

**To: Deputy Leader and Members of the Resources Board  
(Councillors Moore, Morson, Davis, N Dirveiks,  
Forwood, Johnston, Smith, Watkins and Winter)  
For the information of other Members of the Council**

**For general enquiries please contact Emma Humphreys/Amanda Tonks on 01827 719221 or via email – [emmahumphreys@northwarks.gov.uk](mailto:emmahumphreys@northwarks.gov.uk) or [amandatons@northwarks.gov.uk](mailto:amandatons@northwarks.gov.uk).**

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

**This document can be made available in large print and electronic accessible formats if requested.**

## **RESOURCES BOARD AGENDA**

**30 January 2012**

The Resources Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Monday, 30 January 2012 at 6.30pm.

### **AGENDA**

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Declarations of Personal or Prejudicial Interests.**  
(Any personal interests arising from the membership of various Parish Councils of Councillors Davis (Atherstone), Moore (Baddesley) and Morson and Winter (Dordon) are deemed to be declared at this meeting).

- 4 **Request for discussion and approval of remaining En Bloc items.**
- 5 **Minutes of the Resources Board held on 10 October and 21 November 2011** (copies herewith) to be approved and signed by the Chairman.

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

- 6 **Corporate Plan 2012-13** – Report of the Chief Executive

**Summary**

The Corporate Plan is updated on an annual basis. The purpose of this report is to seek the Board's approval for the Corporate Plan Key Actions for which it is responsible and to agree the 2012-13 Service Plans for the Finance and Human Resources, Community Services and Corporate Services Divisions and the Internal Audit Service.

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

- 7 **Proposed Removal of the Extended Hours Telephone Service** - Report of the Assistant Chief Executive (Community Services)

**Summary**

The purpose of this report is to propose removal of the current extended out of hours telephone service.

The Contact Officer for this report is Bob Trahern (719378).

- 8 **General Fund Fees and Charges 2012/13** – Report of the Assistant Chief Executive and Solicitor to the Council, Assistant Director (Streetscape), Assistant Chief Executive (Community Services), Assistant Director (Housing) and Assistant Director (Finance and Human Resources)

**Summary**

The report covers the fees and charges for 2011/12 and the proposed fees and charges for 2012/13.

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

- 9 **General Fund Revenue Estimates 2012/13 – Services Recharged Across All Boards** – Report of the Deputy Chief Executive

**Summary**

This report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

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

- 10 **General Fund Revenue Estimates 2012/13 – Services Remaining within the Board** – Report of the Deputy Chief Executive

**Summary**

This report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

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

- 11 **General Fund Revenue Estimates 2012/13 – Summary** – Report of the Deputy Chief Executive. – To follow.

**Summary**

This report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

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

- 12 **Housing Revenue Account Estimates 2012/13 and Rent Review** – Report of the Deputy Chief Executive.

**Summary**

The report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

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

13 **Housing Self-Financing** – Report of the Deputy Chief Executive

**Summary**

This report details the payment the Authority will be required to make as part of the self-financing settlement and asks the Board to indicate how it would wish to use any surpluses that are generated.

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

14 **Capital Programme Bids 2012/13 to 2014/15** – Report of the Assistant Director (Finance and Human Resources)

**Summary**

This report identifies proposals for schemes to be included within the Council's capital programme over the next three years.

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

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

15 **Treasury Management Update Quarter 3 2011/12** – Report of the Deputy Chief Executive

**Summary**

This report shows the Treasury Management activity during the first nine months of 2011/12.

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

16 **Internal Audit – Benchmarking** – Report of the Deputy Chief Executive

**Summary**

The report provides the Board with information from a benchmarking exercise undertaken to assess the performance of the Internal Audit function against other similar Councils.

The Contact Officer for this report is Barbara Haswell (719416).

- 17 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - December 2011** – Report of the Chief Executive and 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 Resources Board for April to December 2011.

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

- 18 **Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2012/13**

**Summary**

This report outlines the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2012/13.

- 19 **Minutes of the Housing Sub-Committee held on 20 December 2011 and 17 January 2012 (copies herewith) to be received and noted.**

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

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

**Recommendation:**

**That under Section 110A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

- 21 **Introduction of a Supported Housing Scheme for People with Learning Disabilities** – Report of the Assistant Director (Housing)

The Contact Officer for this report is Paul Roberts (719459).

- 22 **Irrecoverable Housing and Local Taxation Debts** – Report of the Assistant Chief Executive (Community Services)

The Contact Officer for this report is Mike Shaw (719338).

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE RESOURCES BOARD

10 October 2011

Present: Councillor Moore in the Chair

Councillors Davis, N Dirveiks, Forwood, Johnston, Smith, Morson, Watkins and Winter.

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

Any personal interests arising from the membership of various Parish Councils of Councillors Davis (Atherstone), Moore (Baddesley) and Morson and Winter (Dordon) were deemed to be declared at the meeting.

#### 40 **Minutes**

The minutes of the meetings of the Board held on 11 July and 5 September 2011, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

#### 41 **Presentation on the Work of the Corporate Services Division**

The Assistant Director (Corporate Services) gave a presentation on the work of her Division.

#### 42 **Internal Audit Strategy 2011-13**

The Deputy Chief Executive provided the Board with an updated Internal Audit Strategy.

##### **Resolved:**

**That the revised Internal Audit Strategy be approved.**

#### 43 **Capital Programme 2011/12 Period Ending August 2011**

The Assistant Director (Finance and Human Resources) updated Members on the progress of the 2011/12 Capital Programme in terms of both expenditure and outcomes.

##### **Resolved:**

- a That the progress made against the 2011/12 Capital Programme be noted; and**

- b That the virements outlined in Section 7 of the report of the Assistant Director (Finance and Human Resources) be approved.**

**44 Proposed Council Response to the Consultation on Localisation of Council Tax Benefit**

The Assistant Chief Executive (Community Services) sought feedback from Members on the proposed response to the Government's consultation document on the Localisation of Council Tax Benefit that it proposed to introduce as part of the wide range of welfare reform programme starting in April 2013.

**Resolved:**

**That the Council's response as set out in Appendix A to the report of the Assistant Chief Executive (Community Services) be approved.**

**45 Proposed Council Response to the Consultation on a Single Fraud Investigation Service**

The Assistant Chief Executive (Community Services) sought feedback from Members on the proposed response to the Government's consultation document on the establishment of a Single Fraud Investigation Services that it proposed to introduce as part of the wide ranging welfare reform programme starting in April 2013.

**Resolved:**

**That the Council's response as set out in the Appendix to the report of the Assistant Chief Executive (Community Services) be approved.**

**46 Housing Revenue Account Budgetary Control Report 2011/2012 Period Ended 31 August 2011**

The Assistant Director (Finance and Human Resources) updated the Board on the total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 August 2011.

**Resolved:**

**That the report be noted.**

**47 Online Services Update and Plans for Promoting and Increasing Use**

The Assistant Director (Corporate Services) gave an update on the use of the Council's Website and its services delivered on-line via the Internet. Information on how it was planned to promote, increase and improve the use

of the website for those services that could be most effectively provided on line were detailed.

**Resolved:**

**That the report be noted.**

**48 Budgetary Control Report 2011/12 Period Ended 31 August 2011**

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2011 to 31 August 2011. The 2011/12 budget and the actual position for the period, compared with the estimate at that date were detailed, together with an estimate of the out-turn position for services reporting to the Board.

**Resolved:**

**That the report be noted.**

**49 Consolidated Budgetary Control Report 2011/12 – Period Ended 31 August 2011**

The Assistant Director (Finance and Human Resources) updated the Board on the total Council General Fund revenue expenditure and income for the period from 1 April 2011 to 31 August 2011.

**Resolved:**

**That the report be noted.**

**50 Treasury Management Update Quarter 1 2011/12**

The Deputy Chief Executive detailed the Treasury Management activity during the first quarter of 2011/12.

**Resolved:**

**That the Treasury Management Update Report for Quarter 1 be noted.**



51 **Exclusion of the Public and Press**

**Resolved:**

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

52 **Extension of Banking Contract**

The Assistant Director (Finance and Human Resources) gave details of negotiations that had been carried out with the Co-operative Bank plc to negotiate an extension to the Council's contract for banking services.

**Resolved:**

**That the report be noted.**

J Moore  
Chairman

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE RESOURCES BOARD

21 November 2011

Present: Councillor Moore in the Chair

Councillors Davis, N Dirveiks, Forwood, Johnston, Smith and Winter.

Apologies for absence were received from Councillors Morson and Watkins.

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

Personal interests arising from the membership of various Parish Councils of Councillors Davis (Atherstone), Moore (Baddesley Ensor) and Winter (Dordon) were deemed to be declared at the meeting.

#### 54 **Presentation on the Work of the Community Services Division**

The Assistant Director (Community Services) gave a presentation on the work of his Division.

#### 55 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – September 2011**

The Chief Executive and the Deputy Chief Executive circulated an amended report and Appendix B informing Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to September 2011.

#### **Resolved:**

**That the amended report and Appendix, as circulated at the meeting, be noted.**

#### 56 **Reduction of Council Tax Discounts for Second Homes and Long Term Empty Dwellings**

The Assistant Chief Executive (Community Services) asked the Board to consider using its discretion to reduce Council Tax discounts awarded in respect of “second homes” and “long term empty” properties.

#### **Recommended to Executive Board:**

- a That Council Tax discounts on second homes be reduced from 50% to 10% from 1 April 2012; and**

- b That Council Tax discounts on long-term empty dwellings be reduced from 50% to zero from 1 April 2012.**

**57 Minutes of the Housing Sub-Committee held on 18 October 2011 and 15 November 2011.**

The minutes of the Housing-Sub Committee held on 18 October 2011 and 15 November 2011 were received and noted.

**58 Capital Programme 2011/12 Period Ending October 2011**

The Assistant Director (Finance and Human Resources) updated Members on the progress of the 2011/12 Capital Programme in terms of both expenditure and outcomes.

**Resolved:**

**That the progress made against the 2011/12 Capital Programme be noted.**

**59 Internal Audit – Performance for Second Quarter 2011-12**

The Deputy Chief Executive detailed the progress of the Council's Internal Audit function against the agreed plan of work for the year.

**Resolved:**

**That the report be noted.**

**60 Treasury Management Update Quarter 2 2011/12 and Revised Strategy**

The Deputy Chief Executive reported on the Treasury Management activity during the first six months of 2011/12.

**Resolved:**

**a That the Treasury Management Update Report for the first six months of 2011/12 be noted; and**

**b That the Prudential Indicators be increased by £65 million, as set out in Appendix B to the report of the Deputy Chief Executive, or the actual amount of the debt repayment required for HRA self financing, whichever is lower.**

**61 Budgetary Control Report 2011/12 Period Ended 31 October 2011**

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2011 to 31 October

2011. The 2011/12 budget and the actual position for the period, compared with the estimate at that date were detailed, together with an estimate of the out-turn position for services reporting to the Board.

**Resolved:**

**That the report be noted.**

**62 Consolidated Budgetary Control Report 2011/12 – Period Ended 31 October 2011**

The Assistant Director (Finance and Human Resources) updated the Board on the total Council General Fund revenue expenditure and income for the period from 1 April 2011 to 31 October 2011.

**Resolved:**

**That the report be noted.**

**63 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 involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**64 Payment Management System Replacement**

The Assistant Director (Corporate Services) sought approval for the procurement of a Payment Management System.

**Resolved:**

- a That tenders for a Payment Management System be sought and the Deputy Chief Executive, in consultation with the Chairman of the Resources Board be authorised to select a preferred supplier;**

**Recommended to Executive Board**

- b That a capital growth of up to £70,000 and Revenue growth of up to £10,000 as identified in Section 5 of the report of the Assistant Director (Corporate Services) be approved.**

65 **Irrecoverable Sundry Debts**

The Assistant Director (Finance and Human Resources) detailed the amounts recommended for write off, in accordance with the process set out in the Financial Regulations.

**Resolved:**

- a That the debt detailed in paragraph 2 of the report of the Assistant Director (Finance and Human Resources) be authorised; and**
- b That the write off under delegated powers of 16 balances by the Assistant Director (Finance and Human Resources) totalling £608.22 be noted.**

J Moore  
Chairman

**Agenda Item No 6**

**Resources Board**

**30 January 2012**

**Report of the  
Chief Executive**

**Corporate Plan 2012 - 13**

**1 Summary**

- 1.1 The Corporate Plan is updated on an annual basis. The purpose of this report is to seek the Board's approval for the Corporate Plan Key Actions for which it is responsible and to agree the 2012-13 Service Plans for the Finance and Human Resources, Community Services and Corporate Services Divisions and the Internal Audit Service.

**Recommendation to the Executive Board**

- a That those Corporate Plan Key Actions as set out in Appendix A to the report for which the Resources Board is responsible be agreed; and**

**Recommendation to the Board**

- b That those elements of the Service Plans that are the responsibility of this Board, as set out in Appendix B to the report be agreed.**

**2 Consultation**

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

**3 Report**

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

- 3.2 At its September 2011 meeting the Council agreed its Vision and Priorities together with Key Actions for the remainder of 2011-12 and this report seeks approval for the Corporate Plan Key Actions for 2012-13.

- 3.3 Appendix A sets out proposals for those Key Actions which fall within the remit of the Resources Board. Members are requested to recommend to the Executive Board that the Corporate Plan Key Actions set out in Appendix A are agreed.

...

- 3.4 A report will be presented to Boards/Sub-Committees after the end of the financial year to show the year end out-turn on the 2011-12 Key Actions. Proposals for 2012-13 will form part of the 2012-13 Corporate Plan which covers the Council's top level priorities.
- 3.5 It is also important, however, that Members are aware of and agree the significant amount of work carried out within the Divisions to provide services to local people. This information appears in a single document for each Division, the Divisional Service Plan, which is the key management tool for ensuring that services deliver their annual work programme.
- 3.6 The Service Plans for the Finance and Human Resources, Community Services and Corporate Services Divisions and the Internal Audit Service comprise Appendix B to this report. The Board is invited to consider those elements of these Plans that are the responsibility of this Board.
- 3.7 Where there are any budget implications for another Board/Sub-Committee arising out of this work programme, those implications will be drawn to the attention of the relevant Board/Sub-Committee in the Budget report going to this cycle of meetings. Similarly, any budgetary implications for this Board from Divisional Plans being reported to other Boards/Sub-Committees are dealt with in the Budget Report also on this agenda.
- 3.8 Once the Corporate Plan Key Actions and Divisional Service Plans have been agreed, they will all be subject to the usual reporting procedures for monitoring performance as for last year, ie:-

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

## 4 Report Implications

### 4.1 Finance and Value for Money Implications

- 4.1.1 Where possible, key actions and indicators for 2012-13 will be achieved from within existing Board/Sub-Committee resources. Details of any additional funding are included in the right hand column of the table in Schedule A and in the Budget report and will be in appropriate cases, the subject of reports to the Board.

**4.2 Human Resources Implications**

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

**4.3 Risk Management Implications**

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

**4.4 Links to Council's Priorities**

4.4.1 These are set out in the Appendices.

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

**Background Papers**

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

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



## CORPORATE PLAN TARGETS – 2012/13

## RESOURCES BOARD

Priority	Target	Board/Lead Officer	Additional Training/ Financial Implications
Public Services and Council Tax	To implement identified improvement works to the Council's main offices to ensure the ongoing provision of services to the local community while safeguarding the safety and security of all residents, staff and visitors who use The Council House building and seeking to make the buildings more environmentally friendly. The details of the project will be the subject of ongoing reports.	Resources Board/Executive Board/ Special Sub/DCE, AD (S)	The capital and revenue implications will be reported as part of the decision making process.
Public Services and Council Tax	To develop an action plan by June 2012 to assess and, where practicable, resolve ongoing capital and maintenance issues with all other Council buildings, including the Memorial Hall, The Arcade, Abbey Green, community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint.	Resources Board/AD (S), AD (L&CD)	The capital and revenue implications will be reported as part of the decision making process.

<b>Priority</b>	<b>Target</b>	<b>Board/Lead Officer</b>	<b>Additional Training/ Financial Implications</b>
Public Services and Council Tax	To continue to contribute to the effectiveness and savings targets through the delivery of the Procurement Strategy Action Plan.	Resources Board/AD (CS)	To be met within existing budgets.
Public Services and Council Tax	To continue to contribute to the effective delivery of services through implementing the actions identified in the ICT Strategy Action Plan.	Resources Board/AD (CS)	To be met within existing budgets.
Public Services and Council Tax	To carry out the preparatory work needed, ready for the implementation of the 'self financing' model for the Housing Revenue Account in time for the proposed implementation date of April 2012.	Resources Board/Housing Sub/DCE, AD (H), AD (F&HR)	To be assessed when further detail is known.
Housing	To review the services delivered by Community Support and report to Resources Board on issues and proposed improvement by March 2012.	Resources Board/AD (H)	Any financial implications will be identified as part of the review.

## FINANCE AND HUMAN RESOURCES DIVISION

## 2012/2013 DIVISIONAL PLAN

The work of the Division is made up of a number of core tasks, which are carried out on a continual basis, and a number of more specific pieces of work.

**CORE TASKS**

<b>Financial Accountancy</b>	
1	To provide a payroll service for all employees and members
2	To pay the creditors of the Authority
3	To invoice and collect Sundry Debtor income
4	To allocate Miscellaneous Income
5	To provide a Treasury Management service
6	To ensure the Authority has appropriate insurance cover
7	To monitor the Authority's VAT position and liase with Customs and Excise
8	To carry out cash and bank reconciliations for all of the Authority's accounts
9	To co-ordinate risk management within the Authority

<b>Management Accountancy</b>	
1	To ensure that budgetary control is exercised throughout the Council on revenue activities
2	To maintain the Financial Management System
3	To complete grant claims and statistical returns as required
4	To provide financial advice to colleagues and members as requested

<b>Corporate Accountancy</b>	
1	To ensure that budgetary control is exercised throughout the Council on capital schemes
2	To complete grant claims and statistical returns as required
3	To provide financial advice to colleagues and members as requested
4	To co-ordinate work on VFM and efficiency and monitor the achievement of targets

<b>Human Resources</b>	
1	To assist in the operation of the Recruitment and Selection process
2	To ensure that training and development needs are met throughout the Council
3	To ensure that corporate training is delivered in line with the programme
4	To provide advice and guidance on all HR issues
5	To monitor compliance with all HR policies and systems
6	To provide support on Health and Safety issues to Divisions
7	To assist services with the management of sickness absence
8	To provide management information as appropriate for all levels of managers

<b>Division/Assistant Director Finance &amp; Human Resources</b>	
1	Hold pre and post training briefings
2	Divisional/section meetings
3	To produce BVPIs and other performance monitoring information
4	Monitor progress on Divisional training
5	Update risk assessments of the Division
6	Carry out safety audits relating to the division
7	To respond to Freedom of Information requests, as necessary

FINANCE AND HUMAN RESOURCES DIVISION

2012/2013 DIVISIONAL PLAN

**SUMMARY ACTION PLAN – specific work**

Action		Lead Officer/ Section	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
To review the 2011/12 training year against the agreed programme	Staff Care	HR	April 2012	May 2012	High	Results reported to Management Team	Existing budget
To complete the year end procedures for the 2011/12 financial year	SRM	Mgt Accts AD (F&HR) Fin Accts Corp Accts	March 2012	June 2012	High	Review of annual governance arrangements completed by end of March  Statements of Assurance received from EMT by April 2012  Accounts closed by end of May  Annual Governance Statement considered by Management Team by end May  Reports to Executive Board in June <ul style="list-style-type: none"> <li>• 2010/11 Out-turn</li> <li>• Earmarked Reserves</li> <li>• Capital funding</li> <li>• Annual Governance Statement</li> </ul> Minimal report to those charged with governance presented to Executive Board in September by PwC	This may need to take priority over other areas
To calculate and send out service charges for HRA tenants /	SRM	Mgt Accts Fin Accts	July 2012	August 2012	High	Leaseholders / tenants notified of service charges	Existing budget

FINANCE AND HUMAN RESOURCES DIVISION

2012/2013 DIVISIONAL PLAN

leaseholders							
Action		Lead Officer/ Section	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Provision of benchmarking data for the housing service to Housemark	SRM	Corp Accts Mgt Accts	July 2012	Sept 2012	Medium	Full information provided to Members for decision making	Existing budget
To update the F&HR Divisional Workforce Plan	SRM	AD (F&HR)	Sept 2012	Dec 2012	High	Updated plan included in the Authority Plan	
To roll out the 360 appraisal process to EMT/junior principal officers	SRM	HR	Oct 2012	Dec 2012	Medium	Reports available for appraisals	
Arrange the staff survey, analyse the results and provide feedback for management	Staff Care	HR	Oct 2012	Dec 2012	High	Results considered by EMT and circulated to managers	Use of Management Team contingency (if needed)
To update Financial Regulations	SRM	Fin Accts	Sept 2012	January 2013	High	To take amendments to Board for approval, if necessary  To provide briefing sessions for staff	Existing budget
To have produced and reported to the Executive Board on proposals for updating the financial strategy	SRM	AD (F&HR) Mgt Accts	August 2012	February 2013	High	Budget Strategy for 2013/14 approved in September 2012  Budget strategy updated in February 2013	Existing budget
To establish a process for identifying savings, and work with Divisions to achieve the target required	SRM	AD (F&HR) Mgt Accts	April 2012	February 2013	High	Savings achieved in line with the budget strategy	Existing budget
Production of the 2013/14 revenue estimates	SRM	Mgt Accts	August 2012	March 2013	High	To assess the 2013/14 finance settlement in December	Existing budget

FINANCE AND HUMAN RESOURCES DIVISION

2012/2013 DIVISIONAL PLAN

Action		Lead Officer/ Section	Start Date	End Date	Priority	Budgets approved	Resource/Training Implications
						Measurement of Success	
Production of the 2013/14 capital estimates	SRM	Corp Accts	August 2012	March 2013	High	Capital Programme approved	Existing budget
To update the Workforce Plan for the authority	SRM Quality Services	HR	April 2012	March 2013	Medium	Monitoring systems in place to collect workforce data  Skills database updated  Divisional Workforce plans kept up to date  NWBC workforce plan kept up to date	Existing budget
To report on progress against the HR strategy to Special Sub Group	SRM	HR	April 2012	March 2013	High	Reports to Special Sub Group on a 6 monthly basis All actions implemented successfully	Training implications to be assessed
Undertake a corporate audit of Risk Assessments via the HARRIET system	SRM	HR	April 2012	March 2013	High	Audits completed, and action plans produced	Existing budget
To provide support to services on a range of issues, including: <ul style="list-style-type: none"> <li>different methods of service provision eg. shared services</li> <li>Smaller external funding arrangements</li> </ul>	SRM	Mgt Accts Corp Accts Fin Accts HR	April 2012	March 2013	High	HR implications managed  No unexpected costs  Full information provided to Members for decision making  Reviews completed to timetable	Existing budget

FINANCE AND HUMAN RESOURCES DIVISION

2012/2013 DIVISIONAL PLAN

<b>Action</b>	<b>SRM</b>	<b>Lead Officer/ Section</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
To assist with the accountable body duties for the Leader Project	SRM	Mgt Accts	April 2012	March 2013	High	No unexpected costs for the Council.  Maximum grant obtained.	Existing budget
To support the Atherstone Accommodation project	SRM	AD (F&HR) Corp Accts	April 2012	March 2013	High	Full information provided to Members for decision making	These will need to be evaluated
To support the Coleshill Leisure Centre capital project	SRM	AD (F&HR) Corp Accts	April 2012	March 2013	High	Full information provided to Members for decision making	These will need to be evaluated
To provide financial assessments for leisure projects as required eg. Green Space Strategy	SRM	Corp Accts Mgt Accts	April 2012	March 2013	High	Full information provided to Members for decision making	These will need to be evaluated
To provide support to the Property Officer around the Asset Management Plan (including reviews of assets and land holdings)	SRM	Corp Accts	April 2012	March 2013	High	Full information provided to Members for decision making	These will need to be evaluated
Production of PI's	SRM	Fin Accts HR	April 2012	March 2013	Medium	Monthly PI's produced  Annual PI's produced	
Actions from Statement of Assurance	SRM	AD (F&HR)	April 2012	March 2013	Medium	Actions completed	
To update the Business Continuity Plan for the Division	SRM	AD (F&HR) Mgt Accts	April 2012	March 2013	Medium	Divisional BCP in place	

FINANCE AND HUMAN RESOURCES DIVISION

2012/2013 DIVISIONAL PLAN

		Corp Accts Fin Accts HR					
To carry out a rolling programme of financial awareness training for Managers and Members	SRM	AD (F&HR)	April 2012	March 2013	High	Programme produced Attendance by all identified staff	Existing budget
To embed the use of HARRIET across the council	SRM	HR	April 2012	March 2013	High	Risk assessments held on HARRIET	
<b>Action</b>		<b>Lead Officer/ Section</b>	<b>Start Date</b>	<b>End Date</b>	<b>Priority</b>	<b>Measurement of Success</b>	<b>Resource/Training Implications</b>
Carry out systems review work in Financial Accountancy	SRM	AD (F&HR) Fin Accts	July 2012	March 2013	High	Revised systems in place	There may be some impact on normal duties, with staff spending time on review work
To transfer employee information to TRIM (after culling and scanning)	SRM	HR	April 2012	March 2013	High	50% or more of employee information held on TRIM	
Assess the continued use of the current JE system	SRM	AD (F&HR)	April 2012	March 2013	High	Results of assessment reported to MT	
To complete any additional tasks following the implementation of HRA self financing	SRM	AD (F&HR) Mgt Accts Fin Accts	April 2012	March 2013	High	Continued viability of 30 year HRA Business Plan	
To review policies in accordance with the timetable	Staff Care	HR	April 2012	Timetable	High	Revised policies approved by Board. Briefing sessions held	Existing budget
To carry out tasks in accordance with the FMS development plan	SRM	Mgt Accts Fin Accts	April 2012	Timetable	High	Tasks completed	Some additional resources may be required, if systems are to interface with the financial ledger, and front end scanning is to be implemented



## Community Services Service Plan 2012-13

**SCOPE OF SERVICE AREA**

The Division provides the following services to the people of North Warwickshire as well as other stakeholders both within and outside of the District.

Function	Activity	Customers
Benefits Administration	<ol style="list-style-type: none"> <li>1. Processing of Benefit Applications</li> <li>2. Assisting with the completion of Benefit claim forms and offering related advice at The Council House, Atherstone</li> <li>3. Paying benefit direct to claimants and landlords and crediting rent and council tax accounts</li> <li>4. Providing a home visiting service to vulnerable and elderly customers</li> <li>5. Undertaking intervention visits</li> <li>6. Providing general welfare advice to customers at The Council House, Atherstone</li> <li>7. Making available benefit claim forms, providing information leaflets, displaying posters and providing information through the web-site</li> <li>8. Processing claims for Discretionary Housing Payments and promoting take up of benefits</li> <li>9. Responding in writing, over the phone and by e-mail to benefit related enquiries, appeals and complaints</li> <li>10. Responding to Government issued consultation papers</li> <li>11. Liaising with interested parties on individual claims &amp; Benefit administration in general</li> <li>12. Providing financial and statistical information for Central Government</li> <li>13. Responding and engaging with consultation papers surrounding the Welfare Reform Agenda</li> <li>14. Delivery of the Councils Financial Inclusion Agenda (in partnership with others)</li> </ol>	<p>Benefit claimants and landlords Government Bodies including:- The Rent Service, Jobcentre Plus, The Pension Service, DWP, The Appeals Service, Inland Revenue and External Audit</p> <p>Internal stakeholders including:- Council Tax, Housing, Fraud, Internal Audit, Debtors, Legal and ICT</p> <p>Other external stakeholders:- CAPITA, CAB, Credit Union, Warwickshire Welfare Rights and voluntary bodies, solicitors, IT providers, Registered Social Landlords and other landlord groups</p>
The Prevention and Detection of Fraud	<ol style="list-style-type: none"> <li>1. Investigating cases of alleged benefit fraud from whistle blowing, data matching or case referral</li> <li>2. Undertaking interviews under caution as appropriate</li> <li>3. Promoting fraud awareness across the Authority and the general public by training and publicising results.</li> <li>4. Undertaking internal and external investigations in relation to alleged fraud</li> <li>5. Liaising with interested parties on individual claims and fraud investigation</li> <li>6. Providing financial and statistical information for Central Government</li> </ol>	As Above

## Community Services Service Plan 2012-13

<p>Revenues Administration</p>	<ol style="list-style-type: none"> <li>1. The billing and recovery of council tax and business rates</li> <li>2. The collection of Housing Rents and Former Tenant Arrears</li> <li>3. The recovery of invoiced Housing Benefit Overpayments</li> <li>4. Receiving and responding to council tax and business rate related enquiries via phone, letter, personal visit, email and fax</li> <li>5. Administration of the Councils Concessionary Travel Scheme</li> <li>6. Advising the Valuation Office Agency of domestic and non domestic properties which either require banding, rating or reassessment</li> <li>7. Processing schedules of alterations to domestic and non domestic properties received from the Valuation Office Agency</li> <li>8. Liasing with the Councils bailiffs, debt collection agencies and the Magistrates Court</li> <li>9. Inspecting new, empty and altered domestic and non domestic properties</li> <li>10. Making available council tax and rating information via leaflets, posters and the web-site</li> <li>11. Providing financial and statistical information for Central Government</li> <li>12. Responding and engaging with consultation papers surrounding Council Tax and NDR Changes</li> <li>13. Delivery of the Councils Financial Inclusion Agenda (in partnership with others)</li> <li>14. Responding to Government issued consultation papers</li> </ol>	<p>Council Taxpayers and Ratepayers Government Bodies including:- The Valuation Office Agency, CLG and External Audit</p> <p>Internal stakeholders including:- Benefits, Housing, Internal Audit, Debtors, Legal and ICT</p> <p>Other external stakeholders:- CAB, Credit Union and voluntary bodies, bailiffs, debt collection agencies, Magistrates Court, IT providers</p>
<p>Contact Centre and One Stop Shop</p>	<ol style="list-style-type: none"> <li>1. Managing services in the Customer Contact Centre</li> <li>2. Assisting in the re-engineering of business processes</li> <li>3. Undertaking development work to utilise functionality of the CRM system</li> <li>4. Answering all the Councils telephone contact via the main number</li> <li>5. Managing the Councils One Stop Facility and dealing with all face to face contact for all Council Services and partner services under the banner of "Warwickshire Direct"</li> <li>6. Evaluating the opportunity and delivering face to face services in alternative venues to the Council House via the development of Community Hubs (or B.O.B Hubs)</li> <li>7. Building relationships and promoting services internally and with other partners</li> <li>8. Delivering consistent and communicated customer service standards</li> <li>9. Management and Delivery of the B.O.B bus</li> <li>10. Delivery of an "Out Of Hours" delivery model with Warwickshire County Council</li> <li>11. Lead on the delivery of the Councils Customer Access Strategy and Access Theme</li> </ol>	<p>All residents in and outside North Warwickshire</p> <p>Internal stakeholders -all departments External stakeholders:- Warwickshire Direct Partners, Northgate, Warwickshire County Council, North Warwickshire Credit Union, Warwickshire Police.</p>

## **Community Services Service Plan 2012-13**

### **Acronyms Used in this Service Plan:**

DWP (Department of Works and Pensions)

WDP (Warwickshire Direct Partnership);

ACADEMY (Councils Revenues and Benefits system);

CRM or Northgate (Customer Relationship Management System used in Contact Centre (CC) and One Stop Shop (OSS));

CANWE (Coventry and North Warwickshire Enterprise) – shared service

WCC (Warwickshire County Council)

FIP (Financial Inclusion Partnership)

NTG (Narrowing The Gap)

SCS (Sustainable Community Strategy)

### **Outstanding Achievements In 2011/12 to date**

- BOB project continues to develop. Won Best Partnership Award at the Institute of Money Advisers in May 2011 and finalist at IRRV awards.
- Development of work on ICT community hubs in September 2011
- Performance levels maintained – Revenues Team won silver award at IRRV conference in September.2011
- Development of Frontline Workers Toolkit and referral process to support financial inclusion training.
- The OSS now deals with face to face enquiries on behalf of Warwickshire Police.
- Re-awarded the Customer Service Excellence standard by the Cabinet Office with a fully compliant score and nominated as a centre of exceptional Business Transformation for the B.O.B project which is only one of six nominations in 2011 to date
- A provider of key advice and support as an influential Council in terms of commenting on the proposed Welfare Reform changes and Revenue changes to the DWP, CLG and Regional Government Office

## Community Services Service Plan 2012-13

Action	The Community Plan Corporate, or LAA / Divisional Objective	Lead Officer	Start Date	End Date	Traffic Light/ Priority	Measurement of Success	Resources
<b>External Assessment</b>							
Ensure ongoing compliance with the Customer Service Excellence Standard awarded in May 2010	Quality Service Provision Customer Access	ACE (CS)	April 2012	March 2013	H	Ongoing accreditation status maintained	None other than already committed
Ensure that all performance indicators are delivered in line with targets set for 2012/13 and where feasible to upper quartile levels	Quality Service Provision	ACE (CS)	April 2012	March 2013	H	Maintain levels to ensure performance indicator targets are achieved across the service  Production of monthly performance report	None other than already committed  Built into existing plans
Maximise Subsidy by operating below Local Authority Error thresholds.  Achieve a non-qualified Subsidy assessment	Quality Service Provision  VFM	R&B Mgr  R&B Mgr	April 2012  April 2012	March 2013  October 2012	H  H	Confirmation received from the Councils internal and external auditors of legal and acceptable practice  Non Qualification Letter	None other than already committed

## Community Services Service Plan 2012-13

Action	Corporate/ Divisional Obj	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources
<b>Value for Money / Efficiency / Technical</b>							
<p>Review structure and resources deemed necessary to replace the CANWE arrangements implemented in 2008.</p> <p>These may include extending current arrangements or identifying new partners e.g. the Hinckley Consortium; Greater collaborations with other partners</p>	<p>Quality Service Provision</p> <p>Compliance with the Comprehensive Spending Review</p> <p>VFM</p>	ACE (CS)	April 2012	June 2012	H	Service Plan Commitments being delivered to targets	Any business case for changes or improvements will be based on "Invest to Save" principles or trading/selling of resources within the schedule of rates arrangements established in 2008.
			April 2012	March 2013	M	Regular monitoring of work plans	Any changes proposed will reduce the current budget
						Spend at or below budget	
<p>Promote e billing for both Council Tax &amp; NDR &amp; other digital inclusion products</p> <p>Promote greater payment by electronic means and direct debit in line with PCIDSS requirements</p> <p>Ensure PCIDSS protocols &amp; compliance is embedded in line with implementation of new systems</p>	VFM Quality Service provision	R&B Manager	April 2012	March 2013	H	A 1% take up of e billing by March 2013	None other than already committed
		R&B Manager / Customer Contact Manager	April 2012	March 2013	M	Increase the number of electronic payments & DD's. by 1% on March 2012 levels	Ongoing use of North Talk and other publicity mail shots in line with take up strategy
		R&B Manager / Customer Contact Manager / ICT Division	April 2012	November 2012	H	No breach of policies	Greater work with other internal departments



## Community Services Service Plan 2012-13

Action	Corporate Obj	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources
Implement legislative changes, promotional materials and testing on the impact of <ul style="list-style-type: none"> <li>• Local Housing Allowance -Private Sector &amp; LA Tenants</li> <li>• Non Dependent Deductions</li> <li>• ESA Changes around Incapacity Reforms</li> <li>• Introducing Capital caps for working age claimants</li> <li>• Development of a Localised Council Tax Benefit scheme (if introduced)</li> <li>• Social Fund and Crisis Loans proposals</li> <li>• Advise on impact of Universal Credit proposals</li> <li>• Advise on SFIS (Fraud Proposals)</li> <li>• Changes to be introduced via the Local Government Finance Bill including Localisation of NDR</li> <li>• Other (as yet unknown changes)</li> </ul>	Quality Service Provision New Legislation	ACE (CS),  R&B Mgr  FI Manager	April 2012	March 2013	H  H  H  H  H  H	Implemented on time and affected customers notified  Reports and briefings completed for Members and other interested groups as appropriate  In order to achieve what is as yet an unknown amount of work – success of other service plan commitments may need to be sacrificed or moved to accommodate the amount of “known and as yet unknown” work necessary to introduce changes effectively	Existing Resources to complete exercises in all cases  Senior Benefits Officer, Senior Systems Support Officer, Senior Revenues Officer, Financial Inclusion Manager  Working with ;- Housing Division ICT Division  Other Warwickshire Councils Warwickshire CC Job Centre Plus Other Public Sector and Third Sector Partner Organisations  It is likely that specific unknown ring fenced monies will be provided to introduce changes. It is highly likely temporary help will be needed to implement these changes

