues on a number of areas including Fillongley and Polesworth through local initiatives, the Flood Resilience Forum and the new Pathfinder projects	 Green	

NWPI Executive Board 13/14

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	99	 Green		
NWLPI 153	Number of domestic burglaries detected in the Local Authority area	Policy Support	Crime and Disorder	60	46	 Green		The level of domestic burglaries during the first quarter of 46 continues a reducing trend from 2012/13. No significant hot spot locations are apparent at this stage with Baddesley & Grendon and Water Orton wards showing the highest levels with 6 in each area. Ongoing monitoring and analysis of the key locations and hot spots is taking place.
NWLPI 154	Number of violent crimes in the local authority area	Policy Support	Crime and Disorder	128	134	 Amber		Violent crime is continuing on a downward trend from 2012/13. A small increase in most serious violent crime with a total of 8 crimes in this period. None of the most serious violent crimes offences were related to domestic violence.

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	142	108	 Green		<p>Vehicle crimes are continuing to fall during the first quarter. The most recent analysis shows Arley &amp; Whitacre and Fillongley wards having the most vehicle crime offences between March and May 13 . The Arley ward also shows an increase of 5 offences in the first quarter. Monitoring and analysis of hot spot locations continues to take place.</p>
@NW:NI032	Repeat incidents of domestic violence	Policy Support	Crime and Disorder	28	24	 Green		<p>The measure shown is the number of violent crime offences related to domestic violence. The measure of repeat victims is only available on a combined level with the Nuneaton &amp; Bedworth area which shows a 7.1% level of repeats for April 13. There are some concerns regarding the reduction in the proportion of domestic violence incidents being reported in North Warwickshire. Some research will be carried out to understand the reasons for a reduction whilst efforts are being made to encourage reporting of domestic abuse.</p>

Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
@NW:N1047	People killed or seriously injured in road traffic accidents	Policy Support	Crime and Disorder	6	6	 Green		Figure only available for April 13 so far. Confirmation of the final figure for 2012/13 is still to be provided.



## **Agenda Item No 17**

### **Executive Board**

**10 September 2013**

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

#### **2013/14 Capital Programme**

### **1 Summary**

- 1.1 This report informs Members of action taken by the Chief Executive, using his urgent business powers, in respect of capital schemes at Polesworth and Dordon, and the associated increase in the approved 2013/14 capital programme.

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

**That the Council notes the action taken to advance implementation of the approved Management Plans at Abbey Green Park in Polesworth and Long Street Recreation Ground in Dordon, and the associated increase of £220,980 in the approved capital programme.**

### **2 Introduction**

- 2.1 The 2013/14 capital programme approved in February, included funding of £382,870 for landscape works at Abbey Green Park, Polesworth and Long Street Recreation Ground in Dordon.

### **3 Progress on the Schemes**

- 3.1 Tenders for the Dordon and Polesworth Landscape Works Contract were opened on 2 April 2013, and were significantly more than the approved budget provision. A report taken to Community and Environment Board on 21 May 2013 identified the action that had been taken to bridge the funding shortfall. Additional resources had been identified from existing revenue budgets and earmarked reserves to cover the agreed action. However provisional items relating to a multi-use games area at Dordon and skate facilities at Polesworth had necessarily been excluded.
- 3.2 It also informed the Board of the decision taken by the Chief Executive, in consultation with the Leader of the Council and the Leader of the Opposition Group, to agree to the action proposed in the report using his urgent business powers, so that the contract could be let. The action proposed included the potential to reinstate the provisional items, if external funding could be obtained.

3.3 A further report to Community and Environment Board on 22 July 2013 informed Members of the successful outcome of a funding bid to the North Warwickshire LEADER programme. The additional funding secured, amounting to £109,800, allowed the inclusion of the provisional items in the scheme.

#### 4 **Report Implications**

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

4.1.1 The schemes within the approved capital programme have been increased by £220,980 in line with the decision taken under the Chief Executive's urgent business powers. Additional funding has been identified or secured to match the increase required.

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

4.2.1 Delivery of these schemes contributes directly to environmental improvements. They will also help to build sustainable communities.

##### 4.3 **Health, Well-being and Leisure Implications**

4.3.1 The schemes should have a positive impact on the health and well-being of individuals and communities by providing opportunities for formal and informal outdoor recreation and by contributing to an improved quality of life.

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

4.4.1 Delivery of these projects will contribute to health and well-being and improving access to services.

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

#### **Background Papers**

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

Background Paper No	Author	Nature of Background Paper	Date

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SAFER COMMUNITIES  
SUB-COMMITTEE**

**2 July 2013**

Present: Councillor Morson in the Chair

Councillors L Dirveiks, Fox, Humphreys, Moore, and Sweet

Chief Inspector Samuel and Sergeant Fildes were also in attendance.

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

**1 Disclosable Pecuniary and Non-Pecuniary Interest**

None were declared at the meeting.