## Community Services Service Plan 2012-13

Action	Corporate / Divisional Obj	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources
<b>Customer Access / Improvements</b>							
Support Dickens Night and at least 5 other high profile events around the Borough during the summer	This will cut across all corporate themes	ACE (CS) Customer Contact Manager	May 2012	November 2012	H	Agree promotional activity to be promoted	None other than monies already identified as part of the B.O.B Outreach budget
Introduce alternative methods of obtaining customer feedback following the removal of the Gov Metric software in June	Quality Service Provision Community Planning Customer Access Strategy	ACE (CS), AD (ICT), Customer Contact Manager	July 2012	August 2012	H	Undertake in line with strategy and publish results as part of a balanced scorecard.	Existing Resources to complete exercise
Undertake Customer Satisfaction across the Service in line with an agreed plan		R&B Manager, Customer Contact Manager	August 2012	March 2013	H	Delivery of agreed plan	
Increase the number of web forms accessible on line to replicate the forms held in the Northgate System (not PDF documents).	Customer Access Strategy Quality Service Provision	ACE (CS), CCM, AD (ICT)	June 2012	January 2013	H	interactive forms available to access via website	To be shared with WDP colleagues where possible, specifically NBBC and RBC.
Continue to work internally and with the WCC Observatory to develop projects work around better customer data sharing and insight to help inform decisions on access / take up	Quality Service Provision, Customer Access Strategy	ACE (CS), FI Manager AD (ICT)	June 2012	February 2013	M	Better customer information to assist better customer delivery decision-making Reports and customer profiling data produced	WCC and internal resources to be agreed once project briefs identified.  Requires current temporary staff to be retained to achieve



## Community Services Service Plan 2012-13

Action	Corporate Objective	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources
Implement the updated Customer Access Strategy to be adopted by Members in March 2012. This will run from 2012 to 2017 and build on the 2006 strategy. It will be aligned where possible with work undertaken by the WDP	Customer Access Strategy Quality Service Provision VFM	ACE (CS) / AD (ICT)	April 2012	March 2013	H	New strategy adopted by Board  Delivery of Action Plan developed from strategy	None other than those already identified
Review the need for the CRM system to support the Councils customer access work and propose a preferred approach to Members.  Future actions will be reliant on this decision	Customer Access Strategy Quality Service Provision VFM	ACE (CS), AD (ICT) Customer Contact Mgr	April 2012	July 2012	H	Contract up for renewal in December 2013. Decisions on future use needed to be made by autumn 2012 to enable appropriate technical solutions to be investigated	None other than existing resources  Recommendation will decide future resource requirements and costs
Implement MacFarlane telephony upgrade, patching, Anti virus and Back Up as required	Quality Service Provision	CCM / AD (ICT) / WDP	April 2012	March 2013	H	Upgrade implemented	Funding already included in the budget for the upgrade
=Procure, Test & Develop video conference technology for use in the community hubs  Recommend internal changes needed to deal effectively with enquiries	Customer Access Strategy Quality Service Provision	CCM / AD (ICT) / WDP	April 2012  September 2012	May 2012  November 2012	H  M	Implementation in line with development plan  Recommendation to Community Hubs Task & Finish Group	Funding identified in outreach budget  Working with various WDP partners to share the workload involved

## Community Services Service Plan 2012-13

Action	Corporate Divisional Objective	Lead Officer	Start Date	End Date	T/L Priority	Measurement of Success	Resources
Propose, Justify and Implement (where approved) outreach opportunities with WCC & other partners to deliver remote access by utilising any of the following	Customer Access Strategy Quality Service Provision  Health and Well Being theme links  Access theme links					Continue operating the B.O.B initiative via identified funding during 2012/13w.  Decision as to whether to continue the B.O.B bus post March 2013	2 dedicated officers (1.6 FTE) working with WCAVA and the Volunteer Centre. Contracts to run out in June 2012 – A formal for ongoing resource planned
Review the continuation of the Branching Out Bus (B.O.B) post March 2013	Improving Education and Aspiration Theme links	ACE (CS)	September 2012	January 2013	H	Successful funding bids made with community partners and hubs implemented	Work closely with Kushal Birla (WCC) to work together in delivery of hubs out of county run libraries
Developing bids and implementing B.O.B Hubs (PC's, Printers and Broadband) in established facilities with communities in line with an agreed programme		ACE (CS) / AD (ICT) / AS (Housing)	April 2012	March 2013	H	Task and Finish Group meetings held and reporting to the C&E Board  Successful implementation of a hub	Utilise the corporate £25k budget to support outreach work if successful either to keep the B.O.B bus going in 2012/13
Assist WCAVA and the Volunteer Centre identify volunteers to help resource the B.O.B hubs		ACE (CS), F.I Manager	April 2012	June 2012 (maybe longer if resources available)	H	Use of the facilities by community members open and sustainable.	Agree with members proposals on how best to utilise the allocated outreach budget either as match funding or stand alone funds

## Community Services Service Plan 2012-13

Action	Corporate Divisional Objective	Lead Officer	Start Date	End Date	T/L Priority	Measurement of Success	Resources
Review the ongoing need for temporary resource to support the implementation programme and make recommendations to Members on this matter	Customer Access Strategy	ACE (CS)	April 2012	May 2012	H	Review completed and reported to Members	None other than identified
Work with the ICT Division to support WCC provide evidence to assist in bidding for funding and priority around the BDUK project (i.e.) introducing higher speed broadband into the NW area	Customer Access Strategy Quality Service Provision VFM	Ad (ICT) ACE (CS)	April 2012	March 2013	H	BDUK funding allocated to Councils priority areas	BDUK funding plus identification of the source of any other match funding required
Continue to support WCC to promote access opportunities as part of Section 106 funding in the Birch Coppice Area  This will centre on potential projects around  Developing hubs Improving Transport links Promoting employment opportunities	Health and Well Being theme links  Access theme links  Improving Education and Aspiration Theme links	ACE (Solicitor to the Council) ACE (CS)	April 2012	March 2013	H	Agreed projects being delivered  Outcome reports communicated to Members	None other than already committed  Any bids will need to be supported from existing resources

## Community Services Service Plan 2012-13

Action	Corporate Objective Divisional Objective	Lead Officer	Start Date	End Date	T/L Priority	Measurement of Success	Resources
<b>ADDRESSING POVERTY AND FINANCIAL INCLUSION</b>							
Oversee the operation of the NW FIP and chair the Countywide FIP to deliver and coordinate Financial Inclusion (F.I) activity in the borough	Health and Well Being Theme Contributes to LAA – reduction of Child Poverty and NTG	ACE (CS) FI Manager	April 2012	March 2013	H	Regular meetings and Action Points implemented	Supported by the Financial Inclusion Manager whose contract is to be reviewed in June 2012 and ends July 2012
Work with the Countywide FIP to determine the future approach around the commissioning of advice services post Sept 2012	Customer Access	ACE (CS)	April 2012	August 2012	H	An agreed approach to funding post LPS2 projects finishing	Activity of CAB, Credit Union and Warwickshire Welfare Rights is funded until 30 September 2012. This is subject of a review.
Review the impact of the end of the Financial Inclusion Managers temporary contract & loss of funding for F.I activities currently funded by WCC & report to Members		ACE (CS)	April 2012	May 2012	H	A decision by Members at board	
Continue to promote the Credit Union activity by providing an outlet facility via the B.O.B bus, signposting customers via the One Stop Shop and school banks	Customer Access Quality Service Provision  Narrowing The Gap (NTG)	ACE (CS)	April 2012	September 2012	H	Greater take up of credit union services  Ongoing presence of service	None internally – funding to run the service from the OSS will cease in September and only continue if new funding is identified

## Community Services Service Plan 2012-13

Action	Community Plan Obj Corporate Objective	Lead Officer	Start Date	End Date	T/L Priority	Measurement of Success	Resources
Continue to work with other Councils and welfare agencies to continue to promote take up of Council Tax and Housing Benefit, Free School Meals and other National changes in a collaborative way where possible	Quality Service Provision The Local Economy Health and Well Being  Contributes to LAA – reduction of Child Poverty	Benefits Supervisor / R&B Mgr /ACE (CS)	April 2012	September 2012	M	Advice and Signposting being provided by a number of mediums in a coordinated way via  North Talk Website B.O.B activity WCC activity	The continuation of a project delivering take up with the Warwickshire Welfare Rights will run until September 2012 and only continue after if new funding can be identified
Continue to work alongside, promote and support the work of the Citizens Advice Bureau  Assist in identifying future funding streams and work opportunities from April 2013 onwards.  Review potential to provide debt advice more cost effectively internally as part of a structural review with the Housing Division	Quality Service Provision Health and Well Being NTG	ACE (CS), R&B Mgr  ACE (CS) AD (CS) FI Manager  ACE (CS) AD (H)	April 2012  April 2012  April 2012	March 2013  March 2013  July 2012	M  M  H	A customer focused debt advice and information service being delivered and accessible to all residents  Proposals and recommendations made to Members  Regular information communicated via North Talk & NWBC accredited websites	The CAB will receive reduced funding in 2012/13 making its activities less sustainable  The Council with WCC are now the main two providers of income  The Councils main activity is coordinated via the Community Development Division and the Temporary FI Manager
Continue to promote fuel poverty messages with Public and Private Sector partners as well as the Housing Division	Quality Service Provision, NTG Health and Well Being	ACE (CS)	April 2012	March 2013	M	Incorporate joined up messages in any targeted campaigns on website and in North Talk	None. Seek support from the WCC FIP coordinator as activity likely to be countywide

## Community Services Service Plan 2012-13

<b>POLICIES AND PROCEDURES</b>							
Undertake Health & Safety audits in line with divisional programme	Strategic Resource Management	R&B Mgr/CCM	April 2012	March 2013	M	Exercise completed in line with timetable	Build into existing work plans
Undertake all Risk Assessments in line with divisional programme	Strategic Resource Management	R&B Mgr/CCM	April 2012	March 2013	M	Exercise completed in line with timetable	Build into existing work plans
Undertake Equality Impact Assessments of any proposed changes	Quality Service Provision	AD (CS) R&B Mgr/CCM	April 2012	March 2013	M	Exercise completed in line with timetable	Build into existing work plans
Ensure all disaster recovery processes are still relevant and are up-to-date.	Strategic Resource Management	R&B Mgr/CCM	April 2012	March 2013	M	Exercise completed in line with timetable	Build into existing work plans
Ensure actions from work force planning are in place	Quality Service Provision, Strategic Resource Management	R&B Mgr, CCM	April 2012	March 2013	M	Exercise completed in line with timetable	Build into existing work plans
Deliver Training in line with appraisals	Quality Service Provision, Strategic Resource Management	R&B Mgr, CCM	April 2012	March 2013	H	Undertaken in line with programme	Deliver with agreed plan
Undertake annual staff survey	Quality Service Provision	ACE (CS)	December 2012	March 2013	H	Exercise completed in line with timetable	Build into existing work plans
Ensure Invoices are paid on time(within 30 days)	Quality Service Provision	R&B Mgr, CCM	April 2012	March 2013	H	Above average performance in Council	None
Continue to participate in benchmarking exercises with appropriate groups	Quality Service Provision VFM	ACE (CS), R&B Mgr, CCM	April 2012	March 2013	H	Exercises undertaken	None – will not be joining paid for groups. Reliant on data being shared voluntarily

**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
<b>1. Strategy – Development and Implementation</b>								
<b>ICT Strategy</b>								
	<ul style="list-style-type: none"> <li>Develop and get approval for 2013/14 Procurement Action Plan</li> </ul>	Public Services. Access to Services	LB/GH	Sep 12	Mar 13	High	Strategy updated and approved.	
	<ul style="list-style-type: none"> <li>Implement actions identified in the 12/13 ICT Strategy Action Plan.</li> </ul>	Public Services. Access to Services	GH	Apr 12	Mar 13	High	Actions completed on target.	
<b>Procurement Strategy</b>								
	<b>Procurement Strategy</b> <ul style="list-style-type: none"> <li>Develop and seek approval for 2013/14 – 2015/16 Procurement Strategy and Annual Action Plan.</li> </ul>	Public Services	LB/EC	Oct 12	Mar 13	High	Strategy Updated and approved.	Any costs/savings arising will be identified in the Strategy.
	<ul style="list-style-type: none"> <li>Implement actions identified in the 12/13 Action Plan by target dates.</li> </ul>	Public Services	LB/EC	Apr 12	Mar 13	High	Actions completed on target.	
<b>Customer Access Strategy</b>								
	<b>Customer Insight</b> <ul style="list-style-type: none"> <li>Implement a replacement for Gov Metric for monitoring Website pages &amp; identifying improvements.</li> </ul>	Customer Access Strategy (CAS)	HH/LB	Apr 12	Mar 13	Med	No cost alternative implemented. Improved web pages.	
	<b>Community Information Points (Hubs)</b> <ul style="list-style-type: none"> <li>Provide technical advice &amp; support to implement and maintain hubs.</li> </ul>	(CAS). Access to Services	NB/GH	Apr 12	Dec 13	High	Hubs implemented to agreed programme.	Customer Access funding.
	<b>Broadband</b> <ul style="list-style-type: none"> <li>Work with WCC on BDUK project and assist Community Services with rural/ community broadband aspirations</li> </ul>	Access to Services Customer Services Service Plan.	LB/GH/ NB	Ongoing	Mar 13	High	BDUK funding allocated to Council's priority areas.	BDUK funding
	<b>Support Service's access ambitions.</b> <ul style="list-style-type: none"> <li>Help deliver Channel Strategy and Customer Access Projects.</li> </ul>	CAS, Access to Services	LB	Apr 12	Mar 13	Med	Access projects achieve agreed aims.	

\* Action contributes to achieving a Political Priority, Corporate Plan Target, Council Strategy or Policy or Improves the Quality of the Division's services.

**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
	<b>Use of e-services</b> <ul style="list-style-type: none"> <li>Continue working on moving services to less costly channels and increasing take up of e-services.</li> </ul>	CAS/Public Services	LB/HH	Apr 12	Mar 13	High	e-services promoted. Use increased.	Focus on high volume services.
<b>2. Standards and Policy – Development and Implementation</b>								
	<b>Government Connect Initiative</b> <ul style="list-style-type: none"> <li>Ensure the implications of Gov Connect (and its successor) are understood &amp; re-submissions made.</li> </ul>	ICT Strategy Policy, Govt requirement.	GH/NW	Sep 12	Dec 12	High	Successful re-submission. Migration to replacement for GCSX.	Migration costs unknown.
	<ul style="list-style-type: none"> <li>Carry out work in response to previous Gov Connect compliance assessment.</li> </ul>	IS Policy, Govt Requirement.	GH/NW	Apr 12	Mar 13	High	Act on areas identify by compliance assessment.	Dependant on the actions required or issues identified.
	<b>Update IT Security Policy</b> <ul style="list-style-type: none"> <li>Review and update the Council's IT Security Policy.</li> </ul>	ICT Strategy and Council governance	GH/LB	Apr 12	Dec 12	High	Updated and approved strategy. Raised staff awareness.	
	<b>PCI DSS Compliance</b> <ul style="list-style-type: none"> <li>Understand requirements for PCI DSS compliance and ensure measures are implemented.</li> </ul>	ICT Strategy. Access to Services	GH/NW	Apr 12	Nov 12	High	Compliant payments management system and processes in place.	
<b>3. Use of Information Technology – Computer Development Programme</b>								
<b>EDRMS</b>								
	<b>TRIM Upgrade</b> <ul style="list-style-type: none"> <li>Complete Major upgrade.</li> </ul>	Public Services	TB/DC	Apr 12	Dec 12	Med	Upgraded and staff aware of new features	
	<ul style="list-style-type: none"> <li>Work corporately or with services wanting to improve their use of Trim and workflow.</li> </ul>	Public Services	TB	Apr 12	Mar 13	Med		
<b>Website &amp; Intranet</b>								
	<ul style="list-style-type: none"> <li>Implement improvements as a result of 2011 "Better Connected" report.</li> </ul>	Access to Services	HH/ChH	Jul 12	Nov 12	Low	Learn from best practice. Aim to maintain rating.	

\* Action contributes to achieving a Political Priority, Corporate Plan Target, Council Strategy or Policy or Improves the Quality of the Division's services.



**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
	<ul style="list-style-type: none"> <li>Work with Northern Warwickshire Councils to move to hosting and shared design.</li> </ul>	CAS Public Services	HH	Ongoing	Mar 13	Med	All authorities hosted and help others to go live with shared design.	
	<ul style="list-style-type: none"> <li>Review and redevelop top 10 online forms.</li> </ul>	Access to Services	HH/ ChH	Jun 12	Mar 13	High	Use of forms increased.	
	<ul style="list-style-type: none"> <li>Carry out content reviews and improvements for most used areas of the website.</li> </ul>	Access to Services	HH/ ChH	Apr 12	Mar 13	Med	3 Areas reviewed in depth.	
	<ul style="list-style-type: none"> <li>Investigate options for improving the Intranet and act on any approved plan.</li> </ul>	Access to Services Public Services	HH/ ChH	Oct 12	Mar 13	Low		
<b>GIS, LLPG &amp; Street Naming &amp; Numbering</b>								
	<b>Implement LLPG Improvement Schedule</b> <ul style="list-style-type: none"> <li>Develop and improve LLPG</li> </ul>	Data Quality (DQ) / Public Services	JS	Ongoing	Mar 13	Med	Improved data quality and accuracy. Ensure minimum standards met.	
	<b>GIS</b> <ul style="list-style-type: none"> <li>Grounds Maintenance – Data and GIS Project/</li> </ul>	Leisure Service Plan	PM/ PaM	Ongoing	Jul 12	High	Data cleansed and analysis available.	Training from Cadcorp.
	<ul style="list-style-type: none"> <li>INSPIRE – provide data as required for national INSPIRE project</li> </ul>	Access to Services Environment	JS	Ongoing	Mar 13	Med	Requests for data fulfilled.	
	<ul style="list-style-type: none"> <li>Work with DC on specific data improvement projects</li> </ul>	DC Service Plan / Public Services	JS/PM	Apr 12	Oct 12	Med	Industrial unit data corrected.	In-house resource. DC funding.
<b>Service Specific Projects</b>								
	<b>Contact Centre – CRM Contract</b> <ul style="list-style-type: none"> <li>Work with Customer Services to help decide the strategic direction in preparation for the end of the Northgate CRM contract in 2013/14.</li> </ul>	Access to Services Customer Access Strategy	GH/HH	Ongoing	July 12	High	Direction decided to enable technical solution to be investigated.	
	<ul style="list-style-type: none"> <li>Contribute to the definition of the requirements / technical solution for the replacement of Northgate CRM.</li> </ul>	Access to Services	GH/HH	Oct 12	Mar 13	High	Solution identified and agreed.	Costs/savings identified at the end of the review.

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
	<ul style="list-style-type: none"> <li>Investigate on-line chat as a way of advising and helping customers.</li> </ul>	Access to Services	NB	Apr 12	Oct 12	Low	Cost effective solution to enable on-line chat.	Identify during feasibility study.
	<b>Payments Management System</b> <ul style="list-style-type: none"> <li>Implement PCI DSS compliant payments management solution.</li> </ul>	Public Services	LS	Ongoing	Oct 12	High		
	<b>e-payments</b> <ul style="list-style-type: none"> <li>Continue to improve and increase on-line payment for services.</li> </ul>	Access to Services	GH/LS/HH	Apr 12	Mar 13	Med	Improved e-payments developed & promoted.	
	<b>Housing – Open Housing Modules</b> <ul style="list-style-type: none"> <li>Assist with the technical implementation of new modules</li> </ul>	Housing Service Plan	LS/GH	Apr 12	Dec 12	Med	Technical implementation of new modules.	Housing Capital
	<b>HR - e-learning</b> <ul style="list-style-type: none"> <li>Work with HR to provide technical support for e-learning pilot &amp; project.</li> </ul>	Fin & HR Service Plan	GH	Apr 12	Mar 13	Med	Technically successful pilot project	
	<b>Leisure Services</b> <ul style="list-style-type: none"> <li>Help investigate the options and business case for procuring software to support specific services</li> </ul>	Leisure and Community Services Service Plan	GH	Apr 12	Oct 12	Med	Help division respond to service reviews and implement approved business cases.	
	<b>Upgrade Business Application</b> <ul style="list-style-type: none"> <li>Upgrade applications to comply with suppliers upgrade cycles and meet user needs.</li> </ul>	Public Services / ICT Strategy	LS	Ongoing	Mar 13	High	Systems such as ICON, Academy, IBS, RAM upgraded as needed.	
	<ul style="list-style-type: none"> <li>Total – Support for 2 upgrades and technical testing.</li> </ul>	Public Services	LS	Apr 12	Mar 13	Med	System upgraded in a timely manner.	
	<b>Small Application Support</b> <ul style="list-style-type: none"> <li>Support and develop existing small database applications e.g licensing</li> </ul>	Public Services	MV	Ongoing	Mar 13	Med	Systems supported and agreed developments completed.	

**4. Use of Information Technology – Technical and Infrastructure Improvements**

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
	<b>Desktop Hardware &amp; software</b> <ul style="list-style-type: none"> <li>Continue the upgrade to Microsoft Office 2010</li> </ul>	Public Services / ICT Strategy	NB/MV	Ongoing	Mar 13	Med	Client software upgraded.	
	<ul style="list-style-type: none"> <li>Staff made aware of new features and differences in Office 2010.</li> </ul>	Public Services	GH	Ongoing	Mar 13	Med	Migration planned and staff informed.	
	<ul style="list-style-type: none"> <li>Continue migration to Windows 7</li> </ul>	Public Services / ICT Strategy	GH/NB	Ongoing	Mar 13	Med	Implementation	
	<ul style="list-style-type: none"> <li>Ensure staff have adequate PC equipment to carry out their role.</li> </ul>	Public Services / ICT Strategy	NB/MV	Jun 12	Mar 13	High	PC's replaced in line with ICT strategy.	Capital and Revenue Budgets.
	<b>Exchange Email Upgrade</b> <ul style="list-style-type: none"> <li>Complete the testing and implementation of the Exchange</li> </ul>	Public Services / ICT Strategy	NB	Ongoing	Oct 12	High	Email upgraded and rolled out	Funded from 11/12 capital programme.
	<b>Citrix Environment</b> <ul style="list-style-type: none"> <li>Review Citrix environment and identify if it is sufficiently robust.</li> </ul>	Access to Services	CH	Jun 12	Oct 12	Med	Understand constraints and risks with current Citrix configuration.	
	<ul style="list-style-type: none"> <li>Investigate replacement for RSA tokens for authentication.</li> </ul>	Public Services	CH	Apr 12	Sep 12	High	Identification of more cost effective solution	Part of Savings Plan.
<b>Accommodation project</b>								
	<b>IT and Telecomm Cabling</b> <ul style="list-style-type: none"> <li>As part of electrical cabling upgrade / replace all cat 5 cabling</li> </ul>	Public Services/ICT Strategy	GH/NB	TBC	TBC	High	Requirements defined. Cabling that can support VOIP phone system	Part of Accommodation Project Funding
	<b>Replace network switches</b> <ul style="list-style-type: none"> <li>Replace all network switches</li> </ul>	Public Services/ICT Strategy	NW/GH	TBC	TBC	High	Switches that can support VOIP phone system	Capital Programme approved bid
	<b>New VOIP telephone</b> <ul style="list-style-type: none"> <li>Implement VOIP system.</li> </ul>	Public Services/ICT Strategy	NW/GH	TBC	TBC	High	Have no reliance on current unsupported phone system	Capital Programme approved bid
	<b>Office Decant</b> <ul style="list-style-type: none"> <li>Ensure ICT and telephony services are available to staff during project.</li> </ul>	Accom. Project	GH/NB	TBC	TBC	High	Staff have access to telephones and ICT systems where needed.	

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
<b>5. Procurement</b>								
	<b>Contracts &amp; Suppliers</b> <ul style="list-style-type: none"> <li>Update &amp; maintain Contract Register &amp; forward quote/tender plan.</li> </ul>	Public Services / Procurement Strategy	LB/EC	Jul 12	Nov 12	High	Contract Register updated with 11/12 spend and forward plan produced.	
	<ul style="list-style-type: none"> <li>Work with services to let Contracts due during or needed in 2012/13.</li> </ul>	Public Services / Procurement Strategy	LB/EC	Apr 12	Mar 13	High	Compliant contracts let and used.	
	<b>Savings</b> <ul style="list-style-type: none"> <li>Identify opportunities for savings through better procurement and monitor their achievement.</li> </ul>	Procurement Strategy	EC/LB	Apr 12	Mar 13	High	Opportunities identified Savings achieved and reported.	
	<b>E- procurement - TOTAL</b> <ul style="list-style-type: none"> <li>Provide training, advice and support for use of TOTAL for procurement.</li> </ul>	Public Services / Proc. Strategy	TF/JH	Ongoing	Mar 13	Med	Working & training to new procedures. Training schedule published.	
	<ul style="list-style-type: none"> <li>Work with Financial services to ensure TOTAL is used as agreed.</li> </ul>	Public Services	EC	Ongoing	Mar 13	Med		
	<b>Transparency</b> <ul style="list-style-type: none"> <li>Understand requirements of the Transparency agenda &amp; publish agreed data.</li> </ul>	Government initiative, Public Services	LB/EC	Ongoing	Mar 13	Med	Information available and up to date e.g. spend, salaries, contract award.	
	<b>Sustainability</b> <ul style="list-style-type: none"> <li>Source sustainable products where appropriate.</li> </ul>	Proc Strategy Environment	Proc Team	Ongoing	Mar 13	Med		
<b>6. Printing and Copying</b>								
	<b>Printer and Copier Provision</b> <ul style="list-style-type: none"> <li>Tender for print and copy services. (contract ends October 2012)</li> </ul>	Public Services / Quality of Service	EC/JH	Apr 12	Oct 12	High	Requirements specified. Potentially tender with other Councils. Solution Selected.	Existing revenue budgets to fund purchase / lease
	<ul style="list-style-type: none"> <li>Implement new printers / copiers and train/instruct staff.</li> </ul>	Public Services / Quality of Service	JH	Oct 12	Dec 12	Med	New service / equipment implemented	

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
<b>7. Central Services</b>								
	<b>Administrative Reviews</b> <ul style="list-style-type: none"> <li>Reviews (systems thinking) for:-               <ul style="list-style-type: none"> <li>Land Charges</li> <li>Other areas of C/S work</li> </ul> </li> </ul>	Public Services	PM / MJ / LB	Apr 12	Mar 13	Med	Ensure support services are provided efficiently and effectively.	Efficiency, skills sharing and link into work force planning.
	<ul style="list-style-type: none"> <li>Ensure systems and processes improved during past reviews remain relevant.</li> </ul>	Public Services	PM	Oct 12	Mar 13	Med	Ensure support services are provided efficiently and effectively.	Efficiency, skills sharing and link into work force planning.
	<b>Post</b> <ul style="list-style-type: none"> <li>Act on findings of Post Review and ensure the provision of a cost effective postal service.</li> </ul>	Public Services	PM / LB	Apr 12	Sep 12	Med	Meeting customers' needs. Provided under a valid contract.	Savings to be generated as part of Division's Savings Plan.
<b>8. Community Plan, Corporate Plan, Vision &amp; Political Priorities</b>								
	<b>Accommodation Project</b> <ul style="list-style-type: none"> <li>Provide the support needed from the Division for the project.</li> </ul>	Corp Plan / Public Services	LB/GH/EC	Ongoing	TBC	High	Implications considered. Advice provided.	To be identified as part of the Accommodation Project.
<b>9. External Assessment and Audit (Internal and External)</b>								
	<ul style="list-style-type: none"> <li>Support the 12/13 ICT Audit Plan               <ul style="list-style-type: none"> <li>Areas to be identified with Internal Audit.</li> </ul> </li> </ul>	Public Services	LB/GH	Apr 12	Mar 13	High	Score => Adequate Management responses provided and actioned.	Any cost identified as part of agreeing recommendations.
	<ul style="list-style-type: none"> <li>Ensure we implement agreed recommendations from audits.</li> </ul>	Public Services	GH/LB	Apr 12	Mar 13	Med	Recommendations actioned as agreed.	
	<ul style="list-style-type: none"> <li>Support planned Internal Audits. ...to be identified.</li> </ul>	Public Services	LB	Apr 12	Mar 13	Med	Score => Adequate. Mgmt response actioned.	Cost identified as part of recommendations.
<b>10. Value for Money Review and Services Improvement</b>								
	<b>Systems Thinking Reviews</b> <ul style="list-style-type: none"> <li>Provide staff to support system thinking reviews as detailed in plan.</li> </ul>	Public Services.	LB	Ongoing	Mar 13	High	Appropriate resource provided to facilitate or participate in reviews.	
	<b>Review of Development Control</b> <ul style="list-style-type: none"> <li>Participate in and support the Systems Thinking review of DC</li> </ul>	DC Service Plan / Public Services	PM	TBC	Dec 12	High	Review complete and improvements implemented.	

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
<b>11. Performance Management and Indicators (Local and National)</b>								
	<ul style="list-style-type: none"> <li>Produce and report on agreed Service Performance Indicators.</li> </ul>	Public Services	LB	Apr 12	Mar 13	High	Performance against indicators identified.	
<b>12. Risk Management</b>								
	<b>Service &amp; Operational risks.</b> <ul style="list-style-type: none"> <li>Formally review Risks assessments and update containment plans.</li> </ul>	Public Services	GH/EC/ LB/PM	Sep 12	Dec 12	Med	Updated risks and mitigation.	
<b>13. Business Continuity, Disaster Recovery and Emergency Planning</b>								
	<b>Business Continuity</b> <ul style="list-style-type: none"> <li>Ensure sections BC and DR plans up to date and communicated.</li> </ul>	Public Services	EC/GH/ LB/PM	Oct 12	Mar 13	High	BC / DR plans in place and relevant staff aware of responsibilities.	
	<b>IT Disaster Recovery (DR)</b> <ul style="list-style-type: none"> <li>Test ICT DR focusing on priority services.</li> </ul>	Public Services, ICT Strategy.	GH/NB	Dec 12	Mar 13	Med	Successful test & plan updated.	
<b>14. Health and Safety</b>								
	<ul style="list-style-type: none"> <li>Do H&amp;S Assessments &amp; Audits to ensure assessments are sufficient and implement actions identified.</li> </ul>	Health and Safety	EC/GH/ NB/PM	Sep 12	Mar 13	High	Up to date assessments and reviews on HARRIET. Actions completed.	
	<ul style="list-style-type: none"> <li>Chair H&amp;S Working Party</li> </ul>	Health and Safety	LB	Apr 12	Mar 13	High	Meetings take place and actions progressed.	
<b>15. Skills &amp; Awareness</b>								
	<b>Training and Awareness</b> <ul style="list-style-type: none"> <li>Provide workshops, information or guides for staff on processes and technology (How To's) as required.</li> </ul>	Public Services	GH/EC/ PM	Jul 12	Feb 13	Med	Raised awareness of Division's services. Staff understand and comply with processes.	
<b>16. Divisional Skills Development &amp; Staff Survey Issues</b>								

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
	<b>Divisional Skills</b> <ul style="list-style-type: none"> <li>Ensure the development and delivery of Sections' Training Plans</li> </ul>	Public Services	GH/EC/PM	Jul 12	Mar 13	High	Plans developed and delivered and skills used.	Resourced through Development Programme.
	<b>2011 staff survey results.</b> <ul style="list-style-type: none"> <li>Implement any areas for improvement in 2011 Survey.</li> </ul>	Public Services	LB/ EC/ GH/PM	Sep 12	Mar 13	Med	Maintain or improve where necessary for future surveys.	Training implications may arise from improvement plan.
	<b>Divisional Sickness levels</b> <ul style="list-style-type: none"> <li>Monitor and aim to reduce</li> </ul>	Public Services	LB	Apr 12	Mar 13	Med		
	<b>Workforce Planning</b> <ul style="list-style-type: none"> <li>Implement areas identified in 12/13 Plan &amp; update plan as required.</li> </ul>	Public Services	LB	Apr 12	Jan 13	High	Plan updated. Impacts understood and level of service maintained.	Savings through flexible retirement. Duties covered as needed.
<b>17. Partnership Working</b>								
	<b>Procurement Network</b> <ul style="list-style-type: none"> <li>Ensure we are part of an effective Procurement Network.</li> </ul>	Public Services.	EC/LB	Apr 12	Mar 13	Low	Worc / Warks meetings. Involved in WCC/ CCC /SMBC joint working. Savings delivered.	
<b>18. Shared Service Agenda</b>								
	<b>Shared Service Opportunities</b> <ul style="list-style-type: none"> <li>Continue to investigate and where appropriate implement Shared Service / collaboration initiatives.</li> </ul>	Public Services	LB	Apr 12	Mar 13	Med	Any initiative identified must deliver quantifiable benefits.	Resource requirements will be included in any business cases produced.
<b>19. Equalities</b>								
	<b>Equalities Policy</b> <ul style="list-style-type: none"> <li>Equality Impact Assess Strategy and Policies as they are updated.</li> </ul>	Equalities	LB	Apr 12	Mar 13	High	Policies and strategies assessed.	
<b>20. Environment</b>								

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**CORPORATE SERVICES DIVISION – SERVICE ACTION PLAN 2012/13**

Ref	Action	Contributes to...*	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resources / Training Implications & Cost
	<b>Procurement</b> <ul style="list-style-type: none"> <li>Ensure Environment/sustainability criteria are included in relevant procurements.</li> </ul>	Environment	EC	Apr 12	Mar 13	Med	Criteria included in procurements and impact monitored and reported.	
	<b>Energy Reduction</b> <ul style="list-style-type: none"> <li>Specify, procure and implement improved cooling solution in server room.</li> </ul>	Environment	GH	Apr 12	Mar 13	Med	Reduction in electricity used for ICT services.	IEWM grant provided.
	<ul style="list-style-type: none"> <li>Update server virtualisation feasibility study.</li> </ul>	Environment	GH	Apr 12	Oct 12	Low	Updated feasibility study and understanding of ROI	

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**NORTH WARWICKSHIRE BOROUGH COUNCIL  
INTERNAL AUDIT SERVICE  
SUMMARY ACTION PLAN FOR SERVICE PLAN 2012-13**

Action	Community Plan Objective, Corporate Objective or Policy the task contributes to	Lead Officer	Start Date	End Date	Priority	Measurement of Success	Resource/Training Implications
Meet audit performance indicator targets	Performance Management Policy	B Haswell	April 2012	March 2013	H	Targets met	None
To establish a revised and appropriate 3 year cyclical audit plan	To provide assurance on internal control on all service areas in due course	B Haswell	April 2012	June 2013	H	Plan produced	None
To continue to explore the needs of future service delivery of the Internal Audit function.	Meet legislative requirement for an effective, efficient and economic internal audit service.	B Haswell	May 2012	March 2013	M	Appropriate resource maintained	None
Review risk matrices and update as necessary	Risk Management Policy	B Haswell	Jan 2012	Jan 2012	H	Completion of data by deadline	None
Create and distribute an annual managers survey, update existing post audit survey forms.	Meet legislative requirement for an effective, efficient and economic internal audit service.	B Haswell	April 2012	June 2012	M	Survey distributed – forms updated	None
PR exercise promoting audit.	Meet legislative requirement for an effective, efficient and economic internal audit service.	B Haswell	June 2012	September 2012	M	Awareness improved.	None

## **Agenda Item No 7**

### **Resources Board**

**30 January 2012**

#### **Report of the Assistant Chief Executive (Community Services)**

#### **Proposed Removal of the Extended Hours Telephone Service**

### **1 Summary**

- 1.1 The purpose of this report is to propose removal of the current extended out of hours telephone service. This is provided by Warwickshire County Council via its contact centre located in Kings House, Bedworth, between the hours of 5.15 pm to 8.00 pm, Monday to Friday, and 9.00 am to 4.00 pm on a Saturday.

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

**That Members agree to the removal of the extended hours arrangement for telephone contact with effect from 1 April 2012.**

### **2 Consultation**

- 2.1 Lead Members have been consulted on the proposals included in this report as part of the corporate budget savings exercise and are supportive of the approach being proposed based on the limited use of the service.

### **3 Introduction**

- 3.1 The out of hours telephone service was introduced following a report to this Board in March 2009 when Members considered how best to address the issue concerning the low level of take up of telephone and face-to-face services on evenings and Saturday opening which had been in operation since October 2007.
- 3.2 Following that report, Members agreed to closing the face to face facility with immediate effect, which was achieved without any negative reaction, but in line with Members' wishes at the time, new arrangements were put in place with Warwickshire County Council to provide a telephone service on a Saturday from 9.00 am – 4.00 pm and up until 8.00 pm, Monday to Friday.
- 3.3 This solution was possible due to the shared telephone infrastructure in place and the dual use of the Northgate CRM solution, which it was anticipated would allow the County Council to access our customer records and be able with minimal training, to answer basic enquiries using our website. They would also be able to record information using a shared general enquiry form that

would mean that even if they could not answer the enquiry fully, the matter could be recorded and responded to quickly by ourselves when we were next open. It was further anticipated that with closer working planned between Warwickshire Direct partners over time, more common forms would be developed, meaning a more comprehensive service would be possible.

3.4 In reality, the expectations outlined in 3.1.2 has not happened and the service provided by the County Council has largely evolved into a message taking service only due mainly to the costs involved in providing the necessary training to their staff and the security implications of sharing sensitive information for what is a relatively small number of telephone calls being received.

3.5 For providing a telephone service to take telephone calls between

- 5.15 pm to 8.00 pm, Monday to Friday
- 9.00 am to 4.00 pm on a Saturday

The County Council charged us £7,200 per annum in 2010/2011 which is a fixed cost irrespective of how many calls are taken. At the time, this was a saving on the direct costs we previously incurred by providing a Saturday morning and two late evenings telephone service.

#### **4 Proposed Reasons for Change**

4.1 The “out of hours” telephone arrangement has now been in place for 33 months and whilst it provides an additional 15.5 available hours for calls to be taken, use of the service has been considerably less than anticipated.

4.2 Officers initially estimated likely call levels of 288 per week based on call volumes received in 2009 and anticipated behaviour. In fact the calls offered have only been between 10% to 20% of that estimated figure and of these about a quarter to a third of these calls are then recorded as abandoned as they are unanswered. On average, just over one third of the calls received are made on Saturday and the nearly 90% of these calls are made between 9am to 1pm.

4.3 To provide more detailed information on call volumes and throughput of calls, the breakdown of calls received in the last 6 months are detailed overleaf;

Month	Monthly Total Volumes			Saturday volumes			
	Offered	Abandoned	Answered	Offered	Abandoned	Answered	Proportion of all calls offered on Saturday
July	267	73	194	116	30	86	43.45%
August	186	40	146	49	10	39	26.34%
September	166	36	130	67	13	54	40.36%
October	174	43	131	65	1	64	37.36%
November	164	42	122	61	1	60	37.20%
December	121	39	82	44	0	44	36.36%
<b>Total</b>	<b>1078</b>	<b>273</b>	<b>805</b>	<b>402</b>	<b>55</b>	<b>347</b>	<b>32%</b>

4.4 During the same period of time, the number of calls received by the contact centre and its comparable performance is as follows:

	July	August	September	October	November	December
Total Calls Offered	7954	7821	7898	7694	7841	5641
Total Calls Answered	7692	7550	7648	7461	7491	5472
% Abandoned	3%	3%	3%	3%	5%	3%
Service Level (80% of calls answered within 20 seconds)	83%	74%	84%	82%	80%	83%

4.5 As can be seen, the number of calls received out of hours (i.e.) in the 15 hours 30 minutes of the 64 hours 30 minutes available equate to only 2% to 3% of overall calls received and the performance on actual calls answered is even lower at between 1.6% to 2.5% of all answered calls demonstrating that there is a lack of demand for the service and a lower level of performance delivered during office hours.

4.6 This can be attributed to a number of reasons:

- The Council's opening hours for dealing with enquiries between 8.30am to 5.15pm Monday to Friday is deemed sufficient by the vast majority of customers
- The Council's website and self service capability has significantly improved during the last three years meaning that the overall reduction in telephone calls being received has fallen in real terms by about 10% as more people self serve and are able to help themselves. This is a trend likely to continue.
- The County Council are unable to resolve the majority of the enquiries they receive at the first point of contact and are only able to take contact details of the customer and promise a call back when Borough Council staff are next available which is an unsatisfactory experience. An analysis of the subject nature of the most frequently requested call backs has

identified that they are mainly to do with enquiries surrounding Council Tax recovery action, where customers ring up immediately on receipt of reminder notices.

## **5 Report Implications**

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

5.1.1 In view of the findings of the report and the need to make significant savings as part of the Council's budget reduction strategy, officers recommend that the "out of hours service" is stopped with effect from 31 March 2012. This is based on it not providing value for money due to the low demand for the service compounded by its inability to resolve telephone calls it does receive.

5.1.2 This will result in a saving of £7,200 per annum from April 2012 onwards.

### **5.2 Safer Communities Implications**

5.2.1 None. "Out of hours" telephone calls in emergencies will continue to be dealt with by the Councils 24/7 Borough Care service as happens at present.

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

5.3.1 The Councils ongoing improvements in its online offer to customers means accessing the website and self service is becoming more popular and sustainable enabling customers to access help and advice when convenient to them. The proposed development of community ICT hubs from April 2012 onwards, should ensure that access to services remains a high priority for the Council and the loss of this service is unlikely to have any significant detrimental impact.

### **5.4 Risk Management Implications**

5.4.1 Although the service would be removed, the infrastructure under which the current arrangement operates will be maintained as part of the Council's emergency planning solution. This is because if it was necessary to close this building in an emergency, it will enable calls to be transferred to the County Council centre in Bedworth very easily at minimal or no cost.

### **5.5 Equalities Implications**

5.5.1 The impact of the proposed changes should have very limited impact on the Councils commitment to promoting better access to information and will not disadvantage any specific group of customers.

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

5.6.1 The implications of this report have a link to the Councils commitment to promoting better access to services.

The Contact Officer for this report is Bob Trahern (719278).

### Equality Impact Assessment Summary Sheet

Please complete the following table summarised from the equality impact assessment form. This should be completed and attached to relevant Board reports.

Name of Policy Procedure/Service	Out of Ours Telephone Service
Officer Responsible for assessment	Bob Trahern

Does this policy /procedure /service have any differential impact on the following equality groups /people

- (a) Is there a positive impact on any of the equality target groups or contribute to promoting equal opportunities and improve relations or:
- (b) could there be a negative impact on any of the equality target groups i.e. disadvantage them in any way

Equality Group	Positive impact	Negative impact	Reasons/Comments
Racial			No
Gender			No
Disabled people			No
Gay, Lesbian and Bisexual people			No
Older/Younger people			No
Religion and Beliefs			No
People having dependents caring responsibilities			No
People having an offending past			No
Transgender people			No

If you have answered **No** to any of the above please give your reasons below

Please indicate if you believe that this document

Should proceed to further Impact assessment

**Needs no further action**

## Agenda Item No 8

### Resources Board

30 January 2012

**Report of the Assistant Chief Executive and Solicitor to the Council, Assistant Director (Streetscape), Assistant Chief Executive (Community Services), Assistant Director (Housing) and Assistant Director (Finance and HR)**

**General Fund Fees and Charges 2012/13**

#### 1 Summary

- 1.1 The report covers the fees and charges for 2011/12 and the proposed fees and charges for 2012/13.

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

**That the schedule of fees and charges for 2012/13, set out in the report be accepted.**

#### 2 Introduction

- ... 2.1 Attached for the Board's consideration at Appendix A are details of present and proposed fees and charges for the financial year 2012/13. Some prices have been increased by 2% in line with the budget strategy for 2012/16 as agreed by Executive Board in September 2011, while others have remained at 2011/12 levels. The amounts shown have already been included in the revenue estimates for 2012/13.

#### 3 Report Implications

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

- 3.1.1 The pricing structure contained within this report will contribute to the achievement of income targets, which are contained within the Deputy Chief Executive's report on the General Fund estimates 2012/13 presented elsewhere within the agenda for this meeting.

##### 3.2 Risk Management

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



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

### **Background Papers**

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

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

**NORTH WARWICKSHIRE BOROUGH COUNCIL**  
**RESOURCES BOARD**  
**FEES AND CHARGES FROM 1 APRIL 2012**

	2011/12 CHARGE	2012/13 CHARGE	VAT RATING
	£	£	
<b>REGISTER OF ELECTORS</b>			
a) Paper form	10.00+ 5.00 per 1,000 names or part thereof plus postage	10.00+ 5.00 per 1,000 names or part thereof plus postage	Outside Scope
b) Charge per full register in paper form	255.00 plus postage	255.00 plus postage	"
c) Data form	20.00+ 1.50 per 1,000 names	20.00+ 1.50 per 1,000 names	"
d) Charge per full register in data form	93.50	93.50	"
e) Overseas electors-paper form	10.00+ 5.00 per 1,000 names or part thereof plus postage	10.00+ 5.00 per 1,000 names or part thereof plus postage	"
<b>STATEMENTS OF ACCOUNT (per copy)</b>	10.70	10.90	Outside Scope
<b>INSPECTION AND COPYING OF BACKGROUND PAPERS UNDER SECTION 100H OF THE LOCAL GOVERNMENT ACT 1972</b>			
a) Inspection of background papers to a part 1 report per item of business	2.20	2.20	Outside Scope
b) Photocopying of background papers to a part 1 report per copy	0.10	0.10	"
minimum charge	0.50	0.50	"
<b>UNADOPTED STREETS AND CAR PARKS</b>			
Builders' skip permits	25.00	25.00	Exempt
Scaffolding/hoarding permits (for a period up to and including 1 month)	100.00	100.00	"
Vehicular access crossing	75.00	75.00	"
Licence agreement for temporary possession	300.00	300.00	"
Licensors surveyor's fee and legal costs	50.00	50.00	"
<b>STREET WORKS LICENCE</b>			
Inspection fee (per opening)	150.00	150.00	Exempt
Administration fee to process application	300.00	300.00	"
<b>ROAD CLOSURES</b>			
Commercial organisations	Cost of advert	Cost of advert + 15% admin. Charge	Exempt
Town/parish councils	50% of cost of advert + 15% admin. Charge	50% of cost of advert + 15% admin. Charge	Exempt
Charities and non profit making bodies	Free	Free	Exempt

**NORTH WARWICKSHIRE BOROUGH COUNCIL****RESOURCES BOARD****FEES AND CHARGES FROM 1 APRIL 2012**

	2011/12 CHARGE	2012/13 CHARGE	VAT RATING
	£	£	
<b>PARKING PENALTIES</b>			
If paid within 7 days	20.00	25.00	Outside Scope
If paid after 7 days	40.00	50.00	"
<b>CONCESSIONARY FARES</b>			
Bus pass	Free	Free	Outside Scope
<b>COURT COSTS</b>			
Summons Costs (Council Tax and NDR)	90.00	100.00	Outside Scope
<b>BOROUGH CARE</b>			
Charge for service users under 62 years not in receipt of low income subsidy (per week)	4.12	4.20	Incl. VAT at Standard Rate
Monitoring only service (existing customers only-per year)	69.49	70.90	"
<b>REMOVAL OF ABANDONED VEHICLES (from private land)</b>			
	service now free of charge unless there are prohibitive difficulties		
<b>RODENT CONTROL (commercial premises)</b>			
Initial treatment and revisit	Case Specific	Case Specific	Plus VAT at Standard Rate
<b>PEST CONTROL (domestic premises)</b>			
<b>Fleas,bedbugs,cockroaches etc.</b>	44.40	45.30	Incl VAT at Standard Rate
Residents in receipt of income related supplementary benefits.	22.25	22.70	"
Other (non benefits) - subject to service capacity	N/A	40.00	"
<b>Wasps' Nests</b>			
Residents in receipt of income related supplementary benefits.	22.25	22.70	Incl VAT at Standard Rate
<b>Rats and mice*</b>			
Unless residents in receipt of means tested benefits or in receipt of a pension*	26.70	27.20	Incl VAT at Standard Rate
*This fee has to be paid by debit/credit card in advance of treatment			
<b>STRAY DOGS</b>			
	46.50	47.40	Outside Scope
	Plus £7.00 per dog, per day plus vets' fees and fouling fines	Plus £11.00 per dog, per day plus vets' fees and fouling fines	
<b>DOG FOULING PENALTIES (Statutory)</b>			
	80.00	80.00	Outside Scope
If paid within 7 days	50.00	50.00	"
<b>LITTERING PENALTIES (Fixed charge)</b>			
	80.00	80.00	Outside Scope
If paid within 7 days	50.00	50.00	"

## Agenda Item No 9

### Resources Board

6 February 2012

Report of the  
Deputy Chief Executive

General Fund Revenue Estimates  
2012/13 - Services Recharged  
Across All Boards

## 1 Summary

- 1.1 This report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

### Recommendation to the Board

- a To accept the revised budget for 2011/12; and**
- b To accept or otherwise vary the Estimates of Expenditure for 2012/13, as submitted, for them to be included in the budget to be brought before the meeting of the Executive Board on 6 February 2012.**

## 2 Report

### 2.1 Introduction

2.1.1 In consultation with other Assistant Directors, the Assistant Director (Finance and Human Resources) has prepared an estimate of net expenditure for 2012/13 and this, together with a revised budget for 2011/12, appears in Appendices A and B. To provide a more complete picture of the spending pattern of the service, the actual figures for 2010/11 are shown.

2.1.2 At its meeting in September, the Executive Board agreed the budget strategy for 2012/16 which required savings of £1.7 million over a four year period. This included budget savings of £563,000 in 2012/13 with additional savings of £420,000, £410,000 and £300,000 in 2013/14, 2014/15 and 2015/16 respectively. No provision for growth was built into the strategy.

2.1.3 Assistant Directors were asked to identify areas where savings could be made, either by a reduction in expenditure or through the generation of additional income. Some have now been incorporated into the estimates being considered and these are shown in Appendix D. A number of others have been covered in other reports earlier in the agenda.

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

- No increase in the level of service except where Council approval has already been given
- A zero pay award in 2012/13 with an increase of 2% for 2013/14 through to 2015/16
- Increases in the Councils pension contribution rate of 1% per annum
- A general provision for inflation of 0% in 2012/13 although where contractual obligations require a price increase in line with inflation, these have been provided. A general inflationary increase of 2% has only been given in alternate years, in order to encourage efficiencies in procurement.

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

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

	<b>Approved Budget 2011/12 £</b>	<b>Revised Budget 2011/12 £</b>	<b>Original Budget 2012/13 £</b>
Employee Costs	8,156,230	7,888,080	8,011,570
Premises	515,530	508,840	512,480
Supplies and Services	817,980	843,900	768,550
Transport	796,590	798,750	814,540
Earmarked Reserves	(7,280)	(26,370)	8,170
<b>Gross Expenditure</b>	<b>10,279,050</b>	<b>10,013,200</b>	<b>10,115,310</b>
Income	(41,730)	(52,110)	(49,660)
<b>Net Controllable Expenditure</b>	<b>10,237,320</b>	<b>9,961,090</b>	<b>10,065,650</b>
Recharged to Other Services	(13,156,070)	(12,823,820)	(12,884,740)
Support Charges	2,090,710	2,065,790	1,993,250
Capital Charges	828,040	796,940	825,840
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3 Capital Charges

3.1 The Council values all of its assets using a five year rolling programme, and this can affect the level of capital charges that are made to services and can therefore significantly affect the net service cost. Included within the services of this Board are Council Offices, Depot and Stores, vehicles and IT equipment. Therefore changes in net service expenditure that are as a result of increases, or decreases in capital charges are shown below net operating expenditure in the following pages.

### 4 Comments on the 2011/12 Revised Budget

4.1 The revised budget to be recharged across all Boards for 2011/12 is estimated to be £12,823,820; a decrease of £332,250 on the approved provision. The main reasons for variations are set out below.

4.2 **Employee costs** have decreased by £268,150 and the main variations are as follows:

	<b>£</b>
Increase in agency staff budgets (Housing, Environmental Health and Revenues and Benefits)	62,500
New (temporary) posts within Housing and Revenues and Benefits	49,420
Increase in overtime (Facilities Management and Community Support – covering vacant posts)	4,960
Net effect of employees joining / leaving the superannuation scheme	4,810
Increments	4,300
Increase in insurance premia	2,140
Net decrease in recruitment budget	(4,760)
Long term sickness within Housing	(6,870)
Reduction in recharged salaries from reductions in allocations (movement to service budgets and capital)	(8,600)
Net decrease in non corporate training budget (held centrally then vired to other boards)	(21,070)
Reductions for maternity leave within Environmental Health, Housing and Community Development	(21,340)
Reduction in the superannuation rate from 16.7% to 16.2%	(28,580)
Non payment of £250 pay award	(29,940)
Reduced hours have been agreed within Revenues and Benefits, Environmental Health and Central Administration	(39,910)
Deleted posts	(103,180)
Vacant posts (have mostly been filled)	(134,210)
<b>TOTAL</b>	<b>(270,330)</b>

4.3 **Premises** budgets have decreased by £6,690 because of decreases in Non Domestic Rates, utilities and buildings insurance.

4.4 **Supplies and Services** have increased by £25,920 and the main variations are as follows:

	<b>£</b>
One off increase in software maintenance within Revenues and Benefits (funded from reserves)	34,980
Increase in vehicle repair materials	11,070
Increase in computer hardware (funded from reserves)	9,000
Increase in professional fees within Information Services (largely funded from reserves)	8,990
Increase in printing and stationery	2,660
Increase in professional fees within Landscape Management (County Council support whilst post is vacant)	2,400
One off purchase of folding machine (printing and stationery)	2,140
Increase in corporate subscriptions	1,940
Decrease in photocopy charges	(2,130)
Decrease in occupational health fees	(2,360)
Decrease in furniture and fittings	(2,910)
Decrease in software and hardware (as part of savings)	(5,000)
Decrease in software (Cryoserver)	(5,000)
Decrease in postal charges	(5,450)
Decrease in professional fees within Revenues and Benefits	(23,870)

(budget transferred to employees to cover new temporary post)	
<b>TOTAL</b>	<b>26,460</b>

4.5 **Transport** budgets have increased by just £2,160 and the main variances are shown below:

	<b>£</b>
Increase in vehicle fuel	29,380
Purchase of trailer	3,120
Increase in the cost of tyres	2,310
Increase in travel allowances from staff members who have switched from having leased cars	1,940
Increase in hired transport	960
Decrease in vehicle insurances	(3,950)
Decrease in staff cars due to vacancies and deleted posts	(31,850)
<b>TOTAL</b>	<b>1,910</b>

4.6 The use of **earmarked reserves** has increased by £19,090, due to the following:

	<b>£</b>
Reserve not required for external support costs within Revenues and Benefits (CANWE)	32,200
Increase in use of reserve to cover other items of one off expenditure	(2,180)
Use of reserve to cover additional professional fees within Information Services	(5,500)
Use of reserve to cover additional hardware	(9,000)
Increase in use of reserve to cover additional software maintenance within Revenues and Benefits	(34,980)
<b>TOTAL</b>	<b>(19,460)</b>

4.7 The increase in **income** of £10,380 arises from the following:

	<b>£</b>
Loss of income from weddings and civil ceremonies as service no longer provided within the Council House	4,280
Sale of three vehicles	(1,470)
Additional grants received within Revenues and Benefits from DWP to cover additional expenditure	(3,270)
Income from shared legal services arrangement	(4,500)
Increase in employee contributions towards staff cars	(5,070)
<b>TOTAL</b>	<b>(10,030)</b>

4.8 **Departmental and central support** charges have decreased by £24,920. This is due to the zero pay award, the effect of deleted, frozen and vacant posts, reduced staff travel costs and the reduction of some support charges.

4.9 Lastly, **capital charges** have reduced by £31,100. The major changes are reduced staff car leasing costs and reduced depreciation on IT systems.

## 5 **Comments on the 2012/13 Estimates**

5.1 The original budget to be recharged across all Boards for 2012/13 is estimated to be £12,884,740; an increase of £60,920 on the 2011/12 revised budget and a decrease of £271,330 on the 2011/12 original budget.

5.2 **Employee costs** have increased by £123,490 and the main variations are as follows:

	£
Reinstatement of provision for vacant posts	116,960
Increase in the superannuation rate – 16.2% to 17.2%	55,350
Full year effect of new posts of Empty Homes Project Officer and Relief Community Support Officer (only part year in 2011/12)	31,620
Non corporate training budget vired to other boards is held centrally in the original estimate	24,190
Reinstatement of provision for maternity leave	16,010
Increments	12,350
Reinstatement of provision for long term sickness	6,870
Increase in allowances (from vacant posts being filled)	2,350
Reverse recruitment recharged within this board	(3,630)
Reverse corporate training recharged within this board	(4,520)
Take out increase in overtime	(4,790)
Reduction in recharged salaries from reductions in allocations	(9,350)
Effect on NI changes (thresholds have increased by inflation whilst pay has remained static meaning a net decrease in NI)	(10,130)
Deletion of temporary posts within Revenues and Benefits	(17,110)
Decrease in non corporate training	(32,000)
Take out agency staff increase	(62,640)
<b>TOTAL</b>	<b>121,530</b>

5.3 **Premises** budgets have increased by £3,640 due to inflationary increases.

5.4 The reduction in **supplies and services** of £75,350 relates mainly to;

	£
Inflationary increases to software maintenance contracts	11,550
Reinstatement of budget within Revenues and Benefits for external support as temporary posts end	10,600
Decrease in corporate subscriptions (Benefits Advisory Service, Housing Benefit Information and esd toolkit)	(1,490)
General decreases in equipment across several budgets	(2,200)
Removal of one off provision for County Council support within Landscape Management	(2,400)
Removal of one off increase in professional fees within Information Services	(5,500)
Further decrease in professional fees within Information Services (some of which is part of savings)	(4,490)
Decrease in hardware and software as part of savings	(5,000)
Decrease in printing and stationery	(5,280)
Decrease in Council internet costs arising from a change in supplier	(6,690)
Cancellation of agreement with the County Council to provide	(7,200)



out of hours call handling	
Removal of one off increase in hardware	(9,000)
Decrease in vehicle repair materials	(11,510)
Removal of one off increase in software maintenance	(34,980)
<b>TOTAL</b>	<b>(73,590)</b>

- 5.5 The increase in **transport** of £15,790 is accounted for by the reinstatement of provision for staff travel for vacant posts. Vehicle fuel costs are expected to increase considerably again next year but there is an assumption that mileage within waste management budgets will be reduced as we start to make use of the new facility at Lower House Farm in early 2013. Lastly, there are small decreases in budgets for travel allowances and tyres whilst the one off vehicle purchase of a trailer in 2011/12 is removed.
- 5.6 The use of **earmarked reserves** has changed by £34,540. All movements to and from reserves have been taken out with the exception of the transfer to reserves within Customer Contact. Recent restructurings have created a saving within employees but the saving may need to be utilised if the current staffing arrangements need to be revisited. Therefore the saving is shown as a transfer to reserves.
- 5.7 The reduction in **income** of £2,450 includes the removal of all DWP grant income within Revenues and Benefits as this cannot be estimated with any real certainty. There is also a reduction in employee contributions to staff cars and the one off income from the sale of a vehicle in 2011/12 is taken out. Set against this there is additional income due from Warwickshire Police for their accommodation within Old Bank House.
- 5.8 **Departmental and Central Support** have reduced by £72,540 indicating a movement of support charges from central support budgets to service budgets. Some allocations have transferred to capital reflecting the accommodation project taking place from April 2012.
- 5.9 **Capital charges** have increased by £28,900 with the major factor being the inclusion of leasing charges for staff cars as vacant posts become filled. The other significant increase is seen within IT depreciation charges.
- 6 **Growth Items**
- 6.1 A provision for growth was not included in the Council's Budget Strategy, approved in September 2011 by the Executive Board. There are no growth items relating to the services covered by this report.
- 7 **Income**
- 7.1 Changes in the levels of fees and charges for services under the responsibility of this Board are covered in another report on tonight's agenda. Income on fees and charges is expected to contribute to the achievement of income targets.
- 8 **Risks to Services**

8.1 The key risks to the budgetary position of the Council from services covered by this report are:

- Pay awards from 2012/13 being in excess of the budget provision made
- Further changes to the employee taxation system (National Insurance)
- Additional increases in pension contribution rates above those already included
- Maintenance costs of Council assets such as IT equipment and council buildings
- Higher than anticipated rises in utility costs (electricity, gas and water)
- Further rises in vehicle fuel costs
- Increased insurance costs, especially those relating to vehicles
- Continuing high levels of inflation (current annual RPI is 5.2%)

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

...

## 9 Future Year Forecasts

9.1 In order to assist with medium-term financial planning, Members are provided with budget forecasts for the three years following 2012/13. The table below provides a subjective summary for those services reporting to this Board:

	<b>Forecast Budget 2013/14 £</b>	<b>Forecast Budget 2014/15 £</b>	<b>Forecast Budget 2015/16 £</b>
Employee Costs	8,237,410	8,426,640	8,653,640
Premises	483,940	490,910	498,730
Supplies and Services	790,800	795,620	810,690
Transport	824,620	835,020	845,260
Earmarked Reserves	8,170	8,170	8,170
<b>Gross Expenditure</b>	<b>10,344,940</b>	<b>10,556,360</b>	<b>10,816,490</b>
Income	(46,600)	(43,180)	(39,580)
<b>Net Controllable Expenditure</b>	<b>10,298,340</b>	<b>10,513,180</b>	<b>10,776,910</b>
Recharged to Other Services	(13,181,410)	(13,465,670)	(13,773,810)
Support Charges	2,062,240	2,136,070	2,186,210
Capital Charges	820,830	816,420	810,690
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

9.2 The forecasts given above have used a number of assumptions, which include pay awards of 2% in 2013/14 to 2015/16, increases in contracts of 2% and general increases in supplies and services of 2% in 2013/14 and 2015/16. In total, the amount to be recharged to services is expected to increase by 2.3% in 2013/14, by 2.2% in 2014/15 and by 2.3% in 2015/16.

9.3 These forecasts are built up using current corporate and service plans. Where additional resources have already been approved, these are also included. However these forecasts will be amended to reflect any amendments to the estimates, including decisions taken on any further corporate or service targets.

## 10 Report Implications

**10.1 Finance and Value for Money Implications**

10.1.1 As detailed in the body of the report.

**10.2 Environment and Sustainability Implications**

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

**10.3 Risk Management Implications**

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

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

**Background Papers**

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

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

## NORTH WARWICKSHIRE BOROUGH COUNCIL

## RESOURCES BOARD (RECHARGED)

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Description	Actual 2010/2011 £	Approved Budget 2011/2012 £	Revised Budget 2011/2012 £	Original Budget 2012/2013 £
Chief Executive	221,965	222,960	224,430	223,770
Assistant Chief Executive (Community Services)	1,301,013	1,269,540	1,307,600	1,292,720
Assistant Chief Executive and Solicitor to the Council	1,352,301	1,409,520	1,388,940	1,412,570
Deputy Chief Executive	4,336,360	4,431,310	4,326,560	4,421,000
Building Maintenance Fund	274,710	283,180	239,110	236,080
Council Offices	312,016	324,560	312,770	298,760
Central Telephones	38,114	37,370	37,750	37,140
Recruitment	21,085	35,900	25,080	25,410
Printing and Stationery	68,171	74,250	72,370	70,570
Training	25,770	120,540	29,890	87,550
Depot and Stores	66,008	67,750	67,190	68,530
Postal Services	81,555	80,050	84,160	69,200
Central Services	288,288	289,200	284,440	272,050
Information Services	880,868	875,900	813,230	805,200
Procurement	61,745	63,530	63,310	64,170
Staff Welfare	17,579	22,220	19,300	19,380
Transport Management Account	621,720	629,540	664,960	661,550
<b>Net Controllable Expenditure</b>	<b>9,969,268</b>	<b>10,237,320</b>	<b>9,961,090</b>	<b>10,065,650</b>
<b>Recharge to Services</b>	<b>(12,949,862)</b>	<b>(13,156,070)</b>	<b>(12,823,820)</b>	<b>(12,884,740)</b>
<b>Central Support</b>	<b>2,100,755</b>	<b>2,090,710</b>	<b>2,065,790</b>	<b>1,993,250</b>
<b>Capital</b>	<b>950,031</b>	<b>828,040</b>	<b>796,940</b>	<b>825,840</b>
<b>Resources Board (Recharged) Total</b>	<b>70,192</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Various - Chief Executive**

This includes the Chief Executive and the Management Team Support Unit budgets.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	212,534	212,290	214,250	213,600
Supplies and Services	2,231	3,430	2,980	2,950
Transport Related Expenditure	7,200	7,240	7,200	7,220
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>221,965</b>	<b>222,960</b>	<b>224,430</b>	<b>223,770</b>
Recharged to Services	(263,915)	(265,520)	(263,670)	(261,220)
Central Support	37,451	38,780	35,420	33,520
Capital Charges	4,499	3,780	3,820	3,930
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Various - Assistant Chief Executive (Community Services)**

This includes the Revenues and Benefits and Customer Contact budgets.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	1,145,261	1,137,370	1,169,510	1,144,980
Premises Related Expenditure	-	-	240	-
Supplies and Services	146,739	126,980	145,040	109,080
Transport Related Expenditure	27,497	32,250	28,100	30,490
Earmarked Reserves	27,637	(24,030)	(28,990)	8,170
<b>GROSS EXPENDITURE</b>	<b>1,347,134</b>	<b>1,272,570</b>	<b>1,313,900</b>	<b>1,292,720</b>
GROSS INCOME	(46,121)	(3,030)	(6,300)	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>1,301,013</b>	<b>1,269,540</b>	<b>1,307,600</b>	<b>1,292,720</b>
Recharged to Services	(1,734,168)	(1,684,340)	(1,736,430)	(1,703,800)
Central Support	365,047	356,360	370,110	350,730
Capital Charges	68,108	58,440	58,720	60,350
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Various - Assistant Chief Executive and Solicitor to the Council**

This includes Policy, Democratic Services, Public Relations, Legal Services, Estate Management, Forward Planning, Heritage and Conservation, Commercial Enforcement and Licencing and Development Control.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	1,259,064	1,312,210	1,298,860	1,320,370
Supplies and Services	27,765	19,460	19,970	19,990
Transport Related Expenditure	83,009	87,730	85,200	87,600
Earmarked Reserves	4,500	-	-	-
<b>GROSS EXPENDITURE</b>	<b>1,374,338</b>	<b>1,419,400</b>	<b>1,404,030</b>	<b>1,427,960</b>
GROSS INCOME	(22,037)	(9,880)	(15,090)	(15,390)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>1,352,301</b>	<b>1,409,520</b>	<b>1,388,940</b>	<b>1,412,570</b>
Recharged to Services	(1,654,850)	(1,700,620)	(1,674,010)	(1,689,370)
Central Support	266,756	261,570	255,550	246,300
Capital Charges	35,793	29,530	29,520	30,500
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Various - Deputy Chief Executive**

This includes Domestic Pollution Control, Housing and Community Support, Streetscape, Leisure and Community Development, Financial Services, Human Resources and Internal Audit.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	4,106,576	4,158,430	4,077,080	4,159,540
Supplies and Services	84,157	91,530	89,830	87,400
Transport Related Expenditure	161,590	181,350	159,650	174,060
Earmarked Reserves	(2,579)	-	-	-
<b>GROSS EXPENDITURE</b>	<b>4,349,744</b>	<b>4,431,310</b>	<b>4,326,560</b>	<b>4,421,000</b>
GROSS INCOME	(13,384)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>4,336,360</b>	<b>4,431,310</b>	<b>4,326,560</b>	<b>4,421,000</b>
Recharged to Services	(5,243,028)	(5,316,700)	(5,211,300)	(5,290,030)
Central Support	800,290	793,440	793,760	775,670
Capital Charges	106,378	91,950	90,980	93,360
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3006 to 3039 - Building Maintenance**

Many services make a contribution into the Building Maintenance Fund each year which then enables the service to draw from the fund for any repairs and maintenance work which may be required to their buildings throughout the year.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	71,157	71,190	27,120	24,090
Premises Related Expenditure	185,899	211,840	211,320	211,840
Supplies and Services	3,014	150	670	150
Earmarked Reserves	14,640	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>274,710</b>	<b>283,180</b>	<b>239,110</b>	<b>236,080</b>
Recharged to Services	(307,070)	(311,200)	(277,520)	(273,370)
Central Support	32,360	28,020	38,410	37,290
Capital Charges	-	-	-	-
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3040 to 3041 Council Offices**

This budget covers all operational expenditure which relates to the two civic offices in Atherstone - The Council House and Old Bank House.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	59,233	63,460	55,330	57,270
Premises Related Expenditure	296,599	245,100	239,670	241,510
Supplies and Services	16,966	20,380	17,280	17,310
Earmarked Reserves	(50,430)	7,360	7,730	-
<b>GROSS EXPENDITURE</b>	<b>322,368</b>	<b>336,300</b>	<b>320,010</b>	<b>316,090</b>
GROSS INCOME	(10,352)	(11,740)	(7,240)	(17,330)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>312,016</b>	<b>324,560</b>	<b>312,770</b>	<b>298,760</b>
Recharged to Services	(523,183)	(527,870)	(511,690)	(486,540)
Central Support	146,658	139,110	134,710	123,520
Capital Charges	64,509	64,200	64,210	64,260
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KEY PERFORMANCE INDICATORS**

Area of Council Offices (m <sup>2</sup> )	<b>3,855</b>	<b>3,855</b>	<b>3,855</b>	<b>3,855</b>
Expenditure per square metre	<b>£ 135.72</b>	<b>£ 136.93</b>	<b>£ 132.73</b>	<b>£ 126.21</b>

**3043 - Central Telephones**

All the telephone costs and those of the fax machine are included in this cost centre.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	10,217	10,440	10,150	10,210
Supplies and Services	27,897	26,930	27,600	26,930
<b>GROSS EXPENDITURE</b>	<b>38,114</b>	<b>37,370</b>	<b>37,750</b>	<b>37,140</b>
GROSS INCOME	-	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>38,114</b>	<b>37,370</b>	<b>37,750</b>	<b>37,140</b>
Recharged to Services	(42,604)	(41,860)	(42,170)	(41,560)
Central Support	795	800	720	720
Capital Charges	3,695	3,690	3,700	3,700
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>KEY PERFORMANCE INDICATORS</b>				
Number of phones	190	190	190	190
Expenditure per phone line	£ 224.23	£ 220.32	£ 221.95	£ 218.74

**3045 - Recruitment**

Costs relating to the recruitment of staff are collected on a centrally held budget and then allocated to Services.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	11,658	26,070	16,410	16,740
Supplies and Services	9,427	9,830	8,670	8,670
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>21,085</b>	<b>35,900</b>	<b>25,080</b>	<b>25,410</b>
Recharged to Services	(29,244)	(44,120)	(27,620)	(27,920)
Central Support	8,159	8,220	2,540	2,510
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**3046 - Printing and Stationery**

This cost centre covers all the printing and stationery costs of the Council which are then allocated to individual services.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	21,864	24,630	24,230	25,260
Supplies and Services	46,843	49,950	48,790	45,970
Transport Related Expenditure	121	-	-	-
<b>GROSS EXPENDITURE</b>	<b>68,828</b>	<b>74,580</b>	<b>73,020</b>	<b>71,230</b>
GROSS INCOME	(657)	(330)	(650)	(660)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>68,171</b>	<b>74,250</b>	<b>72,370</b>	<b>70,570</b>
Recharged to Services	(92,933)	(108,470)	(104,040)	(101,580)
Central Support	30,488	31,130	28,540	27,820
Capital Charges	3,400	3,090	3,130	3,190
<b>NET EXPENDITURE</b>	<b>9,126</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3047 - Training**

All the training costs of the Authority, both in-house and external, are contained within this cost centre and then allocated to individual services.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	12,547	119,240	27,150	84,980
Premises Related Expenditure	-	-	170	-
Supplies and Services	1,463	1,300	2,570	2,570
Earmarked Reserves	11,760	-	-	-
<b>GROSS EXPENDITURE</b>	<b>25,770</b>	<b>120,540</b>	<b>29,890</b>	<b>87,550</b>
GROSS INCOME	-	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>25,770</b>	<b>120,540</b>	<b>29,890</b>	<b>87,550</b>
Recharged to Services	(96,690)	(190,340)	(100,230)	(156,840)
Central Support	67,089	66,470	66,760	65,600
Capital Charges	3,831	3,330	3,580	3,690
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KEY PERFORMANCE INDICATORS**

FTEs (full time equivalents)	363.05	358.10
Expenditure per FTE	£ 524.28	£ 437.98

**3048 - Depot and Stores**

The costs of providing the Sheepy Road depot and stores in Atherstone are charged here and allocated to users of the service.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	5,822	6,170	6,210	5,860
Premises Related Expenditure	56,536	57,930	56,780	58,470
Supplies and Services	3,650	3,650	4,200	4,200
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>66,008</b>	<b>67,750</b>	<b>67,190</b>	<b>68,530</b>
Recharged to Services	(90,256)	(92,540)	(89,460)	(89,830)
Central Support	18,944	18,690	14,770	13,770
Capital Charges	66,370	6,100	7,500	7,530
<b>NET EXPENDITURE</b>	<b>61,066</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>KEY PERFORMANCE INDICATORS</b>				
Area of Depot and Stores (m <sup>2</sup> )	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>
Expenditure per square metre	<b>£ 41.47</b>	<b>£ 25.36</b>	<b>£ 24.52</b>	<b>£ 24.62</b>

**3110 - Postal Services**

Costs relating to the dispatch of post are charged to this centrally held budget before being allocated to Services.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	-	-	9,840	5,450
Supplies and Services	66,301	70,870	65,030	63,850
Earmarked Reserves	15,318	9,390	9,390	-
<b>GROSS EXPENDITURE</b>	<b>81,619</b>	<b>80,260</b>	<b>84,260</b>	<b>69,300</b>
GROSS INCOME	(64)	(210)	(100)	(100)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>81,555</b>	<b>80,050</b>	<b>84,160</b>	<b>69,200</b>
Recharged to Services	(121,651)	(120,240)	(120,380)	(103,830)
Central Support	39,471	39,570	35,590	34,000
Capital Charges	625	620	630	630
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3226 - Central Services**

The costs of the central administration function.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	286,969	288,490	283,360	271,000
Supplies and Services	1,669	1,210	1,230	1,210
Transport Related Expenditure	127	100	100	100
Earmarked Reserves	(258)	-	-	-
<b>GROSS EXPENDITURE</b>	<b>288,507</b>	<b>289,800</b>	<b>284,690</b>	<b>272,310</b>
GROSS INCOME	(219)	(600)	(250)	(260)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>288,288</b>	<b>289,200</b>	<b>284,440</b>	<b>272,050</b>
Recharged to Services	(395,932)	(394,480)	(383,560)	(367,910)
Central Support	92,452	92,970	86,680	82,940
Capital Charges	15,192	12,310	12,440	12,920
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3290 - Information Services**