**2 Minutes of the Meeting of the Sub-Committee held on 24 January 2013**

The minutes of the meeting of the Sub-Committee held on 24 January 2013 copies having been previously circulated, were approved as a correct record and signed by the Chairman.

**3 Police and Crime Commissioner Innovation Fund**

The Sub-Committee was informed of recent North Warwickshire related bids made to the Police and Crime Commissioner Innovation Fund.

**Resolved:**

**That the bids prepared on behalf of the North Warwickshire Community Safety Partnership be noted.**

**4 Safer Communities Fund Update 2012/13 – 2014/15**

The Chief Executive updated Members about expenditure to support community safety initiatives and interventions carried out during 2012/13. The report also highlighted profiles for the medium term from 2013/14 to 2014/15. The Sub-Committee was asked to consider contributions towards Automatic Number Plate Recognition cameras and Town Safe Schemes.

**Resolved:**

- a That the Borough Council expenditure for 2012/13 totalling £54,365.28 identified within the report be noted and the allocations for future years be approved in principle;
- b That a further report on proposals for sustaining community safety initiatives beyond 2013/14 be prepared for a future meeting of the Sub-Committee;
- c That the contribution of £25,000 towards the proposed Automatic Number Plate Recognition Cameras for 2013/14 be approved; and
- d That the £20,400 total contribution for 2013/14 and 2014/15 towards the Town Safe Schemes be approved.

**5 Launch of the Coleshill Designated Public Places Order**

The Chief Executive reported on the implementation of the Designated Public Places Order for Coleshill town centre.

**Resolved:**

**That the implementation of the Designated Public Places Order for Coleshill be noted.**

**6 Progress Report on Achievement of Corporate Targets - April – March 2013**

The Chief Executive reported on the progress with the achievement of the Corporate Plan targets relevant to the Safer Communities Sub-Committee for April to March 2013.

**Resolved:**

**That the report be noted.**

Peter Morson  
Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**5 July 2013**

Present: Councillor M Stanley in the Chair

Councillors Barber, Lewis and Sweet

Apologies for absence were received from Councillors Hayfield, Phillips (Lewis as Substitute) and Smith (Barber as Substitute).

Councillors Humphreys and B Moss were also in attendance.

**1 Disclosable Pecuniary and Non-Pecuniary Interest**

None were declared at the 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 Proposed Replacement of Indoor Leisure Facilities in Coleshill – Project Management and Construction Work**

The Sub-Group was asked to approve the issue of an “instruction of authority to proceed” through to the end of Gateway 6 of the EMPA Project Process to the Project Managers, the Design and Build team and the CDM Co-ordinator in respect of the scheme to redevelop indoor leisure facilities in Coleshill.

**Resolved:**

- a That Coventry City Council’s role as Project Managers for the duration of the scheme to redevelop indoor leisure facilities in Coleshill be approved;**
- b That Wates Construction’s appointment, through the EMPA Intermediate Projects Framework, as the Design and Build contractor, and Osbornes as the CDM Co-ordinator, for the duration of the project be approved; and**

**Recommended to Executive Board:**

- c That the Board be asked to consider the inclusion of the scheme to redevelop indoor leisure facilities in Coleshill within the approved capital programme to the value of £4.402 million.**

M Stanley  
Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**15 July 2013**

Present: Councillor Sweet in the Chair

Councillors Morson, Phillips and Smith

Apologies for absence were received from Councillor Hayfield and Councillor M Stanley (substitute Councillor Morson)

Councillors Barber, Humphreys and Moore were also in attendance.

**1 Disclosable Pecuniary and Non-Pecuniary Interest**

None were declared at the meeting.

**2 Progress Report on Human Resources Issues**

The Assistant Director (Finance and Human Resources) reported on progress against the Human Resources Strategy Action Plan, work being done by the Human Resources team, the sickness levels for the period of April 2012 to March 2013 and provided some further information on action taken in managing absence.

**Resolved:**

**That the report be noted.**

**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 items of business on the grounds that they involves the likely disclosure of exempt information as defined in Schedule 12A to the Act.**

**4 Accommodation Project**

The Assistant Director (Streetscape) reported on the latest financial position including the current target cost against budget and Members were asked to agree to the commencement of the construction phase of the project subject to the final target cost being brought in within the agreed construction budget. The Sub-Group was also informed of further design and feasibility work which had been undertaken in respect of the provision of photovoltaic panels within the scheme.

Members were also asked to consider expanding Coventry City Council's remit to cover the Clerk of Works role in line with their original tender submission.

**Resolved**

- a That the additional design and feasibility work undertaken in respect of the provision of photovoltaic panels within the scheme be noted;**
- b That the provision of the photovoltaic panels be excluded from the final works on the grounds of cost and the project budget reduced accordingly;**
- c That the commencement of the construction phase of the works subject to the final target cost being agreed at £1,878,707 or less be approved;**
- d That Coventry City Council's remit be expanded to cover the Clerk of Works role in line with their original tender submission; and**
- e That any further reductions in the current target cost be included in the contingency provision within the overall budget of £2,172,000.**

Chairman



**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**19 August 2013**

Present: Councillor M Stanley in the Chair

Councillors Hayfield, Phillips, Smith and Sweet

Councillors Barber and B Moss were also in attendance.