This budget includes all the costs of providing an information technology service to all users within the Council, which are then allocated to services.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	531,886	544,350	487,700	484,630
Premises Related Expenditure	-	-	-	-
Supplies and Services	325,375	301,120	309,990	290,140
Transport Related Expenditure	31,839	31,030	30,640	31,040
Earmarked Reserves	(607)	-	(14,500)	-
<b>GROSS EXPENDITURE</b>	<b>888,493</b>	<b>876,500</b>	<b>813,830</b>	<b>805,810</b>
GROSS INCOME	(7,625)	(600)	(600)	(610)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>880,868</b>	<b>875,900</b>	<b>813,230</b>	<b>805,200</b>
Recharged to Services	(1,316,370)	(1,269,950)	(1,194,550)	(1,191,830)
Central Support	82,956	86,230	83,020	81,310
Capital Charges	352,546	307,820	298,300	305,320
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KEY PERFORMANCE INDICATORS**

Number of PCs	295	295	295	294
Expenditure per PC	£ 4,462.27	£ 4,304.92	£ 4,049.32	£ 4,053.84

**3291 - Procurement**

The costs associated with the core procurement service, involved in corporate procurement contracts such as stationery, photocopying, telephony and agency labour.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	57,807	59,650	59,560	60,450
Supplies and Services	164	180	180	180
Transport Related Expenditure	3,774	3,700	3,570	3,540
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>61,745</b>	<b>63,530</b>	<b>63,310</b>	<b>64,170</b>
Recharged to Services	(102,739)	(105,040)	(104,510)	(105,170)
Central Support	39,359	40,190	39,860	39,610
Capital Charges	1,635	1,320	1,340	1,390
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3292 - Staff Welfare**

Budget provision for clothing, optician charges and occupational health fees which is held centrally.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	2,439	2,320	2,320	2,370
Supplies and Services	13,324	17,840	15,480	15,480
Transport Related Expenditure	1,816	2,060	1,500	1,530
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>17,579</b>	<b>22,220</b>	<b>19,300</b>	<b>19,380</b>
Recharged to Services	(18,899)	(23,640)	(20,240)	(20,330)
Central Support	1,320	1,420	940	950
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3300 to 3999 - Transport Management Account**

The costs of providing and maintaining the Council's transport fleet.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	117,884	119,920	119,000	124,770
Premises Related Expenditure	618	660	660	660
Supplies and Services	79,810	73,170	84,390	72,470
Transport Related Expenditure	453,166	451,130	482,790	478,960
Miscellaneous	2,165	-	-	-
<b>GROSS EXPENDITURE</b>	<b>653,643</b>	<b>644,880</b>	<b>686,840</b>	<b>676,860</b>
GROSS INCOME	(31,923)	(15,340)	(21,880)	(15,310)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>621,720</b>	<b>629,540</b>	<b>664,960</b>	<b>661,550</b>
Recharged to Services	(916,330)	(959,140)	(962,440)	(973,610)
Central Support	71,160	87,740	78,410	76,990
Capital Charges	223,450	241,860	219,070	235,070
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Risk Analysis

	<b>Likelihood</b>	<b>Potential impact on Budget</b>
Pay award increases in excess of those included in estimates	Low	High
Further changes to National Insurance	Medium	Low
Increases in superannuation rates in excess of those included in estimates	Low	Medium
Increased maintenance costs of Council assets (IT and buildings)	Low	Low
Above inflation increases in utility costs (electricity, gas and water)	Medium	Low
Above inflation increases in vehicle fuel costs	Medium	Medium
Increases in insurances (especially vehicles)	Medium	Low
Continuing high levels of inflation	Low	Medium

## Savings included

Description	2012/13
Payment to the County Council for out of hours call handling	£7,200
Reduction in telephone call charges	£500
Reduction in hours of Environmental Health Officer (Domestic and Pollution)	£7,500
Reduction in central stationery budget from ongoing procurement savings	£4,210
Cancellation of DX subscription within Postal Services	£380
Reduction in postal charges arising from change of supplier	£6,530
Deletion of Central Services stationery budget	£500
Reduction in Information Services supplies and services budgets	£2,740
Reduction in Customer Contact manager hours	£7,830
Other reductions in Customer Contact staffing	£9,250
Reductions in Revenues and Benefits staffing	£6,950
Retirement of Central Services staff	£17,650
Reduction in the Information Services hardware budget	£5,000
Non payment of £ 250 pay award for all staff earning below £ 21,000 (FTE)	£15,000
Reduction in the Information Services software budget	£5,000
Reduction in the Council internet service arising from a movement in supplier	£6,690
Cancellation of the subscription to esd Toolkit	£740
Reduction in software maintenance (Cryoserver)	£3,070
Reduction in training	£32,000
Reduction in Council Offices electricity arising from reduced power usage	£5,570
Income from taking police enquiries	£1,200
Facilities Management Restructure	£34,190
Income earned from the Legal Partnership and a small reduction in corporate subscriptions	£4,710
Reduction in conference and subsistence expenditure by the Chief Executive	£480
Reduction in computer audit fees and corporate subscriptions in Internal Audit	£3,440
Reduction in recruitment expenditure	£7,010
Reduction in corporate subscriptions within Financial Services and Human Resources	£1,280
Lower expenditure on the management of sickness absence	£2,890
A reduction in staff hours in Information Services	£10,930
A reduction in hours within Environmental Health, plus a reduced car entitlement	£9,200
A reallocation of duties has enabled a saving within Community Development	£3,530
<b>Overall Total</b>	<b>£223,170</b>

## Agenda Item No 10

### Resources Board

30 January 2012

Report of the  
Deputy Chief Executive

General Fund Revenue Estimates  
2012/13 - Services Remaining  
within the Board

#### 1 Summary

- 1.1 This report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

#### Recommendation to the Board

- a To accept the revised budget for 2011/12; and
- b To accept or otherwise vary the Estimates of Expenditure for 2012/13, as submitted, for them to be included in the budget to be brought before the meeting of the Executive Board on 6 February 2012

#### 2 Consultation

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

- 2.1.1 None.

#### 3 Introduction

- 3.1 In consultation with other Assistant Directors, the Assistant Director (Finance and Human Resources) has prepared an estimate of net expenditure for 2012/13 and this, together with a revised budget for 2011/12, appears in Appendices A and B. To provide a more complete picture of the spending pattern of the service, the actual figures for 2010/11 are shown.

- 3.2 At its meeting in September, the Executive Board agreed the budget strategy for 2012/16 which required savings of £1.7 million over a four year period. This included budget savings of £563,000 in 2012/13 with additional savings of £420,000, £410,000 and £300,000 in 2013/14, 2014/15 and 2015/16 respectively. No provision for growth was built into the strategy.

- 3.3 Assistant Directors were asked to identify areas where savings could be made, either by a reduction in expenditure or through the generation of additional income. These have now been incorporated into the estimates being considered and are shown in Appendix D.

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



- No increase in the level of service except where Council approval has already been given
- A zero pay award for 2012/13, with an increase of 2% for 2013/14 through to 2015/16
- Increases in the Councils pension contribution rate of 1% per annum
- A general provision for inflation of 0% in 2012/13 although where contractual obligations require a price increase in line with inflation, these have been provided. A general inflationary increase of 2% has only been given in alternate years, in order to encourage efficiencies in procurement

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

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

	<b>Approved Budget 2011/12 £</b>	<b>Revised Budget 2011/12 £</b>	<b>Original Budget 2012/13 £</b>
Employee Costs	1,576,450	1,552,190	1,650,200
Premises	215,120	218,540	223,320
Supplies and Services	407,070	514,020	341,250
Transport	47,720	41,540	41,570
Transfer Payments	18,719,230	18,047,330	18,643,600
Miscellaneous Items	280,230	275,890	280,230
Earmarked Reserves	(20,470)	(29,580)	6,280
<b>Gross Expenditure</b>	<b>21,225,350</b>	<b>20,619,930</b>	<b>21,186,450</b>
Income	(20,098,550)	(19,703,510)	(20,216,170)
<b>Net Controllable Expenditure</b>	<b>1,126,800</b>	<b>916,420</b>	<b>970,280</b>
Recharged to Other Services	(101,730)	(101,840)	(103,880)
Departmental Support	932,650	949,280	951,820
Central Support	1,410,310	1,392,600	1,430,370
Capital Charges	509,150	790,070	474,680
<b>Net Expenditure</b>	<b>3,877,180</b>	<b>3,946,530</b>	<b>3,723,270</b>

#### 4 Capital Charges

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

#### 5 Comments on the 2011/12 Revised Budget

5.1 The revised budget of services that remain within the Resources Board for 2011/12 is estimated to be £3,946,530; an increase of £69,350 on the approved position. The main variations are given below.

5.2 **Employee costs** have decreased by £24,260 and the main variations are as follows:

	<b>£</b>
Late removal of a post in the 2011/12 original budget was left unallocated but has now been taken out in full in service budgets	42,400
Late notification of a reduction in the 2011/12 pension rate was left unallocated in the original budget but has now been allocated to services	37,320
North Warwickshire LEADER Partnership Project Officer post covering maternity leave (employed through Warwickshire CAVA and fully funded)	22,120
Increase in salaries recharged to Homeless Persons (temporary Empty Homes Project Officer - funded from earmarked reserves)	7,380
Increase in salaries recharged to the North Warwickshire LEADER partnership reflecting increased resources required to manage the programme	4,970
Decrease in salaries recharged from Revenues and Benefits arising from reductions in hours, vacant posts and changes to salary allocations	(4,080)
Centrally held corporate training budget that has been transferred to services during 2011/12	(7,760)
Less recruitment activity has led to a reduction in the recruitment budget required	(8,790)
Decrease in the agency budget within Customer Contact (as part of savings)	(9,250)
Some of the centrally held recruitment budget that has been transferred to services during 2011/12	(9,780)
Decrease in Community Support salaries arising from vacant posts and non payment of £250 pay award	(10,710)
Centrally held non corporate training budget that has been transferred to services during 2011/12	(89,830)
<b>TOTAL</b>	<b>(26,010)</b>

5.3 **Premises** budgets have increased by £3,420 although within that there are a number of notable changes and these are shown below:

	£
Increase in maintenance costs at industrial units (virement of Building Maintenance Fund)	10,680
One off premises costs within the Homeless Persons budget	1,680
Premises hire in relation to the North Warwickshire LEADER Partnership (fully funded)	1,000
Increase in NDR at industrial units	570
Decrease in utility costs at industrial units (mainly electricity)	(1,110)
Decrease in fixed electrical testing resulting from a rescheduling of works	(4,000)
Decrease in buildings insurance at industrial units (mainly Innage Park)	(5,620)
<b>TOTAL</b>	<b>3,200</b>

5.4 The increase in **supplies and services** of £106,950 is due to the following reasons:

	£
Grants paid out through the North Warwickshire LEADER Partnership (fully funded)	88,450
Budget vired from the Outreach and Access to Services budget (Executive Board) to fund Branching Out Bus activities in 2011/12	25,000
Increase in Homeless Persons professional fees (funded through earmarked reserve and additional grant funding)	16,450
Increase in professional fees within Health and Wellbeing budget (funded from earmarked reserves)	8,170
Other increases in Branching Out Bus expenditure (funded from earmarked reserves)	1,820
Decrease in car park attendant fees	(850)
Cessation of minor works budget	(2,100)
Net decrease in Concessionary Fares professional fees (grant payment to Beeline deferred until 2012/2013 but one off adjustment relating to 2007/2008 paid)	(3,780)
Decrease in corporate subscriptions (Ordnance Survey)	(7,000)
A one off decrease in Borough Care equipment maintenance budget (new system has 12 month warranty hence reduced costs)	(7,780)
Decrease in legal and bailiff fees within Revenues and Benefits	(13,340)
<b>TOTAL</b>	<b>105,040</b>

5.5 The decrease in **transport** budgets of £6,180 relates mainly to a decrease in the use of the Mayors' car.

- 5.6 Within **Transfer Payments** there is a significant decrease of £671,900 in benefits payments. This will reduce the reimbursement from central government.

	£
Higher payments of rent allowances than anticipated	133,280
Lower council tax benefit payments than expected	(153,060)
Lower rent rebates payments than expected	(652,120)
<b>TOTAL</b>	<b>(671,900)</b>

- 5.7 The use of **earmarked reserves** has increased by £9,110 and the variations are as follows:

	£
Transfer of the grant payment to Beeline within Concessionary Fares to an earmarked reserve for use next year	10,000
Use of Branching Out Bus Fund to cover additional spend	(3,440)
Use of Homelessness Grant Fund to cover additional spend	(7,500)
Use of funds to cover additional Health and Wellbeing spend	(8,170)
<b>TOTAL</b>	<b>(9,110)</b>

- 5.8 **Income** has decreased by £395,040 and the main variations are as follows:

	£
Reduced subsidy for Rent Rebates, reflecting the lower payments made (paragraph 5.6)	637,150
Reduced subsidy for Council Tax Benefits, reflecting the lower payments made (paragraph 5.6)	140,850
Decrease in legal fees received in relation to Council Tax collection	8,000
Decrease in the County Council contribution towards Customer Contact staffing costs	7,820
Decrease in car park penalty income	1,260
Increase in Borough Care income from the County Council and 'Telecare'	(3,020)
A rise in industrial unit rental income related to an increase in occupancy levels	(6,850)
Audit Commission rebate in relation to the additional audit costs arising from IFRS work	(7,410)
County Council rebate for 2010/2011 concessionary fares costs	(8,840)
Additional homelessness grant received	(16,450)
Additional subsidy to offset the Rent Allowance costs (paragraph 5.6)	(73,450)
The recovery of benefit overpayments has increased	(81,220)
2011/12 New Homes Bonus Scheme grant (until 2017/18)	(91,090)
Reimbursement of all North Warwickshire LEADER Partnership expenditure (DEFRA and EU)	(113,860)
<b>TOTAL</b>	<b>392,890</b>

The net increase in benefit payments (benefits paid less subsidy) is £32,650.

- 5.9 **Departmental and central support** charges have decreased overall by £1,080.

5.10 **Capital charges** have increased by £280,920, mainly relating to an Increase in private sector housing assistance capital charges (slippage from the 2010/11 capital programme) of £280,380..

## 6 **Comments on the 2012/13 Estimates**

6.1 The estimated budget for 2012/13 is £3,723,270; a decrease of £153,910 on the 2011/12 approved budget, and a decrease of £223,260 on the revised 2011/12 budget. The main variations are given below:

6.2 **Employee costs** have increased by £98,010 and the main variations are as follows:

	£
The full training and recruitment budgets for 2012/13 are held within the Unallocated Central Support Services (CSS) budget, until they are transferred to other budgets later in the year	69,180
The full year effect of temporary Empty Homes Project Officer (funded through earmarked reserves)	24,470
An increase in Borough Care salaries as vacant posts are filled and reflecting the temporary relief post	11,050
Decrease in salaries recharged within benefits budgets	(5,220)
<b>TOTAL</b>	<b>99,480</b>

6.3 **Premises** budgets have increased by £4,780 and the main changes are as follows:

	£
Reinstatement of the electrical testing budget	4,000
Increase in electricity and NDR costs relating to car parks	1,720
Increase in utility costs at Industrial Units	870
Removal of premises hire related to North Warwickshire LEADER Partnership	(1,000)
Decrease in NDR payable within Homeless Persons	(1,090)
<b>TOTAL</b>	<b>4,500</b>

6.4 **Supplies and services** have decreased by £172,770 and the main variations are as follows:

	£
Payment of concessionary fares grant deferred from 2011/12 (funded from earmarked reserve)	10,000
Increase in discretionary housing payments (matched by increase in Government grant)	9,830
Reinstatement of full equipment maintenance budget within Borough Care	7,420
Inflationary increase to software maintenance charges	2,230
Cessation of corporate subscription (Coalfields Allowance)	(3,250)
Removal of one off prior year concessionary fares adjustment	(6,220)
Removal of one off increase in Health and Wellbeing spend	(8,170)
Decrease in Branching Out Bus expenditure to reflect reduction in funding available	(45,000)
Removal of election expenses related to the Borough elections	(50,000)

Removal of grant payments related to the North Warwickshire LEADER Partnership	(88,450)
<b>TOTAL</b>	<b>(171,610)</b>

6.5 There is an increase in **Transfer Payments** of £596,270 in total. This reflects expected increases across Rent Rebates and Council Tax benefit payments. An increase in Rent Allowances has not been assumed as there may be some small increase in caseload but Government reforms to Housing Benefits affecting single persons take effect from April 2012. These reforms will bring about reductions in Housing Benefit payments.

6.6 There has been a movement in **earmarked reserves** of £35,860 and the main variations are as follows:

	£
Transfer of part of the 2012/13 New Homes Bonus into earmarked reserves	67,000
Decrease in the use of the Branching Out Bus reserve reflecting the funding available	19,730
Removal of funding for one off Health and Wellbeing projects	8,170
The final repayment to the New Initiatives Fund from Borough Care (funded new equipment) was made in 2011/12	(7,280)
The transfer to reserves for the deferred grant payment of £10,000 within concessionary fares has been reversed	(20,000)
An increase in the use of the Homelessness Grant Fund to cover the temporary Empty Homes Project Officer and other support costs	(31,760)
<b>TOTAL</b>	<b>35,860</b>

6.7 The increase in **income** of £512,660 is made up of the following:

	£
The reimbursement of the North Warwickshire LEADER Partnership premises hire and grant payments related to 2011/12	91,740
Decrease in the recovery of benefit overpayments as 2011/12 was an exceptionally high year	65,100
Decrease in benefits administration grant	26,850
Reduction of County Council and 'Telecare' income within Borough Care	12,610
Removal of one off County Council rebate relating to Concessionary Fares	8,840
Removal of Audit Commission rebate in relation to audit costs for IFRS	7,410
Increase in rental income at The Pavilions and Innage Park relating to increased occupancy levels	(7,400)
Increase in discretionary housing payments grant	(9,830)
Increase in the New Homes Bonus Scheme Grant received to reflect the 2012/13 award	(117,000)
An increase in the level of Council Tax Benefit Subsidy reflecting the expected increase in payments	(117,960)
An increase in the level of Rent Rebate Subsidy reflecting the	(469,830)

expected increase in payments	
<b>TOTAL</b>	<b>(509,470)</b>

6.8 **Departmental and central support** has reduced by £40,310 with the majority being central support changes. The significant changes are shown in the table below:

	<b>£</b>
Full year effect of vacant post (Transport and Streetscape Manager)	35,150
Full year effect of vacant post (Senior Policy Support Officer)	29,020
Inflationary increase to external audit fees	2,850
Decrease in Postal Services recharges due to savings identified within the postage service	(2,020)
All other decreases arising from savings found within divisional budgets	(5,340)
Decrease in IT recharges arising from savings within Information Services	(9,350)
Decrease in Old Bank House recharges due to additional income from Warwickshire Police	(10,000)
<b>TOTAL</b>	<b>40,310</b>

6.9 **Capital charges** have decreased by £315,390 and the main variation relates to the one off increase in private sector housing improvements in 2011/12 that has been removed and further reduced by £325,030.

## 7 **Growth Items**

7.1 A provision for growth was not included in the Council's Budget Strategy, approved in September 2011 by the Executive Board. There are no growth items relating to the services covered by this report.

## 8 **Income**

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

## 9 **Risks to Services**

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

- Increases in vacancies at industrial estates and shops that will impact on the level of rental income the Council receives and the amount of NDR that the Council is liable for.
- A higher level of maintenance on property assets and car parks, over and above that budgeted for.
- An increase in the level of Local Authority error made in processing benefit payments could lead to a loss of subsidy

- A significant increase in workload due to an increase in benefit claimants and non payment of Council Tax and/or Non Domestic Rates
- The effect of planned Government changes in how benefits services are delivered and the structure of benefit payments.
- A fall in the level of recovery of Housing Benefit overpayments (greater than that expected) would impact on the level of expenditure borne by the Council
- Further reductions in benefit administration grant levels
- Contracts based on RPI (which was running at 5.2% in November 2011)
- Loss of County Council funding for Customer Contact staffing, currently £18,450 per annum in 2011/2012
- Additional resources that may be required to support the North Warwickshire LEADER Partnership and other externally funded projects
- Lack of funding for the Branching Out Bus after 2012/13

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

## 10 Future Year Forecasts

10.1 In order to assist with medium-term financial planning, Members are provided with budget forecasts for the three years following 2012/13. The table below provides a subjective summary for those services reporting to this Board:

	<b>Approved Budget 2013/14 £</b>	<b>Revised Budget 2014/15 £</b>	<b>Original Budget 2015/16 £</b>
Employee Costs	1,619,750	1,605,650	1,645,300
Premises	222,510	226,540	231,380
Supplies and Services	332,370	335,830	392,660
Transport	38,290	38,740	39,930
Transfer Payments	19,069,130	19,512,960	19,975,920
Miscellaneous Items	285,850	291,110	296,930
Earmarked Reserves	56,960	82,450	82,450
<b>Gross Expenditure</b>	<b>21,624,860</b>	<b>22,093,280</b>	<b>22,664,570</b>
Income	(20,605,630)	(21,036,310)	(21,486,840)
<b>Net Controllable Expenditure</b>	<b>1,019,230</b>	<b>1,056,970</b>	<b>1,177,730</b>
Recharged to Other Services	(105,950)	(108,070)	(110,230)
Departmental Support	992,390	1,011,870	1,034,110
Central Support	1,460,810	1,467,110	1,501,670
Capital Charges	462,230	452,910	457,770
<b>Net Expenditure</b>	<b>3,828,710</b>	<b>3,880,790</b>	<b>4,061,050</b>

10.2 The forecasts given above have used a number of assumptions, which include pay awards of 2% in 2013/14 to 2015/16, increases in contracts of 2% and general increases in supplies and services of 2% in 2013/14 and 2015/16. In total, net expenditure is expected to increase by 2.8% in 2013/14, by 1.4% in 2014/15 and by 4.6% in 2015/16. It should be noted that 2015/16 includes £50,000 of budget to cover the costs of the Borough Council elections, excluding this reduces the 2015/16 increase to 3.4%.



10.3 These forecasts are built up using current corporate and service plans. Where additional resources have already been approved, these are also included. However these forecasts will be amended to reflect any amendments to the estimates, including decisions taken on any further corporate or service targets.

## 11 Report Implications

### 11.1 Finance and Value for Money Implications

11.1.1 As detailed in the body of the report.

### 11.2 Environment and Sustainability Implications

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

### 11.3 Risk Management Implications

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

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

## Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

## NORTH WARWICKSHIRE BOROUGH COUNCIL

## RESOURCES BOARD (REMAINING)

## SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Code	Description	Actual 2010/2011 £	Approved Budget 2011/2012 £	Revised Budget 2011/2012 £	Original Budget 2012/2013 £
3000	Cost of Democratic Services	399,334	430,440	416,850	422,200
3001	Election Expenses	4,048	54,890	54,850	5,070
3002	Registration of Electors	13,261	15,580	15,540	15,730
3003	Non Domestic Rates	(62,858)	(56,690)	(54,230)	(53,380)
3004	Council Tax Collection	(46,431)	(10,700)	(12,210)	(10,740)
3049	Investors in People	-	1,930	1,930	1,930
3050	Finance Miscellaneous	9,293	30	(91,060)	(141,060)
3051	Compensation and Pension Increases	142,411	141,000	141,540	144,370
3052	Assisted Car Purchase	(129)	(130)	(130)	(130)
3053	Minor Works	18,667	2,100	-	-
3054	Electricity at Work	19,859	17,290	13,290	17,290
3057	Efficiencies and Value for Money	-	2,340	2,340	2,340
3059	Finance Unused Land	-	-	-	-
3060	Corporate and Democratic Core	10,969	39,080	24,670	28,830
3061	Unallocated Central Support Services	23,918	113,380	77,130	147,060
3062	External Funding Consultants	4,646	-	-	-
3065	Coleshill Shops and Flats	(65,311)	(69,480)	(66,150)	(66,380)
3066	The Arcade, Atherstone	(3,314)	4,200	2,460	3,010
3067	The Pavilions, Holly Lane	(65,119)	(62,980)	(70,080)	(78,580)
3068	Carlyon Road Industrial Estate	(111,979)	(115,360)	(98,980)	(98,570)
3069	Innage Park Industrial Estate	(52,539)	(9,810)	(22,170)	(21,430)
3070	Polesworth Workspace Units	(7,358)	(7,200)	(6,390)	(6,320)
3079	The Bear and Ragged Staff	(12,783)	(12,700)	(13,060)	(13,040)
3080	Football Stadium	(7)	-	-	-
3084	Homeless Persons	46,282	40,140	42,110	33,230
3089	Public Conveniences	26,606	15,460	15,620	15,920
3090	Fillongley Kitchens	(600)	-	-	-
3094	Customer Contact	121	20,500	19,540	19,100
3097	Rent Allowances	(35,377)	3,230	(8,350)	65,410
3098	Housing Benefit Administration and Rent Rebates	(43,996)	(11,480)	(48,760)	(40,520)
3099	Concessionary Fares	273,205	31,920	29,620	22,220
3100	Non Domestic Rates - Discretionary Relief	19,267	22,810	22,810	22,810
3101	Council Tax Benefits	(93,159)	(55,350)	(65,250)	(58,350)
3102	Car Parks	43,992	47,900	48,490	50,210
3106	Business Improvement District	-	-	-	-
3109	Environmental Sustainability	(38,976)	-	-	-
5005	Animal Control	37,320	39,450	39,950	40,040
5006	Abandoned Vehicles	1,038	1,630	1,640	1,700
5008	Private Sector Housing Assistance	29,832	30,910	31,370	31,560
5035	CCTV	(2,667)	880	1,330	690
5036	Community Support	438,094	447,060	425,650	449,140
7350	Coleshill Market Town	-	-	-	-
7360	North Warwickshire LEADER Partnership	14,641	14,390	19,360	18,770
7370	Atherstone Partnership Scheme	(1)	-	-	-
7750	Narrowing the Gap	(60)	-	-	-
7760	Branching Out Bus	140	140	25,150	150
7770	Health and Wellbeing	-	-	-	-
7800	North Arden Heritage Trail	11,291	-	-	-
	<b>Net Controllable Expenditure</b>	<b>945,571</b>	<b>1,126,800</b>	<b>916,420</b>	<b>970,280</b>
	<b>Recharged to Services</b>	<b>(101,310)</b>	<b>(101,730)</b>	<b>(101,840)</b>	<b>(103,880)</b>
	<b>Departmental Support</b>	<b>1,028,634</b>	<b>932,650</b>	<b>949,280</b>	<b>951,820</b>
	<b>Central Support</b>	<b>1,359,965</b>	<b>1,410,310</b>	<b>1,392,600</b>	<b>1,430,370</b>
	<b>Capital</b>	<b>855,048</b>	<b>509,150</b>	<b>790,070</b>	<b>474,680</b>
	<b>RESOURCES BOARD (REMAINING) TOTAL</b>	<b>4,087,908</b>	<b>3,877,180</b>	<b>3,946,530</b>	<b>3,723,270</b>

**3000 - Cost of Democratic Process**

This budget represents the costs of members allowances and expenses along with officer time spent providing advice and support to councillors.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	98,685	116,600	115,590	116,290
Premises Related Expenditure	335	1,130	1,130	1,130
Supplies and Services	35,148	32,740	31,500	31,500
Transport Related Expenditure	14,932	22,550	15,550	15,860
Members Allowances	250,249	257,420	253,080	257,420
<b>GROSS EXPENDITURE</b>	<b>399,349</b>	<b>430,440</b>	<b>416,850</b>	<b>422,200</b>
GROSS INCOME	(15)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>399,334</b>	<b>430,440</b>	<b>416,850</b>	<b>422,200</b>
Recharged to Services	(32,060)	(33,020)	(33,020)	(33,680)
Central Support	317,809	314,480	309,440	298,170
Capital Charges	30,536	25,680	25,820	26,660
<b>NET EXPENDITURE</b>	<b>715,619</b>	<b>737,580</b>	<b>719,090</b>	<b>713,350</b>

**Contributes to corporate priorities :**

- Improving communication of information and community consultation including, where appropriate, providing the opportunity to be involved in decision making
- Protecting and improving our local environment
- Protecting and improving our countryside and heritage
- Helping to tackle health inequalities by working with the County Council and the NHS locally and be encouraging, where financially viable, leisure opportunities in local communities
- Work with the Police, Parish Councils, Town Councils, the community and other partners to tackle crime and anti-social behaviour
- Listening to and working with our tenants to maintain and improve our housing stock and providing affordable housing in the right places
- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3001 - Election Expenses**

The Council is responsible for the proper staging of elections at a local and national level held within its area. The costs of the various elections are reimbursed by the bodies to whom they relate. Borough Council elections take place every four years with the next being due in May 2015.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	72	330	330	330
Premises Related Expenditure	35	-	-	-
Supplies and Services	16,228	54,560	54,520	4,740
Balance Sheet Items	3,933	-	-	-
<b>GROSS EXPENDITURE</b>	<b>20,268</b>	<b>54,890</b>	<b>54,850</b>	<b>5,070</b>
GROSS INCOME	(16,220)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>4,048</b>	<b>54,890</b>	<b>54,850</b>	<b>5,070</b>
Departmental Support	11,689	11,680	11,710	11,480
Central Support	4,648	9,780	5,260	5,210
Capital Charges	3,177	3,180	3,180	3,180
<b>NET EXPENDITURE</b>	<b>23,562</b>	<b>79,530</b>	<b>75,000</b>	<b>24,940</b>

**Contributes to corporate priority :**

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

**3002 - Registration of Electors**

This budget head shows the cost of maintaining an up-to-date register of electors. There is a statutory duty on the Council to ensure that all proper steps are taken to maintain a register of those persons eligible to vote at elections.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	400	400	400
Supplies and Services	14,873	16,520	16,480	16,700
<b>GROSS EXPENDITURE</b>	<b>14,873</b>	<b>16,920</b>	<b>16,880</b>	<b>17,100</b>
GROSS INCOME	(1,612)	(1,340)	(1,340)	(1,370)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>13,261</b>	<b>15,580</b>	<b>15,540</b>	<b>15,730</b>
Departmental Support	371	360	280	270
Central Support	21,416	25,030	21,550	21,010
Capital Charges	5,650	5,650	5,650	5,650
<b>NET EXPENDITURE</b>	<b>40,698</b>	<b>46,620</b>	<b>43,020</b>	<b>42,660</b>

Contributes to corporate priority :

- Providing easier access to Council services, particularly through the internet
- Improving communication of information and community consultation including, where appropriate, providing the opportunity to be involved in decision making

**KEY PERFORMANCE INDICATORS**

Number of registered electors	49,839	49,885	49,630	49,630
Cost per registered elector	£0.82	£0.93	£0.87	£0.86

**3003 - Non Domestic Rates**

The Borough Council is required to collect non-domestic rates from businesses on behalf of the Exchequer which then re-distributes the total collected to all local authorities on the basis of population. A special grant for the cost of collection is received from central Government. The rateable value of non-domestic property is fixed in most cases by an independent valuation officer. All non-domestic property is revalued every five years, the last valuation being in 2010.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	47,166	54,200	54,450	54,790
Supplies and Services	18,269	16,180	16,630	17,240
Earmarked Reserves	1,835	-	-	-
<b>GROSS EXPENDITURE</b>	<b>67,270</b>	<b>70,380</b>	<b>71,080</b>	<b>72,030</b>
GROSS INCOME	(130,128)	(127,070)	(125,310)	(125,410)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(62,858)</b>	<b>(56,690)</b>	<b>(54,230)</b>	<b>(53,380)</b>
Departmental Support	78,440	77,240	76,990	78,670
Central Support	14,947	15,280	14,260	14,280
Capital Charges	1,661	1,660	1,660	1,660
<b>NET EXPENDITURE</b>	<b>32,190</b>	<b>37,490</b>	<b>38,680</b>	<b>41,230</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

% of NDR Collection Rate	99.40%	98.90%	98.80%	98.90%
Number of NDR properties	2,196	2,170	2,200	2,200
Cost per NDR property	£14.66	£17.28	£17.58	£18.74

**3004 - Council Tax Collection**

The Council is responsible for levying and collecting the council tax from taxpayers within its area on behalf of not only itself but also Warwickshire County Council, the police authority and parish councils. The council tax is the only major source of revenue for local authorities which is determined locally. The tax is levied on the basis of the valuation of the property.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	75,368	92,660	87,450	88,630
Supplies and Services	41,942	49,640	45,340	46,500
<b>GROSS EXPENDITURE</b>	<b>117,310</b>	<b>142,300</b>	<b>132,790</b>	<b>135,130</b>
GROSS INCOME	(163,741)	(153,000)	(145,000)	(145,870)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(46,431)</b>	<b>(10,700)</b>	<b>(12,210)</b>	<b>(10,740)</b>
Departmental Support	191,727	188,010	181,170	182,930
Central Support	40,150	37,640	37,210	36,480
Capital Charges	3,384	3,380	3,380	3,380
<b>NET EXPENDITURE</b>	<b>188,830</b>	<b>218,330</b>	<b>209,550</b>	<b>212,050</b>

**Contributes to corporate priority :**

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

% of Council Tax Collection Rate	98.40%	98.50%	98.40%	98.40%
Number of households	26,855	26,901	27,000	27,000
Cost per household	£7.03	£8.12	£7.76	£7.85

**3049 - Investors in People**

The Council is committed to the development of all its employees and has achieved the IIP award. Reassessment will not be undertaken due to the costs involved, however the Council has committed to continue using the IIP principles.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	1,930	1,930	1,930
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>-</b>	<b>1,930</b>	<b>1,930</b>	<b>1,930</b>
Central Support	10,510	10,260	6,480	6,430
<b>NET EXPENDITURE</b>	<b>10,510</b>	<b>12,190</b>	<b>8,410</b>	<b>8,360</b>

**Contributes to corporate priority :**

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3050 - Finance Miscellaneous**

Some items of income and expenditure do not relate to a specific service and are recorded here.

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
Employee Expenditure	-	30	30	30
Supplies and Services	10,337	-	-	-
Miscellaneous Expenditure	101,907	-	-	-
Earmarked Reserves	34,356	-	-	67,000
<b>GROSS EXPENDITURE</b>	<b>146,600</b>	<b>30</b>	<b>30</b>	<b>67,030</b>
GROSS INCOME	(137,307)	-	(91,090)	(208,090)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>9,293</b>	<b>30</b>	<b>(91,060)</b>	<b>(141,060)</b>
Central Support	539	600	460	460
<b>NET EXPENDITURE</b>	<b>9,832</b>	<b>630</b>	<b>(90,600)</b>	<b>(140,600)</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3051 - Compensation and Pension Increases**

Additional contributions made to Warwickshire County Council in respect of the superannuation scheme.

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
Employee Expenditure	142,411	141,000	141,540	144,370
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>142,411</b>	<b>141,000</b>	<b>141,540</b>	<b>144,370</b>
Recharged to Services	(29,750)	(29,750)	(29,860)	(30,460)
Central Support	720	840	870	880
<b>NET EXPENDITURE</b>	<b>113,381</b>	<b>112,090</b>	<b>112,550</b>	<b>114,790</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3052 - Assisted Car Purchase**

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
GROSS INCOME	(129)	(130)	(130)	(130)
<b>NET EXPENDITURE</b>	<b>(129)</b>	<b>(130)</b>	<b>(130)</b>	<b>(130)</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3053 - Minor Works**

When expenditure is required by a service and no budget exists, budget holders can request use of this budget.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Supplies and Services	18,667	2,100	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>18,667</b>	<b>2,100</b>	-	-
Central Support	665	-	-	-
<b>NET EXPENDITURE</b>	<b>19,332</b>	<b>2,100</b>	-	-

Contributes to corporate priorities :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3054 - Electricity at Work**

To carry out testing of all electrical appliances in public buildings.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	220	220	220
Premises Related Expenditure	19,859	17,070	13,070	17,070
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>19,859</b>	<b>17,290</b>	<b>13,290</b>	<b>17,290</b>
Central Support	5,196	4,680	4,760	4,780
<b>NET EXPENDITURE</b>	<b>25,055</b>	<b>21,970</b>	<b>18,050</b>	<b>22,070</b>

Contributes to corporate priorities :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3057 - Efficiencies and Value for Money**

This budget shows the cost to the Council of evaluating the services that it provides to ensure that they are operating as efficiently, effectively and economically as possible.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	2,340	2,340	2,340
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>-</b>	<b>2,340</b>	<b>2,340</b>	<b>2,340</b>
Central Support	40,413	51,150	35,030	34,720
<b>NET EXPENDITURE</b>	<b>40,413</b>	<b>53,490</b>	<b>37,370</b>	<b>37,060</b>

Contributes to corporate priorities :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3059 - Finance Unused Land**

Any unallocated income or expenditure related to unused land owned by the Council.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Central Support	355	420	150	150
Capital Charge	43,000	-	-	-
<b>NET EXPENDITURE</b>	<b>43,355</b>	<b>420</b>	<b>150</b>	<b>150</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3060 - Corporate and Democratic Core**

Corporate management primarily relates to officer time which provides the infrastructure of the Council, therefore allowing services to be provided. More specifically these include the functions of the Chief Executive, maintaining statutory registers, providing non-service specific information and dealing with government returns. Additionally it includes preparing the statement of accounts and the management of corporate resources, along with external audit fees and bank charges.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	21,150	21,150	21,150
Supplies and Services	18,031	17,930	10,930	7,680
<b>GROSS EXPENDITURE</b>	<b>18,031</b>	<b>39,080</b>	<b>32,080</b>	<b>28,830</b>
GROSS INCOME	(7,062)	-	(7,410)	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>10,969</b>	<b>39,080</b>	<b>24,670</b>	<b>28,830</b>
Recharged to Services	(39,500)	(38,960)	(38,960)	(39,740)
Central Support	719,090	757,950	739,160	742,230
Capital Charges	10,178	8,760	8,760	8,940
<b>NET EXPENDITURE</b>	<b>700,737</b>	<b>766,830</b>	<b>733,630</b>	<b>740,260</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3061 - Unallocated Central Support Services**

Some central support expenditure is allocated here until recharged to services, this includes training, recruitment and staff welfare. In addition central support expenditure that relates to no specific services is recharged to this budget.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	23,948	112,660	76,410	146,360
Premises Related Expenditure	(30)	-	-	-
Transport Related Expenditure	-	720	720	700
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>23,918</b>	<b>113,380</b>	<b>77,130</b>	<b>147,060</b>
Central Support	8,365	13,870	44,840	93,910
Capital Charges	-	-	(10)	40
<b>NET EXPENDITURE</b>	<b>32,283</b>	<b>127,250</b>	<b>121,960</b>	<b>241,010</b>



**3062 - External Funding Consultants**

Budget provision for buying in expertise related to external funding sources.

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
Supplies and Services	4,646	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>4,646</b>	<b>-</b>	<b>-</b>	<b>-</b>
Central Support	483	-	-	-
<b>NET EXPENDITURE</b>	<b>5,129</b>	<b>-</b>	<b>-</b>	<b>-</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3065 - Coleshill Shops and Flats**

This budget relates to 7 shops and 4 flats located in High Street, Coleshill. They form an integral part of a conservation and redevelopment scheme in High Street/Church Hill which was carried out some years ago.

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
Employee Expenditure	-	80	80	80
Premises Related Expenditure	3,524	940	3,090	3,100
<b>GROSS EXPENDITURE</b>	<b>3,524</b>	<b>1,020</b>	<b>3,170</b>	<b>3,180</b>
GROSS INCOME	(68,835)	(70,500)	(69,320)	(69,560)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(65,311)</b>	<b>(69,480)</b>	<b>(66,150)</b>	<b>(66,380)</b>
Central Support	2,367	2,640	2,980	2,940
Capital	(26,000)	-	-	-
<b>NET EXPENDITURE</b>	<b>(88,944)</b>	<b>(66,840)</b>	<b>(63,170)</b>	<b>(63,440)</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Occupancy rate	100%	100%	100%	100%
Number of shops	7	7	7	7
Annual income per shop	-£8,636	-£8,450	-£8,779	- 8,954.00

**3066 - The Arcade, Atherstone**

This budget relates to 9 shops in the Long Street shopping arcade together with 5 offices located above. The development also provides a pedestrian walkway from Long Street to the Station Street car park.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	5,076	5,230	4,970	4,980
Premises Related Expenditure	11,376	18,030	18,550	19,180
Supplies and Services	274	2,490	2,880	2,880
<b>GROSS EXPENDITURE</b>	<b>16,726</b>	<b>25,750</b>	<b>26,400</b>	<b>27,040</b>
GROSS INCOME	(20,040)	(21,550)	(23,940)	(24,030)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(3,314)</b>	<b>4,200</b>	<b>2,460</b>	<b>3,010</b>
Central Support	6,519	6,570	6,270	6,090
<b>NET EXPENDITURE</b>	<b>3,205</b>	<b>10,770</b>	<b>8,730</b>	<b>9,100</b>

**Contributes to corporate priority :**

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Occupancy rate	64%	57%	57%	57%
Number of units	14	14	14	14
Annual income per unit	-£1,621	-£1,472	-£1,423	-£1,472

**3067 - The Pavilions, Holly Lane**

These 8 industrial units were constructed by the Council to provide local employment opportunities.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	110	110	110
Premises Related Expenditure	4,225	9,150	8,280	5,790
Supplies and Services	300	310	310	320
<b>GROSS EXPENDITURE</b>	<b>4,525</b>	<b>9,570</b>	<b>8,700</b>	<b>6,220</b>
GROSS INCOME	(69,644)	(72,550)	(78,780)	(84,800)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(65,119)</b>	<b>(62,980)</b>	<b>(70,080)</b>	<b>(78,580)</b>
Central Support	4,530	4,820	4,690	4,550
Capital Charge	73,000	-	-	-
<b>NET EXPENDITURE</b>	<b>12,411</b>	<b>(58,160)</b>	<b>(65,390)</b>	<b>(74,030)</b>

**Contributes to corporate priority :**

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Occupancy rate	88%	88%	92%	88%
Number of units	8	8	8	8
Annual income per unit	-£8,686	-£8,689	-£9,158	-£8,689

**3068 - Carlyon Road Industrial Estate**

This budget relates to 8 small industrial units plus a further 8 plots of industrial land which are let on a long lease.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	100	100	100
Premises Related Expenditure	5,187	5,480	10,990	11,400
Supplies and Services	110	110	110	110
Earmarked Reserves	1,450	-	-	-
<b>GROSS EXPENDITURE</b>	<b>6,747</b>	<b>5,690</b>	<b>11,200</b>	<b>11,610</b>
GROSS INCOME	(118,726)	(121,050)	(110,180)	(110,180)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(111,979)</b>	<b>(115,360)</b>	<b>(98,980)</b>	<b>(98,570)</b>
Central Support	3,478	3,970	4,290	4,230
Capital Charge	131,000	-	-	-
<b>NET EXPENDITURE</b>	<b>22,499</b>	<b>(111,390)</b>	<b>(94,690)</b>	<b>(94,340)</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Occupancy rate	75%	100%	87%	87%
Number of units	8	8	8	8
Annual income per unit	-£14,841	-£15,131	-£13,773	-£13,773

**3069 - Innage Park Industrial Estate**

This development covers 39 small industrial units plus 2 units which are used as offices.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	370	370	370
Premises Related Expenditure	60,368	99,660	96,370	98,610
Supplies and Services	520	550	580	590
<b>GROSS EXPENDITURE</b>	<b>60,888</b>	<b>100,580</b>	<b>97,320</b>	<b>99,570</b>
GROSS INCOME	(113,427)	(110,390)	(119,490)	(121,000)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(52,539)</b>	<b>(9,810)</b>	<b>(22,170)</b>	<b>(21,430)</b>
Central Support	17,457	17,890	16,200	15,590
Capital Charge	148,750	101,000	101,000	101,000
<b>NET EXPENDITURE</b>	<b>113,668</b>	<b>109,080</b>	<b>95,030</b>	<b>95,160</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Occupancy rate	54%	51%	40%	38%
Number of units	39	39	39	39
Annual income per unit	-£3,272	-£3,041	-£2,756	-£2,677

**3070 - Polesworth Workspace Units**

These small workspace units were built with European financial aid and form part of the Polesworth Project. There are 8 units in all.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Premises Related Expenditure	4,662	4,740	5,280	5,350
Supplies and Services	234	200	230	230
<b>GROSS EXPENDITURE</b>	<b>4,896</b>	<b>4,940</b>	<b>5,510</b>	<b>5,580</b>
GROSS INCOME	(12,254)	(12,140)	(11,900)	(11,900)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(7,358)</b>	<b>(7,200)</b>	<b>(6,390)</b>	<b>(6,320)</b>
Central Support	3,166	3,220	2,850	2,760
Capital Charges	(5,000)	-	-	-
<b>NET EXPENDITURE</b>	<b>(9,192)</b>	<b>(3,980)</b>	<b>(3,540)</b>	<b>(3,560)</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Occupancy rate	100%	100%	100%	100%
Number of units	8	8	8	8
Annual income per unit	-£1,532	-£1,518	-£1,488	-£1,488

**3079 - The Bear and Ragged Staff**

A public house which is leased to a private operator and is situated adjacent to the Atherstone football stadium.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	10	10	10
Premises Related Expenditure	1,059	1,090	930	950
<b>GROSS EXPENDITURE</b>	<b>1,059</b>	<b>1,100</b>	<b>940</b>	<b>960</b>
GROSS INCOME	(13,842)	(13,800)	(14,000)	(14,000)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(12,783)</b>	<b>(12,700)</b>	<b>(13,060)</b>	<b>(13,040)</b>
Central Support	629	620	600	600
Capital Charge	15,000	-	-	-
<b>NET EXPENDITURE</b>	<b>2,846</b>	<b>(12,080)</b>	<b>(12,460)</b>	<b>(12,440)</b>

Contributes to corporate priority :

- Helping to tackle health inequalities by working with the County Council and the NHS locally and be encouraging, where financially viable, leisure opportunities in local communities

**3080 - Football Stadium**

Situated in Atherstone and leased to Atherstone Town Football Club Ltd for an initial period of 2 years which expired in April 2006. The lease is now annually renewable.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
<b>GROSS EXPENDITURE</b>	-	-	-	-
GROSS INCOME	(7)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(7)</b>	-	-	-
Central Support	361	360	350	350
<b>NET EXPENDITURE</b>	<b>354</b>	<b>360</b>	<b>350</b>	<b>350</b>

Contributes to corporate priority :

- Helping to tackle health inequalities by working with the County Council and the NHS locally and be encouraging, where financially viable, leisure opportunities in local communities

**3084 - Homeless Persons**

The Council has a duty to provide a service for homeless applicants. It includes an out of hours service and extends to the provision of temporary accommodation in some cases.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	41,018	34,290	42,260	66,140
Premises Related Expenditure	7,025	4,570	6,130	5,100
Supplies and Services	45,253	43,710	60,100	60,160
Miscellaneous	(4,348)	-	(7,500)	(39,260)
Earmarked Reserves	71	-	-	-
<b>GROSS EXPENDITURE</b>	<b>89,019</b>	<b>82,570</b>	<b>100,990</b>	<b>92,140</b>
GROSS INCOME	(42,737)	(42,430)	(58,880)	(58,910)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>46,282</b>	<b>40,140</b>	<b>42,110</b>	<b>33,230</b>
Departmental Support	18,721	16,540	18,880	23,430
Central Support	5,016	6,830	6,300	6,510
Capital Charges	86,024	5,080	800	800
<b>NET EXPENDITURE</b>	<b>156,043</b>	<b>68,590</b>	<b>68,090</b>	<b>63,970</b>

Contributes to corporate priorities :

- Helping to tackle health inequalities by working with the County Council and the NHS locally and be encouraging, where financially viable, leisure opportunities in local communities

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

**3089 - Public Conveniences**

The Council maintains four public conveniences situated in Atherstone, Coleshill, Polesworth and Water Orton. A decision regarding the facilities at Atherstone is yet to be made regarding its possible replacement or upgrade.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	7,416	7,150	7,190	7,250
Premises Related Expenditure	7,039	7,120	7,350	7,590
Supplies and Services	18,259	1,290	1,180	1,180
Earmarked Reserves	(6,000)	-	-	-
<b>GROSS EXPENDITURE</b>	<b>26,714</b>	<b>15,560</b>	<b>15,720</b>	<b>16,020</b>
GROSS INCOME	(108)	(100)	(100)	(100)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>26,606</b>	<b>15,460</b>	<b>15,620</b>	<b>15,920</b>
Departmental Support	5,288	4,720	3,810	3,800
Central Support	2,815	2,790	2,550	2,500
Capital Charges	59,060	76,890	85,010	91,030
<b>NET EXPENDITURE</b>	<b>93,769</b>	<b>99,860</b>	<b>106,990</b>	<b>113,250</b>

Contributes to corporate priorities :

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

**3090 - Fillongley Kitchens**

Warwickshire County Council contributed to the costs of these premises for the meals on wheels service provided by the Women's Royal Voluntary Service (WRVS). This contribution ceased in September 2010.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Premises Related Expenditure	243	-	-	-
<b>GROSS EXPENDITURE</b>	<b>243</b>	<b>-</b>	<b>-</b>	<b>-</b>
GROSS INCOME	(843)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(600)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Central Support	573	-	-	-
Capital Charges	1,033	-	-	-
<b>NET EXPENDITURE</b>	<b>1,006</b>	<b>-</b>	<b>-</b>	<b>-</b>

Contributes to corporate priority :

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

**3094 - Customer Contact**

To provide a single point of contact for the public for all Council services.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	26,336	46,460	37,110	37,500
Supplies and Services	55	310	880	310
<b>GROSS EXPENDITURE</b>	<b>26,391</b>	<b>46,770</b>	<b>37,990</b>	<b>37,810</b>
GROSS INCOME	(26,270)	(26,270)	(18,450)	(18,710)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>121</b>	<b>20,500</b>	<b>19,540</b>	<b>19,100</b>
Departmental Support	87,152	75,080	87,730	87,820
Central Support	1,342	1,050	1,210	1,270
Capital Charges	43,783	43,780	34,920	34,920
<b>NET EXPENDITURE</b>	<b>132,398</b>	<b>140,410</b>	<b>143,400</b>	<b>143,110</b>

Contributes to corporate priority :

- Providing easier access to Council services, particularly through the internet
- Improving communication of information and community consultation including, where appropriate, providing the opportunity to be involved in decision making

**3097 - Rent Allowances**

Rent allowances are payable to tenants in accommodation other than that provided by the Borough Council. These are largely reimbursed by the Department for Work and Pensions.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	117,818	124,000	127,610	123,720
Supplies and Services	10,801	31,840	27,350	37,220
Transport Related Expenditure	13	-	-	-
Transfer Payments	7,750,714	7,616,720	7,750,000	7,750,000
<b>GROSS EXPENDITURE</b>	<b>7,879,346</b>	<b>7,772,560</b>	<b>7,904,960</b>	<b>7,910,940</b>
GROSS INCOME	(7,914,723)	(7,769,330)	(7,913,310)	(7,845,530)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(35,377)</b>	<b>3,230</b>	<b>(8,350)</b>	<b>65,410</b>
Departmental Support	112,717	101,220	100,650	101,150
Central Support	9,570	10,620	9,630	9,810
<b>NET EXPENDITURE</b>	<b>86,910</b>	<b>115,070</b>	<b>101,930</b>	<b>176,370</b>

Contributes to corporate priority :

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

**KEY PERFORMANCE INDICATORS**

Number of claimants	1,687	1,750	1,715	1,715
Cost of administration per claimant	£51.52	£65.75	£59.43	£102.84

**3098 - Housing Benefit Administration and Rent Rebates**

This budget includes expenditure and income relating to rent rebates given to council tenants.

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
Employee Expenditure	68,639	72,360	65,770	63,260
Supplies and Services	3,768	8,140	3,850	4,040
Transfer Payments	5,196,753	6,299,450	5,647,330	6,127,350
<b>GROSS EXPENDITURE</b>	<b>5,269,160</b>	<b>6,379,950</b>	<b>5,716,950</b>	<b>6,194,650</b>
GROSS INCOME	(5,313,156)	(6,391,430)	(5,765,710)	(6,235,170)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(43,996)</b>	<b>(11,480)</b>	<b>(48,760)</b>	<b>(40,520)</b>
Departmental Support	70,747	62,050	72,030	72,260
Central Support	7,719	8,420	8,160	8,240
<b>NET EXPENDITURE</b>	<b>34,470</b>	<b>58,990</b>	<b>31,430</b>	<b>39,980</b>

Contributes to corporate priority :

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

**KEY PERFORMANCE INDICATORS**

Number of claimants	1,699	1,850	1,675	1,675
Housing benefit per claimant	£3,059	£3,405	£3,372	£3,658
Cost of administration per claimant	£20	£32	£19	£24

**3099 - Concessionary Fares**

From April 2008 a new free national bus pass scheme was introduced allowing free travel for senior citizens. In addition the Council provides taxi vouchers to people of a pensionable age claiming a high rate disability allowance and who have no access to a car or public transport. Responsibility for most of the scheme passed to Warwickshire County Council in April 2011. This authority continues to operate travel token and taxi voucher scheme after this date.

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/2011	BUDGET 2011/2012	BUDGET 2011/2012	BUDGET 2012/2013
Employee Expenditure	-	940	940	940
Supplies and Services	366,460	31,840	28,380	32,160
Earmarked Reserves	(4,453)	-	10,000	(10,000)
<b>GROSS EXPENDITURE</b>	<b>362,007</b>	<b>32,780</b>	<b>39,320</b>	<b>23,100</b>
GROSS INCOME	(88,802)	(860)	(9,700)	(880)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>273,205</b>	<b>31,920</b>	<b>29,620</b>	<b>22,220</b>
Departmental Support	41,408	1,690	3,890	3,950
Central Support	6,681	670	900	890
<b>NET EXPENDITURE</b>	<b>321,294</b>	<b>34,280</b>	<b>34,410</b>	<b>27,060</b>

Contributes to corporate priority :

- Providing easier access to Council services, particularly through the internet



**3100 - Non Domestic Rates Discretionary Relief**

The Council has the discretion to award rate relief to both charitable and sporting organisations. Dependent on the qualifying organisation the Council contributes either 75% or 25% towards the value of any rate relief awarded.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Miscellaneous Expenditure	19,267	22,810	22,810	22,810
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>19,267</b>	<b>22,810</b>	<b>22,810</b>	<b>22,810</b>
Central Support	1,991	2,020	2,040	2,010
<b>NET EXPENDITURE</b>	<b>21,258</b>	<b>24,830</b>	<b>24,850</b>	<b>24,820</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**3101 - Council Tax Benefits**

Local authorities are responsible for administering the council tax benefit scheme for central government.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	193,094	201,880	205,990	199,610
Supplies and Services	13,782	14,740	13,750	14,770
Transfer Payments	4,650,834	4,803,060	4,650,000	4,766,250
<b>GROSS EXPENDITURE</b>	<b>4,857,710</b>	<b>5,019,680</b>	<b>4,869,740</b>	<b>4,980,630</b>
GROSS INCOME	(4,950,869)	(5,075,030)	(4,934,990)	(5,038,980)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(93,159)</b>	<b>(55,350)</b>	<b>(65,250)</b>	<b>(58,350)</b>
Departmental Support	177,877	161,360	158,680	158,560
Central Support	14,407	14,800	13,440	13,580
<b>NET EXPENDITURE</b>	<b>99,125</b>	<b>120,810</b>	<b>106,870</b>	<b>113,790</b>

Contributes to corporate priority :

- Protecting public services for local people whilst maintaining a balanced budget and keeping council tax increases lower than inflation

**KEY PERFORMANCE INDICATORS**

Number of claimants	5,327	5,300	5,275	5,275
Council Tax Benefits per claimant	£873.07	£906.24	£881.52	£903.55
Cost of administration per claimant	£18.61	£22.79	£20.26	£21.57

**3102 - Car Parks**

The Council maintains car parks throughout the Borough. Parking is free on all car parks but some are subject to time restrictions.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	-	1,010	1,010	1,010
Premises Related Expenditure	44,633	46,010	46,190	47,910
Supplies and Services	5,034	7,420	6,570	6,570
<b>GROSS EXPENDITURE</b>	<b>49,667</b>	<b>54,440</b>	<b>53,770</b>	<b>55,490</b>
GROSS INCOME	(5,675)	(6,540)	(5,280)	(5,280)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>43,992</b>	<b>47,900</b>	<b>48,490</b>	<b>50,210</b>
Departmental Support	8,263	8,140	8,210	8,100
Central Support	6,430	5,350	4,160	4,100
Capital Charges	7,040	1,290	1,290	1,290
<b>NET EXPENDITURE</b>	<b>65,725</b>	<b>62,680</b>	<b>62,150</b>	<b>63,700</b>

Contributes to corporate priorities :

- Protecting and improving our local environment

**3106 - Business Improvement District**

A public-private partnership in which businesses pay an additional duty to pay for local works, only 1 scheme is in operation and involves environmental issues.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Supplies and Services	92,831	-	-	-
<b>GROSS EXPENDITURE</b>	<b>92,831</b>	-	-	-
GROSS INCOME	(92,831)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Central Support	1,715	1,560	1,050	1,040
<b>NET EXPENDITURE</b>	<b>1,715</b>	<b>1,560</b>	<b>1,050</b>	<b>1,040</b>

Contributes to corporate priority :

- Work with the Police, Parish Councils, Town Councils, the community and other partners to tackle crime and anti-social behaviour

**3109 - Environmental Sustainability**

Government funding for a three year period to promote environmental issues.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
<b>GROSS EXPENDITURE</b>	-	-	-	-
GROSS INCOME	(38,976)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(38,976)</b>	-	-	-
Departmental Support	2,280	2,260	2,320	2,270
Central Support	6,345	6,450	6,400	6,350
<b>NET EXPENDITURE</b>	<b>(30,351)</b>	<b>8,710</b>	<b>8,720</b>	<b>8,620</b>

Contributes to corporate priority :

- Protecting and improving our local environment

**5005 - Animal Control**

Dealing with rats, mice, wasps and certain insects in domestic and non-food business premises. Also sewer baiting for rats in main sewers for Severn Trent Water.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenses	38,801	40,840	41,410	41,670
Supplies & Services	8,023	8,010	8,020	8,080
Transport Related Expenditure	5,434	5,800	5,720	5,760
<b>GROSS EXPENDITURE</b>	<b>52,258</b>	<b>54,650</b>	<b>55,150</b>	<b>55,510</b>
GROSS INCOME	(14,938)	(15,200)	(15,200)	(15,470)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>37,320</b>	<b>39,450</b>	<b>39,950</b>	<b>40,040</b>
Departmental Support	21,097	21,980	21,810	20,880
Central Support Services	17,712	18,100	18,460	18,170
Leasing Charge	2,364	2,360	2,360	2,360
<b>NET EXPENDITURE</b>	<b>78,493</b>	<b>81,890</b>	<b>82,580</b>	<b>81,450</b>

Contributes to corporate priority :

- Protecting and improving our local environment

**5006 - Abandoned Vehicles**

A free removal service provided to deal with abandoned vehicles within the Borough.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	-	280	280	280
Supplies & Services	1,038	1,500	1,510	1,570
<b>GROSS EXPENDITURE</b>	<b>1,038</b>	<b>1,780</b>	<b>1,790</b>	<b>1,850</b>
GROSS INCOME	-	(150)	(150)	(150)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>1,038</b>	<b>1,630</b>	<b>1,640</b>	<b>1,700</b>
Departmental Support	6,168	6,260	6,220	6,100
Central Support Services	1,469	1,470	1,510	1,490
<b>NET EXPENDITURE</b>	<b>8,675</b>	<b>9,360</b>	<b>9,370</b>	<b>9,290</b>

Contributes to corporate priority :

- Protecting and improving our local environment

**5008 - Private Sector Housing Assistance**

The Council awards minor grants targeted at the elderly and those in need to prevent further more serious and costly deterioration of unfit privately owned properties in the Borough and for Disabled Facilities Grants. The government funds 60% of disabled facilities grants upto a limit, with the Council having to contribute the full 100% towards other private sector grants including Home Energy Grants to tackle fuel poverty.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	28,918	30,600	30,490	30,680
Supplies and Services	914	310	880	880
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>29,832</b>	<b>30,910</b>	<b>31,370</b>	<b>31,560</b>
Departmental Support	38,580	39,550	38,990	37,870
Central Support	3,447	4,640	4,930	4,950
Capital Charges	170,347	183,250	463,630	138,600
<b>NET EXPENDITURE</b>	<b>242,206</b>	<b>258,350</b>	<b>538,920</b>	<b>212,980</b>

Contributes to corporate priority :

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

**5035 - CCTV**

The provision of a Closed Circuit Television scheme in Atherstone, in conjunction with the Town Council and Warwickshire Police Force.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	-	2,830	2,830	2,830
Supplies and Services	14,402	15,240	14,970	14,970
Earmarked Reserves	15,000	15,450	15,450	15,450
<b>GROSS EXPENDITURE</b>	<b>29,402</b>	<b>33,520</b>	<b>33,250</b>	<b>33,250</b>
GROSS INCOME	(32,069)	(32,640)	(31,920)	(32,560)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(2,667)</b>	<b>880</b>	<b>1,330</b>	<b>690</b>
Departmental Support	91,532	92,650	91,380	90,570
Central Support	546	550	550	550
Capital Charges	18,248	18,250	18,250	18,250
<b>NET EXPENDITURE</b>	<b>107,659</b>	<b>112,330</b>	<b>111,510</b>	<b>110,060</b>

Contributes to corporate priority :

- Work with the Police, Parish Councils, Town Councils, the community and other partners to tackle crime and anti-social behaviour

**5036 - Community Support**

A 7 day, 24 hour emergency alarm and mobile warden service available to all residents aged 62 or over within the Borough. The scheme also provides some for neighbouring authorities.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenditure	410,563	434,080	423,370	434,420
Premises Related Expenditure	68	130	130	140
Supplies and Services	28,880	25,680	17,900	25,320
Transport Related Expenditure	15,121	14,940	15,040	15,230
Earmarked Reserves	23,500	7,280	7,280	-
<b>GROSS EXPENDITURE</b>	<b>478,132</b>	<b>482,110</b>	<b>463,720</b>	<b>475,110</b>
GROSS INCOME	(40,038)	(35,050)	(38,070)	(25,970)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>438,094</b>	<b>447,060</b>	<b>425,650</b>	<b>449,140</b>
Departmental Support	63,822	61,160	64,530	61,710
Central Support	4,032	4,070	3,930	3,910
Capital Charges	23,579	20,270	26,270	28,770
<b>NET EXPENDITURE</b>	<b>529,527</b>	<b>532,560</b>	<b>520,380</b>	<b>543,530</b>

Contributes to corporate priority :

- Helping to tackle health inequalities by working with the County Council and the NHS locally and be encouraging, where financially viable, leisure opportunities in local communities

**KEY PERFORMANCE INDICATORS**

Number of Connections	5,425	5,350	5,350	5,350
Cost per connection	£97.61	£99.54	£97.27	£101.59

**7350 - Coleshill Market Town (externally funded)**

Following on from the Atherstone and Polesworth Market Towns Scheme there was a similar although much smaller scheme for Coleshill. In total, some £ 86,000 of funding was used mainly for shop front improvements in the town. The scheme came to an end in 2008/09.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Central Support	313	-	-	-
<b>NET EXPENDITURE</b>	<b>313</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7360 - North Warwickshire LEADER Partnership (externally funded)**

Funds of approximately £ 1.1m have been secured from the EU to allow a number of projects to take place over the period 2009/10 to 2012/13. The Council acts as the accountable body for this scheme and the budget represents staffing costs and grant payments made by this Council together with reimbursement of this expenditure within income.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Employee Expenditure	35,116	14,390	41,480	40,890
Premises Related Expenditure	819	-	1,000	-
Supplies and Services	113,724	-	90,470	-
Transport Related Expenditure	292	-	270	-
<b>GROSS EXPENDITURE</b>	<b>149,951</b>	<b>14,390</b>	<b>133,220</b>	<b>40,890</b>
GROSS INCOME	(135,310)	-	(113,860)	(22,120)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>14,641</b>	<b>14,390</b>	<b>19,360</b>	<b>18,770</b>
Central Support	29,480	30,960	43,420	43,230
<b>NET EXPENDITURE</b>	<b>44,121</b>	<b>45,350</b>	<b>62,780</b>	<b>62,000</b>

**7370 - Atherstone Partnership Scheme (externally funded)**

A project that aimed to bring about a noticeable improvement in the appearance of Atherstone's important historic buildings. It sought to build on the town's architectural and historic strengths to provide a quality environment to help increase tourism potential and encourage businesses to remain or locate in the town.

<b>DESCRIPTION</b>	<b>ACTUALS 2010/2011</b>	<b>APPROVED BUDGET 2011/2012</b>	<b>REVISED BUDGET 2011/2012</b>	<b>ORIGINAL BUDGET 2012/2013</b>
Supplies and Services	51,410	-	-	-
<b>GROSS EXPENDITURE</b>	<b>51,410</b>	<b>-</b>	<b>-</b>	<b>-</b>
GROSS INCOME	(51,411)	-	-	-
<b>NET EXPENDITURE</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7750 - Narrowing the Gap (externally funded)**

Narrowing the Gap is a short term project with the aim of narrowing the gap in outcomes between vulnerable and excluded children and others. It is funded by the Department for Children, Schools and Families.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Supplies and Services	(60)	-	-	-
<b>GROSS EXPENDITURE</b>	<b>(60)</b>	<b>-</b>	<b>-</b>	<b>-</b>
GROSS INCOME	59	-	-	-
<b>NET EXPENDITURE</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7760 - Branching Out Bus (externally funded)**

External funding has been secured to continue to operate a mobile information point within the Borough. This takes the form of a mobile home that tours the Borough offering information to citizens about service availability and benefit issues as well as providing more general information as and when requested. This external funding is set to continue until at least the end of March 2013.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenses	16,586	15,920	16,970	17,510
Premises	210	-	50	-
Supplies and Services	60,704	23,710	50,530	5,530
Transport Related Expenditure	3,605	3,710	4,240	4,020
Earmarked Reserves	38,282	(43,200)	(46,640)	(26,910)
<b>GROSS EXPENDITURE</b>	<b>119,387</b>	<b>140</b>	<b>25,150</b>	<b>150</b>
GROSS INCOME	(119,247)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>140</b>	<b>140</b>	<b>25,150</b>	<b>150</b>
Central Support	9,301	7,450	6,260	5,950
Capital Charges	9,039	8,590	8,100	8,150
<b>NET EXPENDITURE</b>	<b>18,480</b>	<b>16,180</b>	<b>39,510</b>	<b>14,250</b>

**7770 - Health and Wellbeing (ending in 2012/2013)**

A number of staff welfare initiatives fully funded by the Department for Works and Pensions

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Supplies and Services	46,920	-	-	-
Earmarked Reserves	(21,920)	-	-	-
<b>GROSS EXPENDITURE</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
GROSS INCOME	(25,000)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7800 - North Arden Heritage Trail (externally funded)**

A 25 mile circular walk around North Warwickshire partially funded by The Heritage Lottery Fund. These costs cover the administration of the scheme.

DESCRIPTION	ACTUALS 2010/2011	APPROVED BUDGET 2011/2012	REVISED BUDGET 2011/2012	ORIGINAL BUDGET 2012/2013
Employee Expenses	9,406	-	-	-
Premises Related Expenditure	132	-	-	-
Supplies and Services	117,586	-	-	-
Transport Related Expenditure	256	-	-	-
<b>GROSS EXPENDITURE</b>	<b>127,380</b>	<b>-</b>	<b>-</b>	<b>-</b>
GROSS INCOME	(116,089)	-	-	-
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>11,291</b>	<b>-</b>	<b>-</b>	<b>-</b>
Departmental Support	755	700	-	-
Central Support	5,189	440	-	-
Capital Charges	195	80	-	-
<b>NET EXPENDITURE</b>	<b>17,430</b>	<b>1,220</b>	<b>-</b>	<b>-</b>

Contributes to corporate priority :

- Protecting and improving our countryside and heritage



## Risk Analysis

	<b>Likelihood</b>	<b>Potential impact on Budget</b>
Increases in vacancies at industrial estates	Medium	Medium
Higher level of maintenance of Council assets	Medium	Low
An increase in the level of error made in processing of benefits	Low	Medium
An increase in workload arising from an increase in benefit claimants and non payment of Council Tax and/or Non Domestic Rates	Medium	Medium
The effect of planned changes in how benefit services are delivered and in the structure of benefit payments	High	Medium
A fall in the level of recovery of overpayments	Low	Medium
Further reductions in benefits administration grant	Low	Medium
RPI continuing at high levels and affecting contracts based on this measure	Low	Low
Loss of County Council funding for Customer Contact staffing	Low	Low
Additional resources that may be required to support externally funded projects	Medium	Low
Lack of funding for the Branching Out Bus beyond 2012/13	High	Medium

## Savings included

Description	2012/13
Cancellation of corporate subscription (Coalfields Alliance)	£3,250
Cancellation of corporate subscription (Ordnance Survey)	£7,000
Reduction in telephone costs within Corporate and Democratic Core	£1,360
New Homes Bonus Scheme grant	£141,090
Reduction in the use of the mayoral car	£7,000
Reduction in external audit fees arising from the demise of the Audit Commission	£660
Increase in Council Tax collection legal charges	£870
Freezing of members allowances	£3,460
Increase in Council Tax court fees	£6,000
Renegotiation of bailiffs contract resulting in a reduction in commission charges	£10,490
Reduction in buildings insurance at Innage Park	£6,040
Reduction in bank charges	£2,470
Additional income at Innage Park industrial estate	£8,400
<b>Overall Total</b>	<b>£198,090</b>

## Agenda Item No 12

### Resources Board

30 January 2012

Report of the  
Deputy Chief Executive

Housing Revenue Account  
Estimates 2012/13 and  
Rent Review

## 1 Summary

- 1.1 The report covers the revised budget for 2011/12 and an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

### Recommendation to the Board

- a To accept the revised estimate for 2011/12;
- b That rent increases, calculated on the basis that the Council will continue to move properties towards their individual target rents, be adopted;
- c To approve the proposed fees and charges for 2012/13 as set out in Appendix E;
- d To approve the service charges for the cleaning of communal areas, as detailed in Appendix F, from April 2012;
- e To approve the service charges for window cleaning, as detailed in Appendix G, from April 2012; and
- f To accept the Estimates of Expenditure for 2012/13, as submitted.

## 2 Introduction

- 2.1 In consultation with other Assistant Directors, the Assistant Director (Finance and Human Resources) has prepared an estimate of net expenditure for 2012/13 and this, together with a revised budget for 2011/12, appears in Appendix A. To provide a more complete picture of the spending pattern of the service, the actual figures for 2010/11 are shown.

...

- 2.2 The Housing Revenue Account has been prepared, taking into account the following assumptions:

- No increase in the level of service except where Council approval has already been given
- A zero pay award for 2012/13, with an increase of 2% for 2013/14 through to 2015/16
- Increases in the Council's pension contribution rate of 1% per annum
- The continuation of the current rent policy to move properties towards their individual target rents, within the constraint of increases capped at inflation plus 0.5% +£2 per week, set by the CLG.

### 3 **Comments on the 2011/12 Revised Budget**

3.1 The revised budget for 2011/12 shows an expected surplus of £210,810; which is £17,570 better than the approved budget surplus of £193,240. The main variations are given below.

- |   |  |           |
|---|--|-----------|
| a | There has been an increase in the provision for <b>Bad Debts</b> based on the previous years actuals.  | £11,040   |
| b | Departmental support costs charged to the <b>Repairs Fund</b> have decreased by £13,230 due to salary time allocation changes within the housing maintenance section.  | (£13,230) |
| c | There has been an increase in <b>General Administration, Estate Management and Rent Collection and Arrears</b> . This is due to a one off redundancy cost of £19,500 after the restructure on the Post Tenancy Section, an increase in building insurance of £3,800, partially offset by a reduction in legal costs of £9,000 on Rent Collection. In addition there have been increases in allocations from the legal department of £18,450 partially offset by decreased allocations from staff in Housing Management section of £16,370. | £16,570   |
| d | There has been an increase in the costs of <b>Tenant Participation</b> relating to an increase in the time spent by the Housing Management team.   | £16,060   |
| e | There has been a decrease in the <b>Supporting People</b> Grant received from Warwickshire County Council of £13,340 and changes in the time spent by the Housing Management team of £6,050.   | £19,390   |
| f | The budget provision included in the original estimate for capital charges on the new build homes was more than required.  | (£44,340) |

- g The service recharges made to **Leaseholders** of flats have decreased due to the lower repair levels which are rechargeable.  
£10,800
- i The service recharges made to council tenants for **Cleaning and Caretaking** of communal areas within flats have decreased due to changes in costs and void levels.  
£3,940
- j The **Interest on balances** has increased, as notional investments have been adjusted to reflect the higher level of balances held by the HRA.  
(£16,070)
- k An increase in **rental income** is the result of a lower level of voids.  
(£15,560)

#### 4 **The Move to Self Financing**

4.1 As Members are aware, the national Housing Subsidy system will end on 31 March, with the Authority moving to a self financing system from April 2012. In preparation for the move to self financing, a 30 year HRA Business Plan has been produced. Detail on the calculation of the self financing valuation was given in the previous report on the agenda. In addition, some of the specific assumptions used were also given and these are repeated below:

- Interest of 4.5% on new borrowing taken out
- General inflation of 3%, with 4% allowed on maintenance work and 4.5% allowed on capital spending
- A contingency of 7.5% for capital projects, to cover unexpected spending
- The use of any surpluses on the account to repay external borrowing

4.2 The major changes that will impact on the Housing Revenue Account are:

- Borrowing of £63.265 million taken out to make the required one off settlement payment to the government
- The annual housing subsidy payment to the government will no longer be required
- The Major Repairs Allowance (MRA) will no longer be received
- HRA capital expenditure will be funded from the revenue account, rather than through the MRA

4.3 As indicated in paragraph 3.2, current rent policy has been continued. Rent restructuring means that individual targets and rents are set for each property. All properties will need to increase rents to get to their target rent. Although there is an average rent increase of £6.12 per week (8.9%), individual rent changes will vary from increases of £4.92 to £7.78 in 2012/13. This is due to the adherence to the limit previously set by government which require

individual rents to rise by no more than inflation plus 0.5% plus £2 per week.

- 4.4 An exception to the standard approach to rent increases relates to the 25 newly built properties in Arley, Water Orton, Kingsbury and Fillongley, completed during 2010/11 and 2011/12. The rents for these were set at the target levels, so the increase in 2012/13 will be inflation plus 0.5% The average rent increase will be £5.12 per week (6.1%), individual rent changes will vary from increases of £4.62 to £5.57 in 2012/13.