**1 Disclosable Pecuniary and Non-Pecuniary Interest**

Councillor Hayfield declared a non-pecuniary interest in Minute No 2 by reason of his County Council portfolio.

**2 Proposed Replacement of Indoor Leisure Facilities in Coleshill**

The Assistant Director (Leisure and Community Development) updated Members on the progress of the project and the Sub-Group was asked to consider a number of risks associated with the proposed scheme to redevelop indoor leisure facilities in Coleshill.

**Resolved:**

**That the report be noted and the Council confirms its Memorandum of Agreement commitment to fund the detailed pre-construction design and target cost work, subject to the Education Funding Agency's agreement to finance the associated package of enabling work at The Coleshill School site.**

**3 Policy on Recruitment and Employment of Ex-Offenders**

The Assistant Director (Finance and Human Resources) presented a revised Recruitment and Employment of Ex-Offenders Policy for adoption.

**Resolved:**

**That the revised Recruitment and Employment of Ex-Offenders Policy be adopted.**

**4 Pay Award 2013/14**

The Sub-Group was advised that the pay award for NJC (Green Book) employees had been agreed for 2013/2014.

**Resolved:**

**That the report be noted and that Council be recommended to apply the 1.0% increase to all staff.**

M Stanley  
Chairman

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

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

**17 July 2013**

Present: Councillor Sweet in the Chair.

Councillors Humphreys, Phillips, Smith and Winter.

Apologies for absence were received from Councillors Butcher and Simpson.

Councillors Lea and Wykes were also in attendance.

**4 Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

**5 Public Participation**

Bernard Paintin raised his concerns around the housing allocation consultation process in the Hartshill area.

Claire King raised issues on the increase in the housing allocation for the Ansley Common and Hartshill areas and felt that the increase was disproportionate and of no benefit to the community.

The Officer responded accordingly to the issues raised.

**6 Core Strategy Update**

The Assistant Chief Executive and Solicitor to the Council updated Members with the progression of the Core Strategy.

**Resolved:**

**That the report be noted.**

**7 Five Year Housing Supply**

Members were brought up to date with the latest five year housing supply.

**Resolved:**

**a That the report be noted; and**

**b That the preferred option be Option 2 of Figure 3:  
(Summary of the options) as set out in the appendix to**

**the report of the Assistant Chief Executive and Solicitor to the Council.**

**8 Issues Raised Following Representations on Site Allocations Plan – Preferred Option (including Issues and Options) Consultation**

The Assistant Chief Executive and Solicitor to the Council reported on the initial Principal Issues raised by the representations received following the recent consultation on the Site Allocations Plan – Preferred Option (including Issues and Options), and highlighted further work required. Members were asked to consider the suggested recommendations to be taken forward to enable a Revised Site Allocation Plan to be drafted for consultation.

**Resolved:**

- a That recommendations numbered 1 to 16 as set out in the appendix to the report of the Assistant Chief Executive and Solicitor to the Council, be accepted;**
- b That the responses be taken forward to prepare a Revised Site Allocations Plan for consultation; and**
- c That the additional work necessary to address the issues be noted.**

Chairman

**Notes of the Democratic Arrangements Task and Finish Group held on Monday 1 July 2013.**

Present: Councillors M Stanley, Sweet, Moore, Smith and Fox.

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

Officers in attendance: Steve Maxey, David Harris and Jaki Douglas.

**1 Notes of the Democratic Arrangements Task and Finish Group held on Tuesday 13 March 2013**

The notes of the Democratic Arrangements Task and Finish Group held on Wednesday 13 March 2013 were agreed and adopted.

**2 Area Forum Fund and the Local Community Project Fund**

The Assistant Director (Leisure and Community Development) reported on the issues raised by the Task and Finish Group with regard to the approved replacement of the Area Forum Fund with a new Local Community Projects Fund. The new Local Community Projects Fund was now open for applications and would be “launched” during July. Members were asked to promote the scheme widely within their local community and to encourage potential applicants to talk with officers within the Leisure and Community Development Division for advice and assistance before making an application. Additional information and advice was available on the Borough Council’s website at [www.NorthWarks.gov.uk/lcpf](http://www.NorthWarks.gov.uk/lcpf).

**Resolved:**

**That the implications of the approved replacement of the Area Forum Fund with a new Local Community Projects Fund be noted.**

**3 Representation on Outside Bodies**

The Assistant Chief Executive and Solicitor to the Council presented an updated schedule in respect of appointments to outside bodies.

**Resolved:**

**That the updated schedule is placed on the website and, where possible, links to other websites be given so that Members can track the activities of the bodies.**

**M Stanley  
Chairman**