## 5 30 Year HRA Business Plan

- 5.1 As management of the housing stock is a long term requirement, a business plan has been put together for 30 years. This has been updated as part of the estimates process and the revised business plan is attached as Appendix B1. The expected position on the Housing Revenue Account at the end of the 30 years is a surplus of £135 million. This is after funding capital expenditure of £178 million, and repaying borrowing of £63.265 million. Annual surpluses are small until the borrowing has been repaid in year 17, after which they increase significantly.
- 5.2 Surpluses can be used on the provision of new housing or increasing the standard of maintenance on the existing stock.
- 5.3 As indicated in the previous report on Self Financing, Members could chose to set aside some funding for new build in the first few years of the plan. This would reduce the rate at which borrowing was repaid; however assuming a set aside of £4 million, borrowing could still be repaid in total in year 18. Should £1 million be set aside each year of the business plan then debt would be repaid by year 23.

## 6 Four Year HRA Forecast – 2012/13 to 2015/16

- 6.1 As expenditure in particular is difficult to predict so far in advance, a more detailed four year estimate has also been developed. This is summarised in the table below, with some additional detail given in Appendix B.

...

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Management and Maintenance	4,181	4,308	4,454	4,589
Interest on borrowing	2,858	2,783	2,724	2,600
Repayment of borrowing	1,754	1,894	1,976	2,217
Capital expend funded by revenue	2,222	2,696	3,146	3,615
<b>Total Expenditure</b>	<b>11,015</b>	<b>11,681</b>	<b>12,300</b>	<b>13,021</b>
Income	(10,992)	(11,613)	(12,254)	(12,950)
Interest on Balances	(41)	(64)	(77)	(77)
<b>Total Income</b>	<b>(11,033)</b>	<b>(11,677)</b>	<b>(12,330)</b>	<b>(13,027)</b>
(Surplus)/Deficit on the year	(18)	4	(30)	(6)
Balance at 31 March	(1,079)	(1,075)	(1,105)	(1,111)

## 7 Comments on the 2012/13 Estimates

7.1 The estimated balance on the Housing Revenue account at 1 April 2012 is £1,060,515, which is higher than the £820,657 anticipated in the original estimates. Looking in greater detail at the coming year, the budget for 2012/13 shows an expected surplus of £18,210. The main variations are explained below:

a Pay awards have been provided on the basis of a 0% settlement with effect from 1 April 2012 except for increments

b The increase in **Capital Charges, Interest on Loans, Revenue Set Aside and PWLB settlement fee** relates to the debt taken out to buy the authority out of the subsidy system.

£4,312,970

c There has been an increase in the provision for **Bad Debts** based on the previous years actuals and future expectations relating to benefit change and economic climate.

£68,000

d The **contribution to the Repairs Fund** has been calculated with an inflationary increase of 4% and an assumed 5 council house sales (see Appendix C).

£69,260

e The **Major Repairs Account** will no longer be received, as this was part of the Subsidy system.

(£1,762,430)

f There has been a decrease in **General Administration, Lettings, Estate management and Rent Collection and Arrears**. This is due to the removal of the one off redundancy cost of £19,500 after the restructure on the Post Tenancy Section in 2011/12. The remainder relates to changes in salary allocations of the Housing Management Section.

(£23,180)

g There has been a decrease in the **Supporting People** budget as a higher level of grant is expected from Warwickshire County Council. This has been partially offset by increases on **Flats and Communal Centres** in utility costs of £3,540. The remainder relates to inflationary increases.

(£6,900)

h An increase in the direct revenue funding of the capital programme.

£2,100,000

- i The **payment over to the CLG** for Housing Subsidy is no longer required, as this was part of the Subsidy system.  
(£3,753,740)
- j There is a planned increase in **garage rents** of £0.50 per week from April 2012 generating additional income.  
(£27,330)
- k The **Interest on balances** has increased, as notional investments have been adjusted to reflect the higher level of balances held and interest rates expected by the HRA.  
(£13,750)
- l There is an increase in Council house **rental income** as the Authority continues to move towards its target rent, in line with the rent restructuring rules.  
(£848,740)

## 8 Housing Repairs Fund

- 8.1 The HRA makes an annual contribution to the Repairs Fund. Part of the contribution is set aside for the day to day maintenance, with the remainder used for planned maintenance work. The fund covers payments to Housing Direct Works and outside contractors. The majority of the current workload is completed by Housing Direct Works (see Appendix C).
- 8.2 A small balance is usually maintained on the Housing Repairs Fund, which is used to meet fluctuations in the timing of repair work.

## 9 Housing Direct Works

- 9.1 Estimates for Housing Direct Works (HDW) have been prepared for 2012/13, along with the revised position for 2011/12, and these are attached as Appendix D.
- 9.2 The main changes between the original and revised budgets for 2011/12 are:
- **Employee** budgets have increased due to the use of an additional employee. This has been offset by reducing the sub contractor budget in supplies and services  
£31,240
  - **Supplies and services** have decreased due to reductions in work undertaken by sub contractors of £141,480. This is partially offset by increases in materials of £27,880, scaffolding costs of £23,450 and waste disposal costs of £3,370.  
(£85,030)
  - **Transport costs** have increased due to higher running costs of the HDW vehicle fleet.  
£12,610



- **Income** has decreased to reflect the decreased workload now being completed by Housing Direct Works staff and sub contractors.  
£66,440
- **Central Support** charges have decreased mainly due to changes in the allocation of Human Resources, Financial Services, Training and Procurement.  
(£8,170)
- **Leasing charges** are lower than originally estimated due to a change in the expected replacement dates of some of the HDW vehicle fleet.  
(£4,070)

9.3 The main changes between the revised 2011/12 and original budget for 2012/13 are:

- **Employee** costs have decreased, as the budget has been reduced to reflect the original establishment of 28 employees. This reduction has been offset by increments and a phased increase in the cost of the trainee.  
(£3,990)
- **Supplies and services** have increased due to an inflation allowance on all supplies and sub contractor costs.  
£23,800
- **Transport costs** have decreased as lower running costs of the HDW vehicle fleet are expected.  
(£2,600)
- **Income** has decreased to reflect the move away from a trading account. The only income left is from recharges for work undertaken on behalf of facilities management and the capital programme.  
£1,739,600
- **Departmental and Central Support** charges have decreased mainly due to small changes in the allocation of various recharges to HDW.  
(£2,550)
- **Leasing charges** have increased due to changes in replacement dates of the remaining HDW fleet.  
£1,260

## 10 Fees and Charges

10.1 The proposed fees and charges have been increased by 3% for 2012/13, with the exception of garage rents. An increase on garage rents is generally applied once every three years, so an increase of 50 pence per week is

... proposed in 2012/13, in line with normal practice. The detailed list of fees and charges is attached as Appendix E to the report.

## 11 **Service Charges**

... 11.1 There is a requirement for service charges to be paid by those tenants who actually receive specific services. NWBC make specific charges for window cleaning and cleaning costs of communal areas in blocks of flats. The current and proposed charges are attached in Appendices F and G.

11.2 The Council also makes a service charge to the lease holders of flats that have been sold under the Right to Buy legislation. This reflects the actual costs of management and maintenance.

## 12 **Risks to the Business Plan**

12.1 The expected surplus on the Business Plan is dependent on adherence to the assumptions used in the forecast. Varying these would impact on the achievement of a surplus. The key risks to the budgetary position of the Housing Revenue Account include:

- A change in interest rates, particularly in the short term, before external borrowing is taken out in March 2012.
- A reduction in the rent levels assumed in the Business Plan, as this could impact significantly on the expected surpluses.
- An increase in the level of capital spending required on the existing stock, due to unforeseen events. The contingency included within the Business Plan should cover this risk. However any increase in standards would impact on the current business plan.
- Rising tenant expectations and an ageing stock are likely to continue to increase the demand for repairs. It is likely that this increase could be accommodated within existing budgets.
- Any reduction in the performance of Housing Direct Works will put pressure on the Council to use external contractors and therefore will impact on the level of expenditure.

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

12.3 Assuming a minimum working balance of £1,000,000, the Council can continue with services at current levels over the next four years. However, the service will still need to demonstrate value for money.

## 13 **Conclusions**

13.1 The Housing Revenue Account is in a better financial position than it has been in previous years. Decisions which vary the Business Plan in any significant way

will need to be quantified and the impact considered before they are implemented, to ensure the long term sustainability of the Housing Revenue Account.

## 14 Report Implications

### 14.1 Finance and Value for Money Implications

14.1.1 As above.

### 14.2 Environment and Sustainability Implications

14.2.1 Operating in line with the Business Plan will ensure the long term sustainability of the Housing Revenue Account.

### 14.3 Risk Management Implications

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

The contact officer for this report is Nigel Lane (719371).

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

**HOUSING REVENUE ACCOUNT**

<b>Actual 2010/11</b>	<b>DESCRIPTION</b>	<b>ORIGINAL BUDGET 2011/12 £</b>	<b>REVISED BUDGET 2011/12 £</b>	<b>ORIGINAL BUDGET 2012/13 £</b>
	<b>EXPENDITURE</b>			
31,581	Provision for Bad Debts	20,960	32,000	100,000
	<b>Repairs Fund</b>			
320,198	Departmental Support Services	312,760	299,530	308,610
98,854	Central Support Services	121,910	120,300	120,690
1,997,028	Contribution to Fund	2,043,010	2,043,420	2,112,680
1,731,632	MRA	1,765,000	1,762,430	-
	<b>Management</b>			
356,930	General Administration	484,490	488,260	500,510
132,343	Housing Registor & Lettings	152,520	152,800	148,750
168,311	Tenancy & Estate Management	243,350	246,930	241,550
166,234	Rent Collection & Arrears	242,220	251,440	225,440
37,493	Tenant Participation	43,600	59,660	62,800
253,156	Flats & Communal Centres	310,000	308,920	316,330
25,364	Supporting People Service	17,690	37,080	22,770
(2,939)	Laundries	4,630	4,630	4,910
11,934	Cesspools and Management of Shops	15,760	15,920	16,210
43,971	Capital Charges	343,370	299,030	-
-	Interest on Loans (as per Business Plan)	-	-	2,836,000
-	Revenue set aside (as per Business Plan)	-	-	1,754,000
-	PWLB settlement Fee (as per Business plan)	-	-	22,000
-	Capital Spend (as per Business Plan)	-	-	2,222,000
120,071	Revenue Contribution to Capital	122,000	122,000	-
3,382,311	Transfer to Department for Communities and Local Government (DCLG)	3,753,740	3,753,740	-
<b>8,874,472</b>	<b>Gross Expenditure</b>	<b>9,997,010</b>	<b>9,998,090</b>	<b>11,015,250</b>
	<b>INCOME</b>			
85,768	Service Charges - Leaseholders	37,780	26,980	26,980
50,109	Service Charges - Window Cleaning	13,520	13,490	13,760
-	Service Charges - Cleaning & Caretaking	40,330	36,390	38,610
216,330	Garage Rents	216,480	217,000	244,330
94,514	Shop Rents	93,220	94,620	94,710
426	Interest on Sale of Council Houses	350	220	80
6,289	Interest on Balances	11,100	27,170	40,920
(331,408)	Pensions reserve	67,700	67,700	-
8,931,762	Gross Rents (less voids)	9,709,770	9,725,330	10,574,070
<b>9,053,790</b>	<b>Gross Income</b>	<b>10,190,250</b>	<b>10,208,900</b>	<b>11,033,460</b>
<b>(179,318)</b>	<b>(Surplus)/Deficit for Year</b>	<b>(193,240)</b>	<b>(210,810)</b>	<b>(18,210)</b>
(670,387)	Revenue Fund balance at start of year	(627,417)	(849,705)	(1,060,515)
(849,705)	Revenue Fund balance at end of year	(820,657)	(1,060,515)	(1,078,725)
2,762	1st April Stock numbers for Subsidy	2,724	2,724	-
2,735	Average no. of properties (nwbc calc)	2,720	2,745	2,742

<b>HOUSING REVENUE ACCOUNT</b>				
<b>DESCRIPTION</b>	<b>ORIGINAL BUDGET 2012/13 £</b>	<b>ORIGINAL BUDGET 2013/14 £</b>	<b>ORIGINAL BUDGET 2014/15 £</b>	<b>ORIGINAL BUDGET 2015/16 £</b>
<b>EXPENDITURE</b>				
Provision for Bad Debts	100,000	100,000	100,000	106,000
<b>Repairs Fund</b>				
Departmental Support Services	308,610	318,390	327,000	335,490
Central Support Services	120,690	123,670	126,450	129,120
Contribution to Fund	2,112,680	2,181,780	2,266,750	2,338,960
<b>Management</b>				
General Administration	500,510	512,990	526,100	538,350
Housing Registor & Lettings	148,750	152,990	158,100	162,230
Tenancy & Estate Management	241,550	249,150	257,660	264,590
Rent Collection & Arrears	225,440	232,160	239,460	245,490
Tenant Participation	62,800	64,340	66,230	67,740
Flats & Communal Centres	316,330	326,840	337,320	348,750
Supporting People Service	22,770	24,650	26,970	28,820
Laundries	4,910	5,190	5,490	5,790
Cesspools and Management of Shops	16,210	16,530	17,020	17,520
Interest on Loans (as per Business Plan)	2,836,000	2,783,000	2,724,000	2,600,000
Revenue set aside (as per Business Plan)	1,754,000	1,894,000	1,976,000	2,217,000
PWLB settlement Fee (as per Business plan)	22,000	-	-	-
Capital Spend (as per Business Plan)	2,222,000	2,696,000	3,146,000	3,615,000
<b>Gross Expenditure</b>	<b>11,015,250</b>	<b>11,681,680</b>	<b>12,300,550</b>	<b>13,020,850</b>
<b>INCOME</b>				
Service Charges - Leaseholders	26,980	26,980	26,980	26,980
Service Charges - Window Cleaning	13,760	14,040	14,320	14,610
Service Charges - Cleaning & Caretaking	38,610	39,380	40,170	40,970
Garage Rents	244,330	244,330	244,330	271,660
Shop Rents	94,710	92,100	88,140	89,850
Interest on Sale of Council Houses	80	40	10	-
Interest on Balances	40,920	64,490	76,660	77,220
Gross Rents (less voids)	10,574,070	11,195,970	11,839,830	12,506,050
<b>Gross Income</b>	<b>11,033,460</b>	<b>11,677,330</b>	<b>12,330,440</b>	<b>13,027,340</b>
<b>(Surplus)/Deficit for Year</b>	<b>(18,210)</b>	<b>4,350</b>	<b>(29,890)</b>	<b>(6,490)</b>
Revenue Fund balance at start of year	(1,060,515)	(1,078,725)	(1,074,375)	(1,104,265)
Revenue Fund balance at end of year	(1,078,725)	(1,074,375)	(1,104,265)	(1,110,755)
Average no. of properties	2,742	2,735	2,732	2,727

**SELF FINANCING HRA MODELLING FEBRUARY 2011**  
**PRINT SUMMARY OF BUSINESS PLAN AND SCENARIOS**

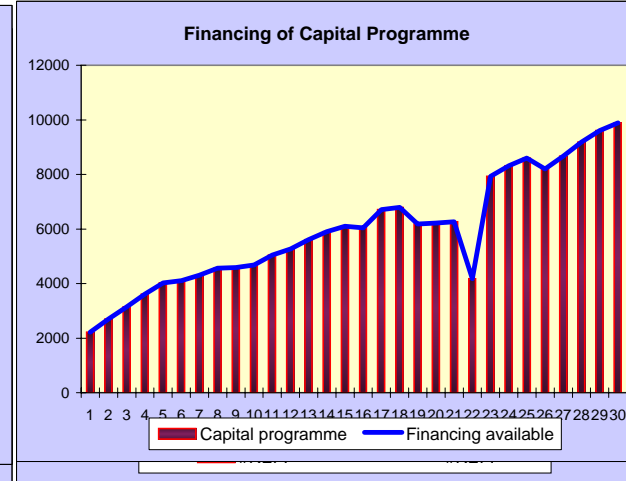
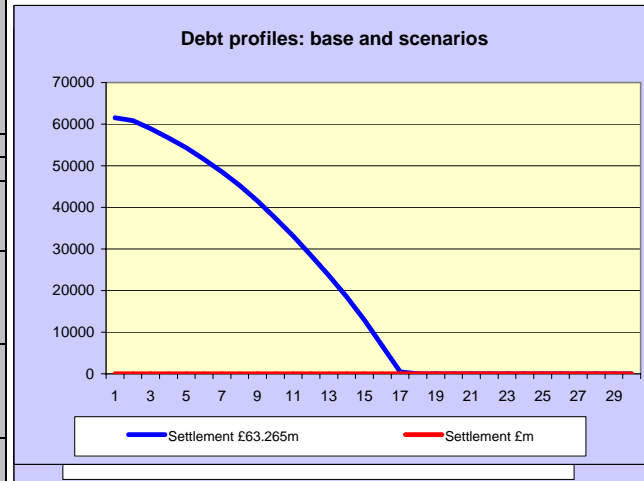
**NORTH WARWICKS**  
 Date 20.1.12

**£63,265 @NPV 6.5% Interest of 4.5%, £50,000 PA Garages and Shops and excludes new build Capital increase by 7.5%, 1.5% inflat on cap and 1% inflat on maint. Includes increase in borrowing of £1.252 million in 13/14**

Inflation sensitivities	
<b>3.00%</b>	RPI/rent inflation from 2012
<b>3.00%</b>	GDP/expenditure inflation from 2012
<b>0.00%</b>	Additional real Mgt cost inflation to year <b>10</b>
<b>1.00%</b>	Additional real Maint cost inflation to year <b>30</b>
<b>1.50%</b>	Additional real Cap cost inflation to year <b>30</b>
Capital / debt sensitivities	
<b>s</b>	= current scenario ( M - S - S1 )
<b>0%</b>	MRP annual %age
<b>y</b>	Additional set aside from revenue
<b>2012.13</b>	<b>YEAR OF SELF FINANCING</b>
Scenario schedules	
<b>(1) Scenario: opening debt</b>	
<b>4</b>	Review report - with uplift
<b>63,265</b>	Opening debt
<b>(2) RTB receipts to the HRA</b>	
<b>P</b>	Pooling (as per current system)
	RTB receipts included in Plan Set at Zero as
<b>0.0%</b>	Receipts used for General Fund purposes
<b>(3) Future surplus sharing</b>	
<b>L</b>	Local 100% retain surpluses
<b>100%</b>	%age surpluses retained locally
<b>0%</b>	%age surpluses paid over nationally
<b>(4) Borrowing controls</b>	
<b>s</b>	Self financed borrowing locally

Key outputs	£'000s
Debt adjustment	59,848
Opening debt	63,265
Closing debt	0
Peak debt	61,511
Year of peak debt	2
Closing HRA reserve	-135,136

Capital programme outputs	£'000s
Capital programme 30 years	178,613
Total financing 30 years	178,613
Shortfall	0
Total reserve at year 30	135,136



30 year total	SELF FINANCING	2012/13	2013/14	2014/15	2015/16	2016/17										
	<b>HRA (OPERATING ACCOUNT)</b>															
-588,077	Rental income	-10,681	-11,309	-11,960	-12,632	-13,226	-13,765	-14,281	-14,804	-15,322	-15,843	-87,516	-102,996	-121,180	-142,562	-31,398
0	Caps and Limits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-17,372	Other income	-418	-417	-414	-444	-447	-450	-480	-483	-486	-517	-2,716	-3,050	-3,365	-3,685	-789
<b>-605,449</b>	<b>Gross income</b>	<b>-11,099</b>	<b>-11,726</b>	<b>-12,374</b>	<b>-13,076</b>	<b>-13,673</b>	<b>-14,215</b>	<b>-14,761</b>	<b>-15,287</b>	<b>-15,808</b>	<b>-16,360</b>	<b>-90,232</b>	<b>-106,046</b>	<b>-124,545</b>	<b>-146,247</b>	<b>-32,187</b>
72,729	Management (incl DME)	1,539	1,585	1,634	1,679	1,720	1,771	1,824	1,879	1,935	1,993	10,901	12,637	14,649	16,983	3,708
139,986	Maintenance	2,542	2,624	2,720	2,804	2,904	3,020	3,142	3,268	3,399	3,536	19,935	24,305	29,662	36,125	7,951
5,882	Voids	107	113	120	126	132	138	143	148	153	158	876	1,031	1,211	1,426	314
4,935	Bad debt provision	100	100	100	106	111	115	119	124	128	133	732	862	1,013	1,192	263
<b>218,597</b>	<b>Operating expenditure</b>	<b>4,288</b>	<b>4,422</b>	<b>4,574</b>	<b>4,715</b>	<b>4,867</b>	<b>5,044</b>	<b>5,228</b>	<b>5,419</b>	<b>5,615</b>	<b>5,820</b>	<b>32,444</b>	<b>38,835</b>	<b>46,535</b>	<b>55,726</b>	<b>12,236</b>
<b>-386,852</b>	<b>Net Cost of Services</b>	<b>-6,811</b>	<b>-7,304</b>	<b>-7,800</b>	<b>-8,361</b>	<b>-8,806</b>	<b>-9,171</b>	<b>-9,533</b>	<b>-9,868</b>	<b>-10,193</b>	<b>-10,540</b>	<b>-57,788</b>	<b>-67,211</b>	<b>-78,010</b>	<b>-90,521</b>	<b>-19,951</b>
30,315	Interest payments	2,836	2,783	2,724	2,600	2,497	2,382	2,252	2,109	1,952	1,775	5,792	613	0	0	0
22	PWLB Settlement fee	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-25,626	Interest received	-41	-65	-76	-77	-77	-77	-78	-78	-78	-78	-395	-1,065	-7,390	-16,051	-4,433
<b>-382,141</b>	<b>Net operating expenditure</b>	<b>-3,994</b>	<b>-4,586</b>	<b>-5,152</b>	<b>-5,838</b>	<b>-6,386</b>	<b>-6,866</b>	<b>-7,359</b>	<b>-7,837</b>	<b>-8,319</b>	<b>-8,843</b>	<b>-52,391</b>	<b>-67,663</b>	<b>-85,400</b>	<b>-106,572</b>	<b>-24,384</b>
64,517	Revenue set aside (debt repayment)	1,754	1,894	1,976	2,217	2,365	2,753	3,045	3,273	3,717	4,149	24,439	12,934	0	0	0
178,613	Direct revenue financing (RCCO fund cap Prog)	2,222	2,696	3,146	3,615	4,018	4,104	4,308	4,558	4,592	4,684	27,921	31,926	35,277	45,546	10,186
<b>-139,011</b>	<b>In year (surplus)/deficit</b>	<b>-18</b>	<b>4</b>	<b>-30</b>	<b>-6</b>	<b>-3</b>	<b>-9</b>	<b>-6</b>	<b>-6</b>	<b>-10</b>	<b>-10</b>	<b>-31</b>	<b>-22,803</b>	<b>-50,123</b>	<b>-61,026</b>	<b>-14,198</b>
	<b>HRA reserve b/fwd (-ve = Surplus)</b>	<b>-1,060</b>	<b>-1,078</b>	<b>-1,074</b>	<b>-1,104</b>	<b>-1,110</b>	<b>-1,113</b>	<b>-1,122</b>	<b>-1,128</b>	<b>-1,134</b>	<b>-1,144</b>	<b>-1,154</b>	<b>-1,185</b>	<b>-23,987</b>	<b>-74,110</b>	<b>-135,136</b>
	<b>HRA reserve c/fwd (-ve = Surplus)</b>	<b>-1,078</b>	<b>-1,074</b>	<b>-1,104</b>	<b>-1,110</b>	<b>-1,113</b>	<b>-1,122</b>	<b>-1,128</b>	<b>-1,134</b>	<b>-1,144</b>	<b>-1,154</b>	<b>-1,185</b>	<b>-23,987</b>	<b>-74,110</b>	<b>-135,136</b>	<b>-149,334</b>
	<b>CAPITAL PROGRAMME</b>															
<b>178,613</b>	<b>Expenditure (Cap spend with Inflation)</b>	<b>2,222</b>	<b>2,696</b>	<b>3,146</b>	<b>3,615</b>	<b>4,018</b>	<b>4,104</b>	<b>4,308</b>	<b>4,558</b>	<b>4,592</b>	<b>4,684</b>	<b>27,921</b>	<b>31,926</b>	<b>35,277</b>	<b>45,546</b>	<b>10,186</b>
0	Financed by...															
0	RTB receipts and other resources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
178,613	Direct revenue financing	2,222	2,696	3,146	3,615	4,018	4,104	4,308	4,558	4,592	4,684	27,921	31,926	35,277	45,546	10,186
0	Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>178,613</b>	<b>Total financing</b>	<b>2,222</b>	<b>2,696</b>	<b>3,146</b>	<b>3,615</b>	<b>4,018</b>	<b>4,104</b>	<b>4,308</b>	<b>4,558</b>	<b>4,592</b>	<b>4,684</b>	<b>27,921</b>	<b>31,926</b>	<b>35,277</b>	<b>45,546</b>	<b>10,186</b>

Appendix C

HOUSING REPAIRS FUND

£

<b>Balance at 1 April 2011</b>	<b>111,453</b>
Contribution 2011/12	2,463,250
Expected Use of Fund	(2,363,250)
<b>Balance at 1 April 2012</b>	<b>211,453</b>
Contribution 2012/13	2,524,090
Expected Use of Fund - Housing Direct Works	(1,764,070)
Expected Use of Fund - Other Contractors	(330,720)
Expected Use of Fund - Departmental and Central Support	(429,300)
<b>Balance at 1 April 2013</b>	<b>211,453</b>

## Appendix D

## 1900 - HOUSING DIRECT WORKS

DESCRIPTION	ACTUALS	APPROVED	REVISED	ORIGINAL
	2010/11	BUDGET 2011/12	BUDGET 2011/12	BUDGET 2012/13
Employee Expenditure	814,055	848,610	879,850	875,860
Supplies & Services	1,004,805	878,200	793,170	816,970
Transport	88,808	84,550	97,160	94,560
Miscellaneous Expenditure	(14,763)	-	-	-
<b>GROSS EXPENDITURE</b>	<b>1,892,905</b>	<b>1,811,360</b>	<b>1,770,180</b>	<b>1,787,390</b>
GROSS INCOME	(2,233,441)	(2,164,350)	(2,097,910)	(358,310)
<b>NET CONTROLLABLE EXPENDITURE</b>	<b>(340,536)</b>	<b>(352,990)</b>	<b>(327,730)</b>	<b>1,429,080</b>
Departmental Support	153,114	170,950	170,100	168,890
Central Support Services	122,954	125,260	117,090	115,750
Leasing Charges	48,461	53,260	49,190	50,450
<b>NET (SURPLUS) / DEFICIT</b>	<b>(16,007)</b>	<b>(3,520)</b>	<b>8,650</b>	<b>1,764,170</b>



**NORTH WARWICKSHIRE BOROUGH COUNCIL****HOUSING****FEES AND CHARGES FROM 1 APRIL 2012**

	2011/12	2011/12		TOTAL	TOTAL	2012/13	2012/13		TOTAL	TOTAL
	NET	NET	VAT	TOTAL	TOTAL	NET	NET	VAT	TOTAL	TOTAL
	CHARGE	CHARGE	RATING	CHARGE	CHARGE	CHARGE	CHARGE	RATING	CHARGE	CHARGE
	£	£		20% VAT	20% VAT	£	£		20% VAT	20% VAT
				£	£				£	£
<b>COMMUNAL CENTRES</b>										
	Voluntary	Private		Voluntary	Private	Voluntary	Private		Voluntary	Private
	Groups			Groups		Groups			Groups	
<b>Communal Centres</b>										
Use of lounge (per 2 hours)	5.40	10.80	Exempt	5.40	10.80	5.50	11.00	Exempt	5.50	11.00
Use of kitchen	1.15	2.30	"	1.15	2.30	1.20	2.35	"	1.20	2.35
<b>Purpose Built Community Centres</b>										
Use of lounge (per 2 hours)	8.05	16.10	Exempt	8.05	16.10	8.20	16.40	Exempt	8.20	16.40
Use of kitchen	1.65	3.30	"	1.65	3.30	1.70	3.40	"	1.70	3.40
<b>Multi-Purpose Centres</b>										
Use of lounge (per 2 hours)	10.80	21.40	Exempt	10.80	21.40	11.00	21.80	Exempt	11.00	21.80
Use of kitchen	2.30	4.35	"	2.30	4.35	2.35	4.40	"	2.35	4.40
	NET	VAT	TOTAL			NET	VAT	TOTAL		
	CHARGE	RATING	CHARGE			CHARGE	RATING	CHARGE		
	£		20% VAT			£		20% VAT		
			£					£		
<b>GUEST BEDROOMS</b>										
Per week or part of week	1.42	Incl. VAT	1.70			N/A	Incl. VAT at	N/A		
		at					Standard			
Per night	N/A	Incl. VAT	N/A			0.83	Incl. VAT at	1.00		
		at					Standard			
Per week	N/A	"	N/A			5.83	"	7.00		
<b>ALLOTMENT RENT</b>										
Waverton Avenue, Warton	2.70	Exempt	2.70			2.75	Exempt	2.75		
<b>GARAGE PLOTS</b>										
Bracebridge Road, Lister Road & St. George's Road, Atherstone										
NWBC council house tenants	22.45	Exempt	22.45			22.90	Exempt	22.90		
Others	22.79	Incl. VAT	27.35			23.25	Incl. VAT at	27.90		
		at					Standard			
		Standard					Rate			
		Rate								
<b>COUNCIL OWNED GARAGES</b>										
NWBC council house tenants	4.58	Exempt	4.58			5.08	Exempt	5.08		
Others	4.58	Incl. VAT	5.50			5.08	Incl. VAT at	6.10		
		at					Standard			

**Proposed Cleaning Service Charges per week**

Appendix F

<b>Name of Scheme</b>	<b>Cost Per Property</b>	<b>Cost per week (48 wks)</b>	<b>Cost Per Property</b>	<b>Cost per week (48 wks)</b>
	<b>2011/12</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2012/13</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Alder Court and Heather Atherstone	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Alexandra Court, Atherstone	72.86	<b>1.52</b>	77.05	<b>1.61</b>
St Benedicts Close, Atherstone	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Welcome Street, Atherstone	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Arden Forest Estate, Ridge Lane	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Church Road/Long Street,Dordon	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Chancery Court, Chapel End	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Gramer Court, Mancetter	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Monument View/Sycamore Ave Polesworth	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Abbey Green Court, Polesworth	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Jubilee Court, Kingsbury	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Drayton Court, Hartshill	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Eastlang Road, Fillongley	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Hudson/Wall Avenue, Coleshill	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Digby Road & Clinton Road, Coleshill	72.86	<b>1.52</b>	77.05	<b>1.61</b>
George Road, Water Orton	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Church Hill Coleshill	72.86	<b>1.52</b>	77.05	<b>1.61</b>
Owen Square Atherstone	72.86	<b>1.52</b>	77.05	<b>1.61</b>

Name of Scheme	Cost Per Property	Cost per Fortnight (24)	Cost Per Property	Cost per Fortnight (24)
	2011/12	2011/12	2012/13	2012/13
	£	£	£	£
Alder Court and Heather Atherstone	9.20	<b>0.38</b>	9.38	<b>0.39</b>
Alexandra Court, Atherstone	18.54	<b>0.77</b>	18.91	<b>0.79</b>
Coleshill Road Atherstone	52.57	<b>2.19</b>	53.62	<b>2.23</b>
Lister Road Atherstone	38.11	<b>1.59</b>	38.87	<b>1.62</b>
Long Street Atherstone	22.30	<b>0.93</b>	22.75	<b>0.95</b>
St Benedicts Close, Atherstone	35.05	<b>1.42</b>	34.76	<b>1.45</b>
Welcome Street, Atherstone	23.36	<b>0.97</b>	23.83	<b>0.99</b>
Arden Forest Estate, Ridge Lane	21.51	<b>0.90</b>	21.94	<b>0.91</b>
Church Road, Dordon	30.64	<b>1.28</b>	31.25	<b>1.30</b>
Long Street, Dordon	32.50	<b>1.35</b>	33.15	<b>1.38</b>
St Leonards Close, Dordon	24.32	<b>1.01</b>	24.80	<b>1.03</b>
Chancery Court, Chapel End	27.20	<b>1.13</b>	27.75	<b>1.16</b>
Gramer Court, Mancetter	32.57	<b>1.36</b>	33.22	<b>1.38</b>
Monument View/Sycamore Ave Polesworth	26.15	<b>1.09</b>	26.67	<b>1.11</b>
Abbey Green Court, Polesworth	33.32	<b>1.39</b>	33.99	<b>1.42</b>
Jubilee Court, Kingsbury	27.11	<b>1.13</b>	27.65	<b>1.15</b>
Oldbury View, Hartshill	36.80	<b>1.53</b>	37.54	<b>1.56</b>
Drayton Court, Hartshill	27.70	<b>1.15</b>	28.25	<b>1.18</b>
Eastlang Road, Fillongley	24.43	<b>1.02</b>	24.92	<b>1.04</b>
Hudson/Wall Avenue, Coleshill	15.93	<b>0.66</b>	16.25	<b>0.68</b>
Digby Road, Coleshill	24.69	<b>1.03</b>	25.19	<b>1.05</b>
Clinton Road, Coleshill	23.90	<b>1.00</b>	24.37	<b>1.02</b>
Delves Crescent, Wood End	46.00	<b>1.92</b>	46.92	<b>1.95</b>
George Road, Water Orton	10.89	<b>0.45</b>	11.10	<b>0.46</b>
Church Walk Mancetter	56.14	<b>2.34</b>	57.26	<b>2.39</b>
Church Hill Coleshill	18.60	<b>0.78</b>	18.98	<b>0.79</b>

**Risk Analysis**

	<b>Likelihood</b>	<b>Potential impact on Budget</b>
Change in interest rates	Low	High
Reduction in rent levels	Low	High
Increase in capital expenditure	Low	Medium
An increase in the demand for repairs	Medium	Medium
Reduction in Housing Direct Works performance	Medium	Medium

## **Agenda Item No 13**

### **Resources Board**

**30 January 2012**

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

#### **Housing Self-Financing**

### **1 Summary**

- 1.1 This report details the payment the Authority will be required to make as part of the self-financing settlement and asks the Board to indicate how it would wish to use any surpluses that are generated.

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

**That the Housing Sub-Committee recommendation to use the surplus to repay debt and support new build be endorsed.**

### **2 Consultation**

- 2.1 None.

### **3. Introduction**

- 3.1 The Housing Sub-Committee, at its meeting of 17 January 2012, considered a report on Housing self-financing, which is attached at Appendix 1.

- 3.1.1 The Sub-Committee were asked to indicate whether they would wish to use the whole of any surplus generated to repay debt, or whether a proportion should be earmarked for new build projects or other capital works. The Deputy Chief Executive indicated, by way of example, that if £1.0m of the surplus per annum were earmarked, then the period for repaying debt would only lengthen by around 5 years from year 17-22, according to the current assumptions in the business plan. If the Authority chose to use all the surplus to repay debt and then subsequently had to re-borrow to finance any new build, this was likely to be at significantly higher interest rates than current levels.

- 3.2 The Housing Sub-Committee has recommended that part of the surplus be used to finance new build or other capital works and the Resources Board is requested to endorse this recommendation.

- 3.2.1 This will enable the Deputy Chief Executive to structure the debt maturity profile of the debt to be taken in March 2012 accordingly.

#### 4 **Report Implications**

4.1 As set out in the Appendix to this report.

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

#### **Background Papers**

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

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

**Agenda Item No 7****Housing Sub-Committee****17 January 2012****Report of the  
Deputy Chief Executive****Housing Self-Financing****1 Summary**

- 1.1 This report details the payment the Authority will be required to make as part of the self-financing settlement.

**Recommendation to the Sub-Committee**

**That the Board note the self financing valuation and indicates in principal how it would wish to use any surplus generated.**

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

- 2.1.1 None

**3 Introduction**

- 3.1 Members will be aware from previous Board reports that the Housing Subsidy System will end from 1 April 2012 and the Authority will be required to make a payment to the Government on 28 March 2012. The Government has now issued its final proposals for implementing self-financing.

- 3.2 A self-financing valuation for each Authority has been calculated using a discounted cash flow model of each Authority's income and expenditure on its Council housing stock over 30 years. The debt figure that can be supported from this calculation is then compared to the amount of debt the Authority is having funded through the subsidy system. If the valuation is higher than this debt, then the council must pay the difference to Government.

**4 The Valuation**

- 4.1 The self-financing valuation for the Council is £63.2m, assumed existing debt is £3.4m, leaving a payment of £59.8m. This compares to a payment of £61.0m under the original proposals.

4.1.2 The key assumptions in arriving at the valuation are as follows:

- Rents

Council housing rents will converge with those charged by housing associations by 2015-16, followed by rent rises of RPI + 0.5% per year thereafter in line with housing associations. Adherence to this policy has been assumed in calculating the debt payment.

Next years rent rise included within this valuation has been based on September's RPI of 5.6% + 0.5% + a maximum increase of £2 towards rent convergence. This results in an average rent increase next year of 8.5%.

- Management & Maintenance

The Council's management and maintenance allowances have been increased by 11.35%. Our major repairs allowance has been increased by 43.8%

## 5 Right to Buy

5.1 The Government has announced their intention to raise Right to Buy discounts in order to make it attractive to tenants. It is anticipated sales will increase substantially. The self-financing valuations assume sales in line with the existing policy. Government have said they want to ensure the new policy does not impact on the viability of self-financing a consultation paper on those proposals has just been issued.

## 6 Debt Cap

6.1 The amount of debt held by an Authority is defined as the HRA Capital Financing Requirement (HRA CFR). The Government intends to limit the amount of debt an Authority can incur on housing by setting a debt cap which an Authority must not exceed on 31 March each financial year. The debt cap for us is likely to be £64.2m.

## 7 Business Plan

7.1 The Council has updated its business plan and this is attached at Appendix A. The assumptions used in the plan are set out below along with those used in the middle scenario included in the 11 July 2011 board report.

	<u>current</u>	<u>July 2011 report</u>
Interest Rate	4.5%	5.25%
Inflation - General	3.0%	3.0%
- Maintenance	4.0%	3.5%
- Capital Spend	4.5%	4.0%
Contingency on capital	7.5%	7.5%
Surplus used to repay debt	Yes	Yes



Members will note that the latest business plan assumed a lower interest rate. This is due to a change in the cost of borrowing from the Government that has been reduced for this transaction only see (7.1.3).

7.1.1 Also additional inflation increases have been allowed for in the cost of maintenance and major repairs which historically do rise at a faster pace than general inflation. The business plan shows that the council's capital programme of £179m could be fully financed over the 30 year period. Revenue surpluses of £200m would be generated, which after paying off debt by year 17 would leave a surplus of £135m. These surpluses would then be available for the council to use on the provision of housing, to enhance the service provided to existing tenants or a combination of both.

7.1.2 Clearly, there are a number of risks which could impact on the business plan.

7.1.3 Interest rates are a significant risk

7.1.4 Council's will borrow their money from the Public Works Loans Board (PWLB). The PWLB has recently announced they will lend to local authorities at Government borrowing rates +0.2% rather than the current +1%, which is considerably cheaper than any other source of borrowing. However, councils only have access to this funding on one day, the 26 March 2012. Given the current international economic situation, there is a risk that rates could rise before then, particularly if the UK were to lose its AAA status. The business plan does allow for a 1% rise in current rates, but should this be greater, then each 1% would cost the Council £630,000 and would result in significantly reduced surpluses being generated each year.

7.1.5 Capital Spending

7.1.6 Any change to the decency standard for housing or an increase in building costs well above inflation could affect the level of spending required. However, the provision of a 7.5% contingency per annum and an allowance for costs rising at 1.5% per annum above inflation should allow for this.

7.1.7 Members can see the impact of these risks in the Resources Board report on 11 July 2011 which is attached at Appendix B.

## 8 **Debt Structure**

8.1 The Council will need to decide how it structures the debt that it will have to take on. Fixed interest loans are typically more expensive than variable loans, but have the benefit of bringing certainty to financial planning. Variable loans are typically cheaper, but can be subject to fluctuations. It will be important to structure the loan portfolio to achieve a balance between keeping the cost of borrowing down with a level of certainty and also to marry loan maturity with cash surpluses that are generated.

8.2 Before deciding the debt structure it is important to understand what the Board would want to do with the surpluses that are generated.

- 8.3 One option would be to use all the surpluses to repay debt as soon as possible. This would result in debt being repaid by year 17 then large surpluses would be generated. However, the authority would have no funds for new build or any unforeseen expenditure that arose. The authority could reborrow if it subsequently wished to build new properties but this would be at interest rates at least 0.8% higher than current rates and possibly more given the historically low rate levels at present.
- 8.4 An alternative would be to use some of the annual surplus to reduce external debt as it matured but keep some surplus aside to finance new build properties as well. This enables new build to be undertaken at lower interest rates and also ensures the authority has surplus resources should some unexpected expenditure arise.
- 8.5 The Council has a number of sites within the Borough on which small scale development could take place. It is envisaged these could support up to 40 dwellings if the Council wished to develop.

**9 Report Implications**

**9.1 Finance and Value for Money Implications**

9.1.1 Are set out in the body of the report

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

**Background Papers**

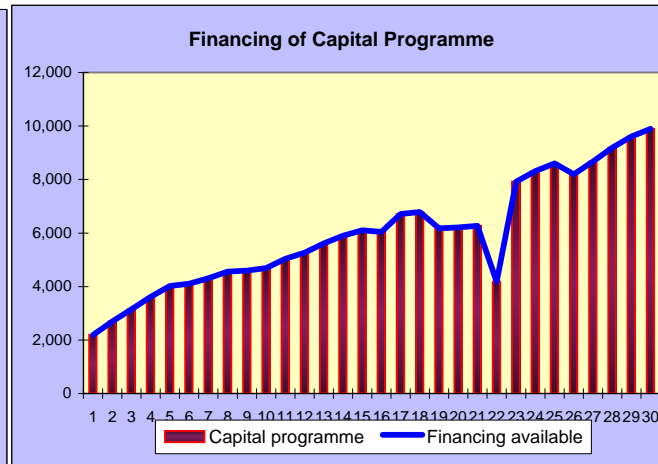
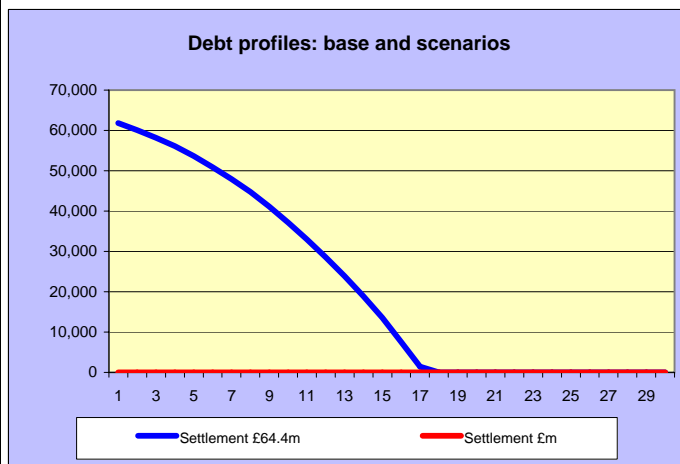
Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

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

Inflation sensitivities	
3.00%	RPI/rent inflation from 2012
3.00%	GDP/expenditure inflation from 2012
0.00%	Additional real Mgt cost inflation
to year	10
1.00%	Additional real Maint cost inflation
to year	30
1.50%	Additional real Cap cost inflation
to year	30
Capital / debt sensitivities	
= current scenario ( M - S - S1 )	
0%	MRP annual %age
y	Additional set aside from revenue
2012.13	<b>YEAR OF SELF FINANCING</b>
Scenario schedules	
<b>(1) Scenario: opening debt</b>	
4	Review report - with uplift
63,265	Opening debt
<b>(2) RTB receipts to the HRA</b>	
P	Pooling (as per current system)
	RTB receipts included in Plan Set at Zero as
0.0%	Receipts used for General Fund purposes
<b>(3) Future surplus sharing</b>	
L	Local 100% retain surpluses
100%	%age surpluses retained locally
0%	%age surpluses paid over nationally
<b>(4) Borrowing controls</b>	
s	Self financed borrowing locally

Key outputs	£'000s
Debt adjustment	59,848
Opening debt	63,265
Closing debt	0
Peak debt	61,817
Year of peak debt	2
Closing HRA reserve	-130,679

Capital programme outputs	£'000s
Capital programme 30 years	178,583
Total financing 30 years	178,583
Shortfall	0
Total reserve at year 30	130,679



2012/13

30 year total	SELF FINANCING	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	31
	<b>HRA (OPERATING ACCOUNT)</b>															
-585,068	Rental income	-10,567	-11,212	-11,887	-12,594	-13,400	-13,844	-14,301	-14,775	-15,263	-15,768	-87,008	-102,367	-120,428	-141,654	-31,195
0	Caps and Limits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Rental income returned to govt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-19,045	Other income	-434	-440	-444	-476	-480	-485	-517	-522	-527	-559	-2,959	-3,349	-3,728	-4,125	-886
<b>-604,113</b>	<b>Gross income</b>	<b>-11,001</b>	<b>-11,652</b>	<b>-12,331</b>	<b>-13,070</b>	<b>-13,880</b>	<b>-14,329</b>	<b>-14,818</b>	<b>-15,297</b>	<b>-15,790</b>	<b>-16,327</b>	<b>-89,967</b>	<b>-105,716</b>	<b>-124,156</b>	<b>-145,779</b>	<b>-32,081</b>
74,144	Management (incl DME)	1,558	1,605	1,653	1,703	1,754	1,807	1,861	1,917	1,974	2,033	11,119	12,891	14,944	17,325	3,783
138,828	Maintenance	2,557	2,654	2,755	2,860	2,969	3,082	3,200	3,322	3,448	3,579	20,046	24,159	29,115	35,082	7,836
5,853	Voids	106	112	119	126	134	138	143	148	153	158	871	1,024	1,205	1,416	312
4,938	Bad debt provision	100	100	100	106	113	116	120	124	128	133	732	862	1,013	1,191	262
<b>218,825</b>	<b>Operating expenditure</b>	<b>4,321</b>	<b>4,471</b>	<b>4,627</b>	<b>4,795</b>	<b>4,970</b>	<b>5,143</b>	<b>5,324</b>	<b>5,511</b>	<b>5,703</b>	<b>5,903</b>	<b>32,768</b>	<b>38,936</b>	<b>46,277</b>	<b>55,014</b>	<b>12,193</b>
<b>-385,288</b>	<b>Net Cost of Services</b>	<b>-6,680</b>	<b>-7,181</b>	<b>-7,704</b>	<b>-8,275</b>	<b>-8,910</b>	<b>-9,186</b>	<b>-9,494</b>	<b>-9,786</b>	<b>-10,087</b>	<b>-10,424</b>	<b>-57,199</b>	<b>-66,780</b>	<b>-77,879</b>	<b>-90,765</b>	<b>-19,888</b>
30,241	Interest payments	2,843	2,772	2,691	2,572	2,469	2,352	2,223	2,084	1,932	1,761	5,834	708	0	0	0
22	PWLB Settlement fee	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-21,628	Interest received	-24	-30	-31	-31	-31	-32	-32	-32	-32	-32	-165	-709	-6,327	-14,120	-3,920
<b>-376,653</b>	<b>Net operating expenditure</b>	<b>-3,839</b>	<b>-4,439</b>	<b>-5,044</b>	<b>-5,734</b>	<b>-6,472</b>	<b>-6,866</b>	<b>-7,303</b>	<b>-7,734</b>	<b>-8,187</b>	<b>-8,695</b>	<b>-51,530</b>	<b>-66,781</b>	<b>-84,206</b>	<b>-104,885</b>	<b>-23,808</b>
63,265	Revenue set aside	1,448	1,715	1,894	2,114	2,446	2,755	2,990	3,172	3,586	4,001	23,580	13,564	0	0	0
178,583	Direct revenue financing (RCCO fund cap Prog)	2,192	2,696	3,146	3,615	4,018	4,104	4,308	4,558	4,592	4,684	27,921	31,926	35,277	45,546	10,186
<b>-134,805</b>	<b>In year (surplus)/deficit</b>	<b>-199</b>	<b>-28</b>	<b>-4</b>	<b>-5</b>	<b>-8</b>	<b>-7</b>	<b>-5</b>	<b>-4</b>	<b>-9</b>	<b>-10</b>	<b>-29</b>	<b>-21,291</b>	<b>-48,929</b>	<b>-59,339</b>	<b>-13,622</b>
	<b>HRA reserve b/fwd (-ve = Surplus)</b>	<b>-812</b>	<b>-1,011</b>	<b>-1,039</b>	<b>-1,043</b>	<b>-1,047</b>	<b>-1,055</b>	<b>-1,062</b>	<b>-1,067</b>	<b>-1,072</b>	<b>-1,081</b>	<b>-1,091</b>	<b>-1,120</b>	<b>-22,411</b>	<b>-71,340</b>	<b>-130,679</b>
	<b>HRA reserve c/fwd (-ve = Surplus)</b>	<b>-1,011</b>	<b>-1,039</b>	<b>-1,043</b>	<b>-1,047</b>	<b>-1,055</b>	<b>-1,062</b>	<b>-1,067</b>	<b>-1,072</b>	<b>-1,081</b>	<b>-1,091</b>	<b>-1,120</b>	<b>-22,411</b>	<b>-71,340</b>	<b>-130,679</b>	<b>-144,301</b>
	<b>CAPITAL PROGRAMME</b>															
<b>178,583</b>	<b>Expenditure (Cap spend with Inflation)</b>	<b>2,192</b>	<b>2,696</b>	<b>3,146</b>	<b>3,615</b>	<b>4,018</b>	<b>4,104</b>	<b>4,308</b>	<b>4,558</b>	<b>4,592</b>	<b>4,684</b>	<b>27,921</b>	<b>31,926</b>	<b>35,277</b>	<b>45,546</b>	<b>10,186</b>
0	Financed by...															
0	RTB receipts and other resources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
178,583	Direct revenue financing	2,192	2,696	3,146	3,615	4,018	4,104	4,308	4,558	4,592	4,684	27,921	31,926	35,277	45,546	10,186
0	Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>178,583</b>	<b>Total financing</b>	<b>2,192</b>	<b>2,696</b>	<b>3,146</b>	<b>3,615</b>	<b>4,018</b>	<b>4,104</b>	<b>4,308</b>	<b>4,558</b>	<b>4,592</b>	<b>4,684</b>	<b>27,921</b>	<b>31,926</b>	<b>35,277</b>	<b>45,546</b>	<b>10,186</b>

**Agenda Item No 8****Resources Board****11 July 2011****Report of the  
Deputy Chief Executive****HRA Self Financing****1 Summary**

- 1.1 This report identifies the financial implications for the Council's 30 year business plan of the Government's self-financing proposals for Housing.

**Recommendation to the Board**

- a That the financial implications of self financing be noted; and**
- b That the Deputy Chief Executive works with the Council's Treasury Advisers to identify the most advantageous loans portfolio.**

**2 Introduction**

- 2.1 The Board at its March meeting considered a report regarding the Government's proposals for Housing self-financing. A copy of the report is attached at Appendix B. The report identified that officers were looking at the implications for the Council's 30 year business plan and this report identifies the results of this review.

...

**3 Self Financing Business Plan****3.1 Rents**

- 3.1.1 In calculating the debt to be taken on, the Government assumes the council will follow national social rent policy, which is to move to target rents at RPI + 0.5% plus a maximum of £2 per week and once target rents are achieved a limit of RPI + 0.5%. Housing benefit will effectively be capped at the national social rent policy limit with a rent set above requiring the HRA to meet any additional benefit costs – in practice this is the sanction against excessive rent increases. Our model, therefore, follows these assumptions and assumes an average inflation rate of 3% over the 30 year period of the plan.

### 3.2 Other Income

3.2.1 Relates mainly to garages, shops and service charges and assumes increases in line with current practice.

### 3.3 Management and Maintenance

3.3.1 Costs are based on current budgets and therefore assume existing service levels. A key variable here is the extent to which maintenance costs rise faster than inflation.

### 3.4 Capital Spending

3.4.1 This is the expenditure needed to maintain the Council's housing stock in a decent state and is based on our register of when components will need replacing. In addition, there is provision for disabled adaptations and works to shops and garages. Key variables here are the extent to which any unforeseen expenditure materialises and the extent to which costs may increase ahead of inflation.

### 3.5 Interest on Debt

3.5.1 The single biggest item of expenditure is the cost of servicing the loan. A small change in interest rates of say ¼% would add £160,000 to annual running costs. Fixed interest loans are typically more expensive than variable loans, but have the benefit of bringing certainty to financial planning. Variable loans are typically cheaper, but can be subject to fluctuations. It will be important to structure the loan portfolio to achieve a balance between keeping the cost of borrowing down with a level of certainty and also to marry loan maturity with cash surpluses that are generated. It is proposed that we discuss this matter with our Treasury Advisers.

3.5.2 We have modelled three scenarios, a best, middle and worst. The results are attached at Appendix A. The assumptions are as follows:

...

	<u>Best</u>	<u>Middle</u>	<u>Worst</u>
Interest on Debt	4.75%	5.25%	6%
Capital Spend	per budget	+7.5%	+15%
Inflation on Capital Spend	3%	4%	6.5%
Inflation on Maintenance	3%	3.5%	4%
Surplus used to Repay Debt	Yes	Yes	Yes

### **3.6 Best Scenario**

3.6.1 Over the 30 year period the Council would be able to finance its capital programme of £129 million. The Council's debt would be repaid by year 16 and further surpluses of £213 million would be generated.

### **3.7 Middle Scenario**

3.7.1 Over the 30 year period the Council would be able to finance its capital programme of £164 million. The Council's debt would be repaid by year 19 and further revenue surpluses of £140 million would be generated.

### **3.8 Worst Scenario**

3.8.1 Over the 30 year period the Council would be able to finance its capital programme of £228 million. £9.8 million of debt would be outstanding at year 30 which would be repaid by year 32 and thereafter a surplus would be generated.

## **4 Impact of Self-Financing on the Way We Operate**

4.1 The current arrangements for the HRA do not lend themselves to long term financial planning since changes to subsidy formulae can produce significant changes to the finances of the HRA. This uncertainty over future resources has worked against long term asset management. This can now be put right and long term asset management plans be prepared to ensure the stock is kept in a good condition.

4.2 Asset management will need to be planned and monitored to ensure it remains within the overall business plan, as there will be no funding available from the Government should unexpected issues arise.

4.3 The 30 year financial business plan will be a key document for managing the HRA and the Authority will need to plan and take decisions in the light of their impact on this plan.

4.4 Controlling cost will continue to be of importance. It will be critical to keep costs within the prevailing rate of inflation.

4.5 As mentioned earlier in the report, Treasury Management will be of key importance as small changes in interest rates can result in significant increased annual costs. It will be important to manage the loan portfolio within the interest rates assumed in the business plan and to repay debt in order to create the capacity for future spend.

4.6 As the model that calculates the overall debt that we take on assumes the council will follow national rent policy, it will be important that these rent increases are applied in full in the early years. It may be possible to review this as the business plan develops in future years. However, annual rental increases at ½% p.a. less that assumed in the business plan, would reduce income by £60 million over the 30 year period.

## **5 Report Implications**

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

5.1.1 These are given in the body of the report.

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

5.2.1 The report highlights a number of key issues and risks which will need to be assessed to ensure that the Council's housing stock remains in a sustainable position over the 30 years of the business plan. The provision of affordable housing is a significant contribution towards the achievement of the aims of the North Warwickshire Sustainable Community Strategy 2009 – 2026.

### **5.3 Risk Management Implications**

5.3.1 There are a number of risks which need to be considered when looking at Housing self-financing. A number of assumptions have been made in calculating the level of debt to be taken on by North Warwickshire and any differences will impact on the figures in the business plan. Different scenarios have been examined and shown in the body of the report, to enable Members to assess the potential impact on the plan. These have covered potential areas of change such as interest rates and additional capital spending pressures where variations could have a significant impact.

5.3.2 Any change in Government policy on housing rents would affect the business plan and could be material, depending on the level of change. Similarly a change to the Decency Standard would impact on the business plan. The expectation is that if this were to happen, the Government would re-open the debt calculations and adjust the debt settlement figure to reflect the new policy. It will be necessary to establish a clear policy of increasing rents in line with Government assumptions as long as there is a business justification.

5.3.3 There will be a need for both officers and Members to shift to a more business orientated approach, taking a long term view when considering any decisions on the housing stock. There is a risk that if decisions are taken which are not in line with the business plan, the HRA may become unviable. Any short term improvements will need to be fully assessed to ensure they don't jeopardise the long term position on the HRA.

5.3.4 Increased costs of borrowing could impact on the viability of the business plan. However, taking appropriate specialist advice from our Treasury Management consultants to ensure our debt profile has the optimum balance between fixed and variable and long and short term borrowing should enable this risk to be managed.

5.3.5 There is a risk that management and maintenance costs cannot be kept within the level of assumed inflation in the business plan. However, regular benchmarking, efficiency reviews and strict cost control will help mitigate this.

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

### **Background Papers**

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

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



**Agenda Item No 14**

**Resources Board**

**30 January 2012**

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

**Capital Programme 2012/ 13 to  
2014/15**

**1 Summary**

- 1.1 This report identifies proposals for schemes to be included within the Council's capital programme over the next three years.

**Recommendation to the Board**

- a That the Board supports the schemes previously approved within the Council's three-year capital programme;**
- b That the Board supports the inclusion of the new scheme within the Council's provisional three year programme; and**
- c That the Board notes the schemes which will not be included within the capital programme.**

**2 Introduction**

- 2.1 The Council has a shortfall of capital resources when compared against potential capital schemes. As a result, schemes considered to be non essential were not included in the three year capital programme for 2011/12 – 2013/14 approved last February. The financial position has not improved since then, so the same approach will be required for setting the capital programme for 2012/13 – 2014/15.

**3 Updating the Capital Programme**

- 3.1 A number of schemes relating to this Board were included in the approved capital programme and these are detailed in Appendix A.

- 3.2 At Resources Board on 28 March 2011, Members approved in principle the relocation of the refuse collection and garden waste collection services to the Lower House Farm development. This scheme is not included in the previously approved 3 year capital programme and therefore will need to be included if the scheme is to go ahead. Details of the scheme, including the estimated cost, are shown in Appendix A

...

... 3.3 The remaining schemes relating to this Board which were considered non essential and were excluded from the programme are shown in Appendix B.

## **4 Report Implications**

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

4.1.1 In terms of the overall capital programme, the bids for schemes included in Appendix A of this report will be collated into an overall programme which will be submitted to the Executive Board for final approval in February.

4.1.2 As capital resources have not improved since the last programme was set, Members of this Board should be aware that if schemes not currently approved are to be moved into the recommended capital programme, they may only do so if another approved scheme is reduced or deleted.

### **4.2 Safer Communities Implications**

4.2.1 The identified schemes would have positive implications for the development of safer communities, in that the provision of good quality leisure opportunities reduces the likelihood of criminal and/or anti-social behaviour. There is an allocation for the burglary reduction initiative not included in the Capital Programme. However the need for considering the reintroduction of the initiative is becoming more pertinent as the current levels of domestic burglary are increasing.

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

4.3.1 Capital investment is required if the Council is to maintain and enhance both its assets and the quality and consistency of its services to the community.

### **4.4 Risk Management Implications**

4.4.1 The risks associated with the failure to undertake the proposed schemes are taken into account in assessing whether the schemes are essential or non essential.

### **4.5 Equality Implications**

4.5.1 The Council is required to ensure that as far as it is reasonably practicable, it has taken appropriate steps to ensure compliance with the provisions of the DDA. Failure to do so could result in limiting access to services provided from our buildings and facilities by disabled people and the potential for legal challenges being taken against the Council.

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

4.6.1 The capital project proposed for inclusion will contribute to enhancing community involvement and access to services and tackling health

inequalities through improving well-being and providing leisure opportunities to all our citizens.

The Contact Officer for this report is Jon Illingworth (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>
The Proposed 3 Year Capital Programme	Management Team	Report to Executive Board	7 February 2011

**SCHEMES INCLUDED IN THE CAPITAL PROGRAMME 2012/13-2014/15****\*\*\* SCHEMES CURRENTLY APPROVED IN THE DRAFT CAPITAL PROGRAMME\*\*\***

AD	Monitoring Officer	Name of the Scheme	Basic Details of the Scheme	2012/13 (£)	2013/14 (£)	2014/15 (£)	3 YEAR TOTAL
<b>1) APPROVED HRA SCHEMES</b>							
A Coates	P Collins	External works	To carry out various works as required on a year by year basis to the external areas of Council housing estates.	38,000	38,600	38,000	114,600
A Coates	P Collins	Kitchens and Bathrooms	Kitchens and bathrooms previously declined.	142,800	408,000	510,000	1,060,800
A Coates	P Collins	Heating	Bolier replacement across various properties	577,000	553,500	584,000	1,714,500
A Coates	P Collins	Electrics	Electrical upgrade and rewiring to 17th edition including boards	114,000	114,000	114,000	342,000
A Coates	P Collins	Chimney stacks	A programme of works for chimney stacks improvements	25,500	25,500	25,500	76,500
A Coates	P Collins	Flat entrance Doors	Flat entrance Doors	45,500	-	-	45,500
A Coates	P Collins	Loft insulation	Loft insulation top up to 350mm Target low SAP properties (current recommendation)	102,700	50,000	-	152,700
A Coates	P Collins	Wall insulation	External wall insulation to solid wall properties houses. Target low SAP properties	323,000	380,000	532,000	1,235,000
A Coates	P Collins	Asbestos	Asbestos removal: Target higher risk works derived from Asbestos management plan	50,000	50,000	50,000	150,000
A Coates	P Collins	Community Centres	Refurbishment of 2 community centres	71,080	-	-	71,080
A Coates	P Collins	DFG adaptations	Adaptations to council houses where the tenant has a disability	175,000	175,000	175,000	525,000
A Coates	P Collins	Garage Roofs	To carry out improvements to garage roofs	-	-	7,367	7,367
A Coates	P Collins	Structural repairs	Structural repairs	15,000	15,000	15,000	45,000
A Coates	P Collins	Un-adopted roads / pathways/ car parking areas	Resurfacing of road, paths or car parks at various locations	20,000	20,000	20,000	60,000
A Coates	P Collins	Pitched Roofs	Replacement of roofs 60-80 years old at various locations	189,000	172,800	172,800	534,600
A Coates	P Collins	Communal Area Royal Meadow Drive	Replacement of UPVC entrance screens to flats.	38,500	-	-	38,500
A Coates	P Collins	Energy saving light switches to blocks communal staircases	Installation of switches at flats across the borough. This will reduce the cost of lighting communal areas.	-	-	26,600	26,600
A Coates	P Collins	Replacement of DLO Vehicles	As per the vehicle renewal scheme	11,450	-	45,000	56,450
A Coates	H Hughes	Replacement of neighbourhood warden vehicles	As per the vehicle renewal scheme	-	-	28,470	28,470
A Coates	P Collins	Staffing	Housing staffing costs.	109,380	112,330	115,370	337,080
<b>UNALLOCATED</b>				<b>185,460</b>	<b>181,670</b>	<b>178,630</b>	<b>545,760</b>
<b>GRAND TOTAL - HRA</b>				<b>2,233,370</b>	<b>2,296,400</b>	<b>2,637,737</b>	<b>7,167,507</b>

AD	Monitoring	Name of the Scheme	Basic Details of the Scheme	2012/13	2013/14	2014/15	3 YEAR
<b>2) APPROVED GENERAL FUND SCHEMES</b>							
R Dobbs	C Jones	Other Council Owned Buildings Electrical Installations	To carry out electrical improvements to all council owned property following on from routine electrical testing to ensure compliance with legislation.	15,000	15,000	15,000	<b>45,000</b>
R Dobbs	C Jones	Bear and Ragged Staff - replace roof covering	The roofing may erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy and may result in either unbudgeted repairs or put the rental income of £13,800 a year at risk.	-	120,000	-	<b>120,000</b>
R Dobbs	C Jones	Innage Park Phase I - replace asbestos cladding	Although the asbestos has been identified and is manageable on a day to day basis, it may soon reach the point where it erodes or becomes damaged and it's replacement will be costly	-	-	200,000	<b>200,000</b>
R Dobbs	C Jones	The Pavilions - Cladding/roof works	The roof cladding with erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy in the units and may result in either unbudgeted repairs or put rental income at risk	-	-	175,000	<b>175,000</b>
R Dobbs	C Jones	Refurbishment of Council House	The current electrical provision and windows at the Council offices is in need of full replacement.	955,182	955,182	-	<b>1,910,364</b>
A Coates	D Baxendale	Decent Homes/Fuel Poverty (Private Sector)	There is an increasing number of vulnerable households in non-decent homes. Assistance with minor repairs targeted to the elderly or needy to prevent further more serious and or costly deterioration and associated health effects.	57,500	57,500	57,500	<b>172,500</b>
A Coates	D Baxendale	Disabled Facilities Grants-Private Sector	Adaptations to the homes of the disabled as required by the law. Reducing waiting lists seeks to avoid bed locking and other less satisfactory home care services and improving the quality of the lives of the disabled person and their families.	300,000	300,000	300,000	<b>900,000</b>
A Coates	G Thomas-McGenity	Borough Care Lifelines	There has been a programme of replacement of lifelines over the last few years but these have an expected lifespan of approximately 10 years. This budget is to provide new lifelines and replace units that are beyond repair and/or are obsolete.	18,000	18,000	18,000	<b>54,000</b>
A Coates	A Coates	Replacement uninterrupted power supply battery for the Borough Care System	The replacement battery is critical to ensure that if there is a power cut, the IT system on which the service entirely relies can continue.	2,500	-	-	<b>2,500</b>
L Bird	L Bird	Computer hardware & software purchase & replacement	To continue to provide PC's that meet the requirements of the increasingly complex software that is used to deliver Council services and back office functions. From 2014/15 this budget includes the renewal of the Microsoft Software licenses.	30,000	30,000	40,000	<b>100,000</b>
L Bird	L Bird	Warwickshire Direct Partnership	To continue the development of the shared CRM/One Stop Shop technology with other Warwickshire councils with one central project manager.	10,350	10,710	11,080	<b>32,140</b>

AD	Monitoring	Name of the Scheme	Basic Details of the Scheme	2012/13	2013/14	2014/15	3 YEAR
L Bird	L Bird	ICT Infrastructure Development	To further develop the network and hardware structures to ensure that the Councils aspirations of home and mobile working and self service delivery are possible	20,000	20,000	20,000	<b>60,000</b>
L Bird	L Bird	Solaris (Academy) Server Replacement	Server will be 9 years old in 2014 and at the end of its life for running the Academy system and will need to be replaced.	-	-	25,000	<b>25,000</b>
L Bird	L Bird	Operating System Upgrade	The operating programmes used by some systems are becoming old and in need of replacement	-	15,000	30,000	<b>45,000</b>
R Dobbs	A Allen	Replacement of pool vehicles	As per the vehicle renewal scheme	-	-	10,000	<b>10,000</b>
R Dobbs	A Allen	Replacement of refuse vehicles	As per the vehicle renewal scheme	285,020	123,840	883,950	<b>1,292,810</b>
R Dobbs	A Allen	Replacement of cesspool vehicles	As per the vehicle renewal scheme	-	-	74,000	<b>74,000</b>
R Dobbs	A Allen	Replacement of Street Cleaning Vehicles	As per the vehicle renewal scheme	95,190	-	-	<b>95,190</b>
R Dobbs	A Allen	Replacement of horticulture vehicles	As per the vehicle renewal scheme	67,400	16,000	29,680	<b>113,080</b>
R Dobbs	A Allen	Replacement of warden call scheme	As per the vehicle renewal scheme	-	-	59,010	<b>59,010</b>
S Garner	S Garner	Capital Salaries - General Fund		47,960	28,180	7,340	<b>83,480</b>
<b>TOTAL APPROVED GENERAL FUND SCHEMES</b>				<b>1,904,102</b>	<b>1,709,412</b>	<b>1,955,560</b>	<b>5,569,074</b>

<b>3) Unfunded but Essential GF Schemes</b>			(£)	(£)	(£)	TOTAL	
R Dobbs		Contribution To LowerHouse Farm	The authority will be using the LowerHouse farm waste transfer station as a base for its refuse fleet. A one off capital contribution is required to fund the project.	-	150,000	-	<b>150,000</b>
<b>TOTAL ADDITIONAL GENERAL FUND SCHEMES</b>				<b>-</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>
10 year HRA capital programme				2,233,370	2,296,400	2,637,737	7,167,507
10 year general fund capital programme				1,904,102	1,859,412	1,955,560	5,719,074
<b>10 year capital programme</b>				<b>4,137,472</b>	<b>4,155,812</b>	<b>4,593,297</b>	<b>12,886,581</b>

**APPENDIX B**

**Draft Capital Programme 2012/2013- 2021/22 \*\*\* SCHEMES NOT INCLUDED IN THE DRAFT CAPITAL PROGRAMME\*\*\***

<b>AD</b>	<b>Monitoring Officer</b>	<b>Name of the Scheme</b>	<b>Basic Details of the Scheme</b>	<b>2012/13 Year 1</b>	<b>2013/14 Year 2</b>	<b>2014/15 Year 3</b>	<b>3 Year Total</b>
R Dobbs	C Jones	Bear and Ragged Staff - Resurface Car Park	The car park at the facility is looking shabby and there is an increased risk of injury or accident as the condition of the car park surface diminishes.	-	10,000	-	<b>10,000</b>
R Dobbs	C Jones	Carlyon Rd - resurface car park	The streetscape in the area of the industrial units will start to look shabby and there is an increased risk of injury or accident as the condition of the car park surface diminishes.	-	250,000	-	<b>250,000</b>
R Dobbs	C Jones	The Depot-Refurbishment	This is a basic refurbishment of the office areas.	-	-	500,000	<b>500,000</b>
R Dobbs	C Jones	The Depot-Replace asbestos cladding and roofing	Although the asbestos has been identified and is manageable on a day to day basis, it may soon reach the point where it erodes or becomes damaged and it's replacement will be costly	-	-	250,000	<b>250,000</b>
R Dobbs	C Jones	The Depot - Car Park	The streetscape in the area of the depot will start to look shabby and there is an increased risk of injury or accident as the condition of the car park surface diminishes.	-	-	100,000	<b>100,000</b>
R Dobbs	C Jones	Innage Park Phase 1- resurface forecourt	The streetscape in the area of the industrial units will start to look shabby and there is an increased risk of injury or accident as the condition of the forecourt surface diminishes.	-	80,000	-	<b>80,000</b>
R Dobbs	C Jones	Innage Park - Phase I - Internal Refurbishment	To carry out a refurbishment to meet the needs of the tenants as the units are ageing. We may struggle to let units if some improvements are not made.	-	750,000	-	<b>750,000</b>

AD	Monitoring Officer	Name of the Scheme	Basic Details of the Scheme	2012/13 Year 1	2013/14 Year 2	2014/15 Year 3	3 Year Total
R Dobbs	C Jones	Innage Park Phase 2 - resurface forecourt	The streetscape in the area of the industrial units will start to look shabby and there is an increased risk of injury or accident as the condition of the forecourt surface diminishes.	-	40,000	-	<b>40,000</b>
R Dobbs	C Jones	Innage Park Phase 2 - replace roof cladding	The roof cladding will erode to the point that there is water ingress which will have a detrimental effect on the tenants occupancy in the units and may result in either unbudgeted repairs or put rental income at risk	-	400,000	-	<b>400,000</b>
R Dobbs	C Jones	Innage Park Phase 2 - Improvements & Refurbishment	To carry out a refurbishment to meet the needs of the tenants as the units are ageing. We may struggle to let units if some improvements are not made.	-	120,000	-	<b>120,000</b>
R Dobbs	C Jones	The Pavilions - Internal Refurbishment	To carry out a refurbishment to meet the needs of the tenants as the units are ageing. We may struggle to let units if some improvements are not made.	-	-	35,000	<b>35,000</b>
R Dobbs	A Allen	Structural Maintenance Programme of Car parks & Un-adopted Roads	A detailed analysis of the councils car parks and un-adopted roads has been carried out and has identified that the thickness of many of the surfaces is below the required levels.	-	190,000	190,000	<b>380,000</b>
L Bird	L Bird	CRM renewal	The current Contact Centre CRM system is provided under a 5 year contract. At the end of which we will need to have upgraded/refreshed or replaced the system to support the work of the Contact Centre.	-	-	40,000	<b>40,000</b>
L Bird	L Bird	GIS	Upgrade to the GIS capacity of the Council	-	10,000	-	<b>10,000</b>
L Bird	L Bird	EDRMS - Development & Corporate roll-out	To replace the hardware that the EDRMS runs on and to update licences	-	-	15,000	<b>15,000</b>



AD	Monitoring Officer	Name of the Scheme	Basic Details of the Scheme	2012/13 Year 1	2013/14 Year 2	2014/15 Year 3	3 Year Total
R Dobbs	A Allen	Car Parking Meters	To provide car parking meters at all of the councils car parks, initially to assist in parking enforcement but then providing the potential to introduce parking fees if required. The programme will start at Atherstone and Water Orton where there are train stations to regulate the correct use of car parking spaces. This is will then be rolled out to Polesworth and Coleshill. This also part of the decriminalisation of off street car parking which needs to be implemented by 2013. We need to work with WCC	-	80,000	-	<b>80,000</b>
R Dobbs	A Allen	Surface Marking and Signage to Public Car Parks	Replace car park signage at all council car parks as these have passed their useful lives and re-mark the parking bays in each of the council car parks. This will be even more important if the car parking meters are introduced.	-	20,000	-	<b>20,000</b>
S Maxey	R Beggs	Burglary Reduction In	The Council is currently in a 3-year agreement to fund work which aims to reduce the no. of domestic burglaries and offer assurance to vulnerable households	15,000	15,000	15,000	<b>45,000</b>
L Bird	L Bird	Web Development (Internet, Intranet & Extranets)	To replace the hardware that the web system operates on	-	-	20,000	<b>20,000</b>
		<b>TOTAL</b>		<b>15,000</b>	<b>1,965,000</b>	<b>1,165,000</b>	<b>3,145,000</b>

## Agenda Item No 15

### Resources Board

30 January 2012

#### Report of the Deputy Chief Executive

#### Treasury Management Update Quarter 3 2011/12

### 1 Summary

- 1.1 This report shows the Treasury Management activity during the first nine months of 2011/12.

#### Recommendation to the Board

**That the Treasury Management Update Report for the first nine months of 2011/12 be noted.**

### 2 Report

- 2.1 CIPFA issued the revised Code of Practice for Treasury Management in November 2009. The revised Code suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensures that the Council is following Best Practice in accordance with the Code.

### 3 Economic Forecast

- 3.1 The first increase in Bank Base Rate is not expected until September 2013. PWLB rates and bond yields remain unpredictable as there are exceptional levels of volatility which are related to the Eurozone sovereign debt crisis.

The Council's Treasury Adviser, Sector, has undertaken a review of its interest rate forecast which is shown below:

	Bank Rate Forecast	5 year PWLB rate	10 year PWLB	25 year PWLB	50 year PWLB
Now	0.50%	2.061%	3.11%	4.06%	4.13%
March 12	0.50%	2.30%	3.30%	4.20%	4.30%
June 12	0.50%	2.30%	3.30%	4.20%	4.30%
Sept 12	0.50%	2.30%	3.40%	4.30%	4.40%
Dec 12	0.50%	2.40%	3.40%	4.30%	4.40%
March 13	0.50%	2.50%	3.50%	4.40%	4.50%

June 13	0.50%	2.60%	3.60%	4.50%	4.60%
Sept 13	0.75%	2.70%	3.70%	4.60%	4.70%
Dec 13	1.00%	2.80%	3.80%	4.70%	4.80%
Mar 14	1.25%	2.90%	4.00%	4.80%	4.90%
June 14	1.50%	3.10%	4.20%	4.90%	5.00%
Sep 14	2.00%	3.30%	4.40%	5.00%	5.10%
Dec 14	2.25%	3.50%	4.60%	5.10%	5.20%
Mar 15	2.5%	3.70%	4.80%	5.20%	5.30%

#### 4 Treasury Management Strategy Statement

##### 4.1 Review of Annual Investment Strategy and Revised Prudential Indicators

4.1.1 The Treasury Management Strategy Statement (TMSS) for 2011/12 was approved by Resources Board on 1 February 2011 and by Council on 24 February 2011. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of Capital
- Liquidity
- Yield

4.1.2 The Council will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term with a maximum duration of 3 months, and only invest with highly credit rated financial institutions, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Sector. This limit applies to all entities on the Council's lending list with the following exceptions:-

- UK semi-nationalised institutions (Lloyds/ RBS) which are currently significantly UK government owned.
- Money Market Funds
- UK Government and related entities such as Local Authorities

4.1.3 Investment rates in the market have continued at historically low levels. The average level of funds available for investment purposes during the quarter was £10.3million. These funds were available on a temporary basis and the level of funds available for investment purposes was mainly dependent on the timing of precept payments and the receipt and payment of grants. Officers can confirm that the approved limits within the Annual Investment Strategy have not been breached. Investment rates have been at an historical low point for some time, illustrated by the amount of interest earned, £94,196

(budgeted interest £87,781) compared to the same period last year, £113,835 (budget £75,342). The higher amount earned last year was due to some longer term investments which were taken out when rates were more favourable. The average interest rate on investments for this period was 1.47% compared to the benchmark of the 7 day LIBID rate of 0.48%.

... 4.1.4 Appendix A shows the investments held at 31 December 2011.

## 5 Borrowing

### 5.1 Prudential Indicators

5.1.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Prudential Indicators (affordability limits) are outlined in the approved TMSS. Officers can confirm that the Prudential Indicators have not been breached during 2011/12.

5.1.2 The Council has borrowed funds short term on five occasions to fund a shortfall in cash flow. Two of these loans were in this quarter of 2011/12.

Number of days	Amount £000	Rate %
10	1,000	0.55
4	2,000	0.60
18	1,300	0.40
39	1,000	0.30
13	1,000	0.35

### 5.2 Prudential Indicators

5.2.1 The Council's Authorised Borrowing Limit and Operational Boundary Limits for 2011/12 were set at £28,931,000 and £10,587,000 respectively. These limits were increased by £65 million by Resources Board at its meeting 21 November 2011 so that debt could be taken on in order to fund the Government's self-financing proposals for Housing.

5.2.2 The amount required for Housing self-financing has been revised to £64.517 million. The Authorised Borrowing Limit and Operational Boundary limits already set are therefore sufficient.

## 6 Report Implications

### 6.1 Finance and Value for Money Implications

6.1.1 Up to 31 December 2011, interest earned on investments was £94,196 and interest paid on borrowings was £1,047.

## 6.2 Environment and Sustainability Implications

6.2.1 By having effective and prudent treasury management, this contributes towards sustainability and providing services that improve the quality of life for the communities of North Warwickshire.

## 6.3 Risk Management Implications

6.3.1 Credit ratings are used in assessing the institutions on the authorised lending list and the maximum investment level permitted.

6.3.2 Specialist advice from our Treasury Management consultants will be taken to ensure that our debt profile for HRA self financing has the optimum balance between fixed and variable and long and short term borrowing.

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

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

## APPENDIX A

Investments held at 31 December 2011

Treasury Management Update, Quarter 3, 2011/12

Name of Institution	Call, Fixed, 7 day, MMF etc	Rate %	Amount £	Date of Investment	Maturity Date
NATIONWIDE	Fixed	0.92	1,000,000	01/11/2011	01/02/2012
Barclays Bank	Fixed	0.91	1,000,000	16/11/2011	16/02/2012
Barclays Bank	Fixed	1.21	1,000,000	01/08/2011	28/03/2012
Santander UK	Fixed	1.40	1,000,000	07/11/2011	07/02/2012
Lloydstsb	Fixed	2.05	2,000,000	18/07/2011	18/07/2012
Deutsche Bank	MMF		1,989,000		
Insight	MMF	0.62	2,997,000		
Prime Rate MMF	MMF	0.88	360,389		
Royal Bank of Scotland	Call	0.8	700,000		
<b>Total Investments at 30 December 2011</b>			<b>12,046,389</b>		

## **Agenda Item No 16**

### **Resources Board**

**30 January 2012**

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

#### **Internal Audit – Benchmarking**

### **1 Summary**

- 1.1 The report provides the Board with information from a benchmarking exercise undertaken to assess the performance of the Internal Audit function against other similar Councils.

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

**That the report be noted.**

### **2 Introduction**

- 2.1 The Government challenged public service providers to improve their performance. Benchmarking is an effective way of helping to deliver better services, not only by comparing performance, but identifying ways of improving services. Clearly this process needs to use structured comparisons to define and implement good practice and not become too costly for the benefits reaped. It should not be a one-off exercise but one that is performed periodically to provide ongoing information.
- 2.2 Comparison is not enough so organisations need to go beyond comparisons, apply the lessons learnt and change the management and delivery of services to realise the benefits.
- 2.3 CIPFA (Chartered Institute for Public Finance and Accountancy) has established a range of benchmarking groups, one of which relates to the provision of Internal Audit Services. For a nominal annual fee it is possible to compare the internal audit performance with a range of other Councils, including specifics on Shire Districts and ultimately from a selection of those closely similar to North Warwickshire. NWBC participated in this activity during 2011-12 using data from both 2010-11 and the current year.
- 2.4 The information provided enables not only cost comparisons to be performed but also to identify resources, productivity times and areas of focus of audit activity.

### 3 Results

- 3.1 Overall the results indicated that the Internal Audit Service of North Warwickshire is low cost, highly productive and its remit is far reaching across service provision.
- 3.2 The table of comparison of key summary areas for 10 very similar Councils and also for the entire 17 "district" Councils participating, is attached at Appendix A and has been reviewed to clearly highlight those that do well, those that can be improved upon and those that are weak.
- 3.3 The key cost areas of cost per auditor, staff costs per auditor and cost per day compare exceptionally well and those for accommodation and general running costs very well, placing the team in the top quartile. Days per auditor has improved on previous years and more so expected for 2011-12.
- 3.4 There is only one area in 2010-11 where NWBC falls into the red overall, namely IT costs. This has been identified as a hardware issue and has been addressed during 2011-12 when final costs will be largely reduced.

### 4 Report Implications

#### 4.1 Risk Management Implications

- 4.1.1 Failure to provide an effective Internal Audit Service may adversely affect the level of internal control operating within the Council and will attract criticism from external assessors such as the Audit Commission and the External Auditor.

#### 4.2 Links to Council's Priorities

- 4.2.1 The audit programme agreed and delivered is aligned to both the priorities of the Council and the requirements of external assessors.

The Contact Officer for this report is Barbara Haswell (719416).

### 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



## Performance Comparisons using CIPFA Benchmarking Data 2011

## Comparison with 10 other “similar” Councils

Measure	2010-11			2011-12		
	NWBC	Average	Ranking	NWBC	Average	Ranking
Number of FTE auditors Reduced resource 2010-11	2.0			2.5		
Cost per auditor Low is good	50,000	52,400	Lower quartile	47,600	51,700	Lower quartile
Cost per day Low is good	294	278	Upper quartile	256	287	Lower quartile
Days per auditor (Chargeable) High is good	178	188	Lower quartile	190	184	Upper quartile
Sickness per FTE (days) Low is good	3.5	4.2		5.0 est	5.2 est	
Training per FTE (days) Individually chosen	16.0	6.8		8.0 est	8.6 est	
<b>Overheads per FTE</b>						
Trans & travel Low is good	1k	0.9k		2.4k	1.2k	
Accommodation Low is good	3.5k	3.4k		2.8k	2.7k	
IT Low is good	4.5k	2.9k		3.6k	2.9k	
Other running costs Low is good	0.5k	1.2k		0.4k	1.5k	
Other central charges Low is good	5.0k	5.4k		4.8k	5.1k	
Overheads – costs per auditor Low is good	14,500	13,853		14,000	13,494	Median
Staff costs per auditor Low is good	35,500	38,547	Lower quartile	33,600	38,231	Lower quartile

**NB: IT actual costs reduced during 2011-12.**

## Performance Comparisons using CIPFA Benchmarking Data 2011

## Comparison with Shire Districts (17 + NWBC)

Measure	2010-11			2011-12		
	NWBC	Average	Ranking	NWBC	Average	Ranking
Number of FTE auditors Reduced resource 2010-11	2.0	na	na	2.5	na	na
Cost per auditor Low is good	50,000	53,200	Lower quartile	47,600	54,300	Lower quartile
Cost per day Low is good	294	295	Median	256	305	Lower quartile
Days per auditor (Chargeable) High is good	178	180	Median	190	180	Upper quartile
Sickness per FTE (days) Low is good	3.5	7.0		5.0 est	5.7 est	
Training per FTE (days) Individually chosen	16.0	6.1		8.0 est	7.7 est	
<b>Overheads per FTE</b>						
Trans & travel Low is good	1k	0.7k		2.4k	0.9k	
Accommodation Low is good	3.5k	3.1k		2.8k	2.7k	
IT Low is good	4.5k	2.6k		3.6k	2.7k	
Other running costs Low is good	0.5k	1.0k		0.4k	1.3k	
Other central charges Low is good	5.0k	5.8k		4.8k	6k	
Overheads – costs per auditor Low is good	14,500	13,800	Median	14,000	14,100	Median
Staff costs per auditor Low is good	35,500	39,400	Lower quartile	33,600	40,200	Lower quartile

**NB: IT actual costs reduced during 2011-12.**

## Agenda Item No 17

### Resources Board

30 January 2012

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

#### Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – December 2011

### 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 Resources Board for April to December 2011.

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

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

### 2 Consultation

#### 2.1 Resources Matters

- 2.1.1 The Chair, Vice Chair and Opposition Spokesperson for Resources, Councillors Moore, Morson and Smith have been sent a copy of this report and any comments received will be reported to the Board.

### 3 Background

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

### 4 Progress achieved during 2011/12

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with our local performance indicators during April to December 2011/12 for the Resources Board.
- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

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

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

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

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

## **5 Performance Indicators**

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

## **6 Overall Performance**

- 6.1 The Corporate Plan performance report shows that 85% of the Corporate Plan targets and 58% of the performance indicator targets are currently on schedule to be achieved. The report shows 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	11	85%
Amber	1	7.5%
Red	1	7.5%
Total	13	100%

## Performance Indicators

Status	Number	Percentage
Green	11	58%
Amber	7	37%
Red	1	5%
Total	19	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 There are community safety performance indicators which are reported to Executive Board.

### 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 actions and indicators which contribute towards the priorities of the sustainable community strategy including customer access strategy, outreach services, financial inclusion, health and well being services and decent 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 actions and indicators highlighted in the report including developing outreach services, financial inclusion, decent and affordable housing, adaptations for people with disabilities and fuel poverty.

#### 8.6 Links to Council's Priorities











8.6.1 There are a number of targets and performance indicators contributing towards the priorities of access to services, housing, health and well being, consultation and communication, public services and Council Tax, environment and local employment.

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

#### Background Papers



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

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 Resources 11/12							
	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 011 11/12	To research and develop options for extending the Council's consultation with stakeholders on financial savings options and report by July 2011	Consultation and Communication	Garner, Sue	31/03/2012	Some research has been undertaken. The development of specific options needs to be appropriate for the savings proposed. Only limited consultation has been required for the 2012/13 proposals.		
NWCP 031 11/12	To review the programme of work by May 2012, based on our stock condition information, and complete the current action plan, to maintain the Council's stock to a good standard and set out a local standard, in accordance with the Government guidelines for registered providers	Housing	Coates, Angela	31/03/2012	This objective is complete. The capital programme is based on the stock condition information and has been reported to Board.		
NWCP 032 11/12	To report further to the Resources Board by June 2011 on current shared equity schemes and make recommendations for such a scheme in North Warwickshire	Housing	Coates, Angela	31/03/2012	Housing Sub Committee have agreed that scheme will not be established in North Warwickshire.		
NWCP 033 11/12	To act on the objectives set out in the Warwickshire Local Investment Plan by appraising how public land holdings can be used to deliver affordable homes, find new ways of funding schemes and bringing empty homes back into use and to review the position annually from March 2012	Housing	Coates, Angela	31/03/2012	The Local Investment Plan is being progressed with partners. Two schemes are being considered for planning permission.		
NWCP 034 11/12	To report on the implications of the Localism Bill (when enacted) for housing services and take action where appropriate with regard to changes in legislation with regard to tenure, allocations, homelessness, tenant scrutiny and Housing Revenue Account Subsidy reform	Housing	Coates, Angela	31/03/2012	Reports on the Localism Act and the Government's Housing Strategy have been considered by the Housing Committee.		



	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 035 11/12	To work proactively with residents and partners to assist residents in the private sector to access funding to improve their homes (especially with regard to energy efficiency) and to report on progress annually from March 2012	Housing	Coates, Angela	31/03/2012	The Housing Committee has received and update on the Private Sector Policy and needs. A new policy will be developed for consideration by September 2012	★	➡
NWCP 036 11/12	To review the services delivered by Community Support and report to Resources Board on issues and proposed improvement by March 2012	Housing	Coates, Angela	31/03/2012	The review is on track.	★	➡
NWCP 037 11/12	To implement changes proposed from review of Home Improvement Agencies and Adaptations Services by June 2011	Housing	Coates, Angela	31/03/2012	This task is complete	★	➡
NWCP 039 11/12	To continue to contribute to the effectiveness and savings targets through the delivery of the Procurement Strategy Action Plan	Public Services and Council Tax	Bird, Linda	31/03/2012	Action Plan to be Updated at the end of January. All Major tasks on target.	★	➡
NWCP 040 11/12	To continue to contribute to the effective delivery of services through implementing the actions identified in the ICT Strategy Action Plan	Public Services and Council Tax	Bird, Linda	31/03/2012	Next review of the Action Plan is scheduled for the end of January. All major tasks as target.	★	➡
NWCP 041 11/12	To carry out the preparatory work needed, ready for the implementation of the 'self financing' model for the Housing Revenue Account in time for the proposed implementation date of April 2012	Public Services and Council Tax	Garner, Sue	31/03/2012	A 30 year business plan has been established. This has been updated as part of the estimates process. The revised plan will be used in the assessment of the borrowing options available to the Council.	★	➡
NWCP 043 11/12	To undertake work in line with the Human Resources Strategy, including a) Monitoring/managing sickness absence; b) Ensuring compliance with employment legislation	Local Employment	Garner, Sue	31/03/2012	The HR team are assisting Divisions with the management of sickness absence. Policies are produced / updated to ensure compliance with employment legislation (see reports to June Resources Board).	★	➡



	Action	Priority	Reporting Officer	Due Date	Update	Status	Direction
NWCP 050 11/12	To develop an action plan to resolve ongoing capital and maintenance issues with all other Council buildings, including the Memorial Hall, The Arcade, Abbey Green, community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint	Public Services and Council Tax	Dobbs, Richard	31/03/2012	Following a report by the Scrutiny Board, officers are drawing up an action plan and timetable in respect of the Council's commercial estate. A comprehensive assessment of the Council's other corporate property & assets will be undertaken over the coming months		

NWPI Resources Board 11/12								
Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 052	The % of invoices for commercial goods and services which were paid by the authority within 30 days of such invoiced being received by the Authority (former BV8)	Financial Accountancy	Public Services & Council Tax	98	97.86			Performance is monitored monthly and any issues raised with individual departments
NWLPI 054	The proportion of working days / shifts lost to sickness absence (former BV12)	Human Resources	Public Services & Council Tax	9	3.26			Quarter 2 figure is shown, unable to provide Quarter 3 figure at the current time.
NWLPI 055	Voluntary leavers as a % of staff in post (former BV13)	Human Resources	Public Services & Council Tax	10	8.07			
NWLPI 57	Percentage of calls answered through the Central Control system within 60 seconds. (TSA national standard 96.5%):	Community Support	Housing	99	99.4			
NWLPI 135	Percentage of response repairs completed right first time	Housing Maintenance	Housing	95	88.4			Winter works and pressures have caused a drop in performance
NWLPI 068	Gas certificates outstanding	Housing Maintenance	Housing	100	100			
@NW:NI156	This indicator measures the numbers of households living in temporary accommodation provided under the homelessness legislation.	Housing Management	Housing	2	1			
NWLPI 136	Number of tenants with more than 7 weeks rent arrears	Housing Management	Housing	2.8	3.15			Issues with regard to capacity within the team. New structure in place will have a positive impact.
NWLPI 070	Average time taken to re-let local authority housing (former BV212)	Housing Management	Housing	21	22.87			Delays due to capacity because of number of vacancies arising. Resource issue has now been addressed.
NWLPI 039	The percentage availability of corporate systems available to users Monday to Friday 8.00 am to 5.30 pm :	Computer Services	Public Services & Council Tax	99.7	99.97			
NWLPI 040	The percentage of initial response to helpdesk calls within four hours of a call being placed :	Computer Services	Public Services & Council Tax	95	98			
NWLPI 041	Percentage of Service Desk Calls resolved in target (total of IS3 to IS6)	Computer Services	Public Services & Council Tax	95	95			
NWLPI 096	The Percentage of Calls answered in 20 seconds in the contact centre	Revenues & Benefits	Public Services & Council Tax	75	84			

NWPI Resources Board 11/12								
Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 100	Housing Benefit Security: : The number of prosecutions and sanctions, per 1,000 caseload (former BV76d)	Revenues & Benefits	Public Services & Council Tax	4	3.84			This indicator is difficult to predict on a quarterly basis due to the nature of the work involved. We have a number of cases in the pipeline and many are joint actions with other agencies. These may or may not be delivered to enable the target to be hit by the end of March
NWLPI 101	Speed of processing : Average time for processing new claims (former BV78a)	Revenues & Benefits	Public Services & Council Tax	21.5	21.2			
NWLPI 102	Speed of processing : Average time for processing notifications of changes of circumstance. (former BV78b)	Revenues & Benefits	Public Services & Council Tax	8.5	8.9			Performance in the second part of the year is likely to continue to improve based on historical trends although staffing resources are likely to reduce during this period due to a second maternity leave starting in as many months. The service continues to face pressures caused by increased workload due to the ongoing economic downturn. The Council still maintains better than average performance based on the limited benchmarking data available
@NW:NI181	The average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit	Revenues & Benefits	Public Services & Council Tax	10	10.81			Performance in the second part of the year is likely to continue to improve based on historical trends although staffing resources are likely to reduce during this period due to a second maternity leave starting in as many months. The service continues to face pressures caused by increased workload due to the ongoing economic downturn. The Council still maintains better than average performance based on the limited benchmarking data available
NWLPI 106	The percentage of non-domestic rates due for the financial year which were received by the authority (former BV10)	Revenues & Benefits	Public Services & Council Tax	85.62	87.63			

NWPI Resources Board 11/12								
Ref	Description	Section	Priority	Year End Target	Performance	Traffic Light	Direction of Travel	Comments
NWLPI 107	Proportion of Council Tax collected (former BV9)	Revenues & Benefits	Public Services & Council Tax	87.27	87.04			Our pro rate target is marginally down, a situation being experienced nationally and can largely be attributed to the ongoing economic downturn. Our strategy to also take slower recovery action to assist customers appears to be working as despite this strategy, our performance has moved closer to our monthly target in the last month and if this trends continues looks like will mean we will still achieve excellent collection levels whilst imposing less recovery action

**Agenda Item No 18**

**Resources Board**

**30 January 2012**

**Report of the  
Deputy Chief Executive**

**Treasury Management Strategy  
Statement, Minimum Revenue  
Provision Policy Statement and  
Annual Investment Strategy for  
2012/13**

**1 Summary**

- 1.1 This report outlines the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2012/13

**Recommendation to the Council**

- a That the proposed strategies for 2012/13 be approved; and**
- b That the Council adopts the 2011 Code of Practice on Treasury Management.**

**2 Introduction and Background**

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that the Council adopts the following form of words to define the policies and objectives of its treasury management activities:
- 2.2 “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.4 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”

### **3 Statutory requirements**

- 3.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code, the Communities and Local Government (CLG) Minimum Revenue Provision Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

### **4 CIPFA requirements**

- 4.1 The CIPFA Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 2 February 2010. A revised 2011 Code has now been issued and it is recommended that this is adopted by the Council. The revised Code emphasises the importance of Risk Management within treasury activities and also highlights effective performance management.

- 4.2 The primary requirements of the Code are unchanged and are as follows:

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

- 4.3 The three main reports identified above incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by Board before being recommended to the Council. This role is undertaken by Resources Board.

### **5 Treasury Management Strategy for 2012/13**

- 5.1 The suggested strategy for 2012/13 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on

interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector Treasury Services.

## 5.2 The strategy covers:

- treasury indicators which will limit the treasury risk and activities of the Council
- the current treasury position
- the borrowing requirement
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- the investment strategy
- creditworthiness policy
- policy on use of external service providers
- the MRP strategy

## 6 **Balanced Budget Requirement**

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

- Increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- Any increases in running costs from new capital projects

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

## 7 **Treasury Limits for 2012/13 to 2015/16**

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

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

7.3 Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. It also includes an

assessment of potential risks and allows some headroom for additional short term borrowing in the event that this is needed, for example, if the timing of capital income or expenditure changed.

7.4 The operational boundary focuses on the expected treasury management activity during the year, and reflects the levels of debt included within the estimates.

7.5 The Authorised Limit and the Operational Boundary are to be set, on a rolling basis, for the forthcoming year and two successive financial years. Details of the Authorised Limit and the Operational Boundary can be found in Appendix A of this report.

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## 8 Current Portfolio Position

8.1 The Council's treasury portfolio position at 31/12/2011 comprised:

	Principal £m	Average Rate %
Fixed Rate Funding	0	0
Short Term Funding	0	0
Total Net Investments	12 .046	1.08

## 9 Borrowing Requirement

9.1 The Council's Borrowing Requirement or Capital Financing Requirement (CFR) is £76,181,241 at 1 April 2012.

## 10 Prudential and Treasury Indicators for 2012/13 to 2014/15

10.1 Treasury Indicators, as shown in Appendix A, are relevant for the purpose of setting an integrated treasury management strategy. Other prudential and capital indicators will be reported to Executive Board before submission to full Council.

## 11 Prospects for Interest Rates

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



Bank Rate Forecast at 31 March	%	Money rates 3 month %	Money rates 1 year %
2011/12	0.5	0.70	1.5
2012/13	0.5	0.75	1.7
2013/14	1.25	1.4	2.4

There may be a risk to the forecast for 2013/14 if recovery from the recession proves to be weaker and slower than currently expected.

## 12 Borrowing rates

12.1 The Sector forecast for the PWLB borrowing rates are as follows: -

	Jan 2012	March 2012	June 2012	Sept 2012	Dec 2012	March 2013	March 2014
Bank Rate	0.5%	0.5%	0.5%	0.50%	0.5%	0.5%	1.25%
5 yr PWLB Rate	2.25%	2.3%	2.3%	2.3%	2.4%	2.50%	2.9%
10 yr PWLB Rate	3.33%	3.3%	3.3	3.4%	3.4%	3.5%	4.0%
25yr PWLB Rate	4.24%	4.2%	4.20%	4.3%	4.3%	4.4%	4.8%
50yr PWLB Rate	4.26%	4.3%	4.3%	4.4%	4.4%	4.5%	4.9%

12.2 The Council has a borrowing or Capital Financing Requirement of £76.181million. Of this, £65 million relates to the HRA refinancing and the remainder mainly internal borrowing. Because we have a number of capital and revenue reserves which have not yet been used, we have temporarily used these to finance our capital spending rather than the Council borrowing externally. These reserves amounted to £12.566 million at the beginning of 2011/12.

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

### 13 **Policy on Borrowing in Advance of Need**

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

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

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- Consider the impact of borrowing in advance of temporarily increasing investment cash balances (until required to finance capital expenditure) and the consequent increase in exposure to counterparty risk and the level of such risks given the controls in place to minimise them.

### 14 **Annual Investment Strategy**

14.1 The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are: -

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

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

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

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

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## 15 Creditworthiness Policy

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

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

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

Group Limit – Up to 30% of total investments		
Other Limits- Up to 50% of total investments may be invested for a period of more than 1 year		
Up to 100% of total investments may be made in UK institutions		
Up to 50% of total investments may be made in non UK institutions		
Up to 100% of total investments may be invested for a period up to 1 year		
Up to 20% of the investment portfolio in any one country outside the UK		
Money market Funds- as the funds are spread over a large number of institutions, these do not form part of any group limit.		
Individual Limits	Amount or % of total investments held	Rating
>1 Year	£2 million	Supranational banks AAA
>1 Year	£3 million	AAA Money Market Funds
>1 Year	£2 million	AAA F1+
> 1 Year	£1 million	AA- F1+
< 1 Year	£2 million	AAA F1+
< 1 Year	£2 million	AA+ F1
< 1 Year	£2 million	AA F1+
<1 Year	£2 million	AA- F1+
< 6 Months	£1 million	A+ F1+
< 3 Months	£750,000	A F1

15.3 All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through the use of the Sector creditworthiness service.

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

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

## 16 **Country limits**

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

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

## 17 **Interest Rate Outlook**

17.1 Bank rate has been unchanged at 0.50% since March 2009. Bank rate is forecast to commence rising in March 2014, and then to rise steadily. The Council will avoid locking into longer term deals when investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high credit-worthiness which make longer term deals worthwhile and within the risk parameters set by this Council, although current advice is that deals should be for a maximum of three months.

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

## 18 **End of Year Investment Report**

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

## 19 **Policy on the use of Treasury Management Consultants**

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

## 20 **Scheme of Delegation**

## 20.1 Full Council

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

## 20.2 Resources Board

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

## 21 Role of the Section 151 Officer

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

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

## 22 Minimum Revenue Provision

22.1 The Council's Minimum Revenue Provision Policy Statement for 2012/13 is shown at Appendix D.

## 23 Report Implications

### 23.1 Finance and Value for Money Implications

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

## 23.2 Environment and Sustainability Implications

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

## 23.3 Risk Management Implications

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

## 23.4 Links to Council's Priorities

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

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

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

## Appendix A

### Treasury Indicators

Treasury Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000
<b>Authorised Limit for External Debt</b>	<b>92,967</b>	<b>91,565</b>	<b>92,396</b>	<b>92,429</b>	<b>92,654</b>
<b>Operational Boundary</b>	<b>74,978</b>	<b>76,181</b>	<b>76,576</b>	<b>76,158</b>	<b>75,889</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	<b>66,000</b>	<b>66,000</b>	<b>66,000</b>	<b>66,000</b>	<b>66,000</b>
<b>Upper Limit for Variable Rate Exposure</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>
<b>Upper Limit for Total Principal Sums Invested for over 364 days (per maturity date)</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>

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

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

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

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

**Monitoring of credit ratings :**

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

**Forward Deposits:**

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

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



Bank of Scotland; Barclays; Clydesdale; Coventry Building Society; Investec Bank; Nationwide Building Society; Rothschild Continuation Finance plc;  
Standard Life Bank; Royal Bank of Scotland; Tesco Personal Finance plc; West Bromwich Building Society; Yorkshire Building Society

**LOCAL GOVERNMENT INVESTMENT (England)**

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

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

<b>UK Gilt Government</b>	<p>A) Enhanced income – potentially higher return than using a term deposit with similar maturity</p> <p>B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the gilt</p>		AAA	To be used in-house after consultation/advice from Sector	<i>Suggested limit 10 years</i>
<b>Bonds issued by a financial institution guaranteed by the UK Government</b>	<p>A) Enhanced income – potentially higher return than using a term deposit with similar maturity</p> <p>B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond</p>		AAA	To be used in-house after consultation/advice from Sector	<i>Suggested limit 10 years</i>
<b>Bond Funds Gilt Funds (Collective Investment Schemes structured as Open Ended Investment Companies)</b>	<p>A) Enhanced income – potentially higher return than using a term deposit with similar maturity</p> <p>B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond</p>		AAA	To be used in-house after consultation/advice from Sector	<i>Suggested limit 10 years</i>
<b>Sovereign Bonds (i.e. other than the UK Government)</b>	<p>A) Enhanced income – potentially higher return than using a term deposit with similar maturity</p> <p>B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond</p>		AAA	To be used in-house after consultation/advice from Sector	<i>Suggested limit 10 years</i>

<b>Bonds issued by Multilateral Development Banks</b>	<p>(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts) (iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt ~ aids forward planning, enhanced return compared to gilts. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity)</p> <p>(B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen</p>	No	AAA or government guaranteed	Buy and hold to maturity : to be used in-house after consultation/ advice from Sector		
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## Treasury Management Strategy Statement 2012/13

**Approved Countries for Investments****AAA**

Australia  
Canada  
Denmark  
Finland  
Germany  
Luxembourg  
Netherlands  
Norway  
Singapore  
Sweden  
Switzerland  
U.K.

**AA+**

Belgium  
France (AA+ S&P rating)  
Hong Kong  
U.S.A. (AA+ S&P rating)

**AA**

Qatar (AA S&P rating)

**AA-**

Japan (AA- S&P)  
Saudi Arabia

## Minimum Revenue Provision Policy Statement 2012/13

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and has assessed their MRP for 2012/13 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2012/13 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Certain expenditure reflected within the debt liability at 31<sup>st</sup> March 2012 will under delegated powers be subject to MRP under option 3), which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the annuity method. For example, capital expenditure on vehicle replacement will be related to the estimated life of those vehicles, capital expenditure on existing buildings will be related to the estimated benefit of the expenditure, and capital expenditure on new buildings will be related to the assumptions made within the approved business case.

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

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

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE  
HOUSING SUB-COMMITTEE**

**20 December 2011**

Present: Councillor Winter in the Chair

Councillors Davis, N Dirveiks, Johnston and Moore.

Councillor Humphreys was also in attendance.

**17 Declarations of Personal or Prejudicial Interests**

Personal interests arising from the membership of various Town/Parish Councils of Councillor Moore (Baddesley Ensor) and Councillor Winter (Dordon) were deemed to be declared at the meeting.

**18 Minutes of the Housing Sub-Committee held on 15 November 2011**

The Minutes of the meeting of the Sub-Committee held on 15 November 2011, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

**19 Tenant Satisfaction Survey**

The Assistant Director (Housing) presented the results of the Council's tri-annual survey of its Tenants which received feedback on satisfaction levels with the Housing Service.

**Resolved:**

**That the report of the Assistant Director (Housing) presenting the results of the Council's survey of its Tenants be noted.**

**20 Housing Direct Works and Future Capital Programme**

The Assistant Director (Housing) provided the Sub-Committee with an update about work to progress the efficiency review of Housing Direct Works Team and invited a discussion about the five year capital programme for the Council's own stock.

**Resolved:**

- a That the approach to setting out capital programmes for the Council's own stock, including developing a revised Asset Management Plan be noted; and**

- b That the progress made to modernise the systems of work for delivering a response repairs service be noted, and that financial information and budgeting be developed which would replace the trading account with an approach based on actual costs and job costing.**

**21 Tenant Involvement Scrutiny**

The Assistant Director (Housing) provided the Board with the current Development of Communities and Local Government expectations on Registered Social Housing Landlords with regard to tenant scrutiny and involvement. It proposed a change of focus for the Council with regard to how it ensured its Housing Services are accountable to tenants.

**Resolved:**

- a That the proposal to develop a new Customer Involvement Strategy be supported; and**
- b That the Sub-Committee agreed to work in partnership with the Borough Wide Tenants Forum to agree a refreshed Tenant Partnership Agreement and develop a Customer Involvement Strategy.**

**22 Housing Revenue Account – Budgetary Control Report 2011/2012 Period Ended 30 November 2011**

The Assistant Director (Finance and Human Resources) reported total Housing Revenue Account revenue expenditure and income for the period from 1 April to 30 November 2011.

**Resolved:**

**That the report be noted.**

**23 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 involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

**24 Introduction of a Supported Housing Scheme for People with Learning Disabilities**

The Assistant Director (Housing) provided the Board with information about Warwickshire County Council's proposals about how to meet the housing needs of people with Learning Disabilities and how the Council could act to assist.

**Recommendation to Resources Board:**

**That consideration of the report be deferred and referred to the Resources Board for determination.**

COUNCILLOR WINTER  
CHAIRMAN



## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE HOUSING SUB-COMMITTEE

17 January 2012

Present: Councillor Winter in the Chair

Councillors N Dirveiks, Johnston, Moore and Smith

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

Councillors Fox and Humphreys were also in attendance.

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

Personal interests arising from the membership of various Town/Parish Councils of Councillor Moore (Baddesley Ensor) and Councillor Winter (Dordon) were deemed to be declared at the meeting.

#### 26 **Minutes of the Housing Sub-Committee held on 20 December 2011**

The minutes of the meeting of the Sub-Committee held on 20 December 2011, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

#### 27 **Corporate Plan**

The Sub-Committee's approval was sought for the Corporate Plan Key Actions for which the Sub-Committee was responsible. Members were also asked to agree the 2012-13 Service Plan for the Housing Division.

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

- a **That those Corporate Plan Targets, as set out in Appendix A to the report of the Chief Executive, for which the Housing Sub-Committee is responsible be agreed; and**

##### **Resolved:**

- b **That the Service Plan as set out in Appendix B to the report of the Chief Executive be agreed.**

#### 28 **'Laying the Foundations: A Housing Strategy For England'**

The Assistant Director (Housing) summarised the Government's recently published housing strategy – 'Laying the Foundations: A Housing Strategy for England' – and provided the Sub-Committee with information about the

position in North Warwickshire with regard to the initiatives set out in the document.

**Resolved:**

**That the report be noted and further reports be submitted to the Sub-Committee as and when consultation papers are published.**

**29 Housing Self-Financing**

The Deputy Chief-Executive detailed the payment the Authority would be required to make as part of the self-financing settlement.

**Resolved:**

**a That the self-financing valuation be noted; and**

**Recommendation to the Resources Board:**

**b That with regard to the debt structure it be agreed that some of the annual surplus be used to reduce external debt as it matures but that some surplus be kept aside to finance new build properties as well.**

**30 Housing Revenue Account Estimates 2012/13 and Rent Review**

The report of the Deputy Chief Executive was circulated at the meeting. He reported on the revised budget for 2011/12 and provided an estimate of expenditure for 2012/13, together with forward commitments for 2013/14, 2014/15 and 2015/16.

**Recommendation to the Resources Board:**

**a That the revised estimate for 2011/12 as detailed in the report of the Deputy Chief Executive be accepted;**

**b That the rent increases, calculated on the basis that the Council will continue to move properties towards their individual target rents, as set out in the report of the Deputy Chief Executive be adopted;**

**c That the proposed fees and charges for 2012/13 as set out in Appendix E to the report of the Deputy Chief Executive be approved;**

**d That the service charges for the cleaning of communal areas, as detailed in Appendix F to the report of the Deputy Chief Executive, from April 2012, be approved;**

- e That the service charges for window cleaning, as detailed in Appendix G to the report of the Deputy Chief Executive, from April 2012, be approved; and
- f That the Estimates of Expenditure for 2012/13, as submitted, be accepted.

Councillor Winter  
Chairman

**Agenda Item No 20**

**Resources Board**

**30 January 2012**

**Report of the  
Chief Executive**

**Exclusion of the Public and Press**

**Recommendation to the Board**

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

**Agenda Item No 21**

**Introduction of a Supported Housing Scheme for People with Learning Disabilities** – Report of the Assistant Director (Housing)

Paragraph 3 – by reason of the report containing financial details of an organisation.

**Agenda Item No 22**

**Irrecoverable Housing and Local Taxation Debts** – Report of the Assistant Chief Executive (Community Services)

Paragraph 1 – by reason of the report containing information relating to an individual.

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